

DRC 2019-20/03

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 07.95 GS 2032
On
22nd May 2019



**FIXED INCOME MONEY MARKET AND DERIVATIVES
ASSOCIATION OF INDIA**

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trade in 07.95 GS 2032 on NDS-OM dated 22nd May 2019

The details of actions taken for settlement are as under:

- On 22nd May 2019 FIMMDA was informed of an erroneous deal by the buyer (Co- Operative Bank) via mail. The buyer bought 07.95 GS 2032 at price of Rs.101.92/7.7139% for Rs.5.9 Cr at 16:40:14 hrs. which was claimed to be out of market.
- Disputed trade was the last trade in the Captioned Security. Preceding trade took place at price Rs.103.30/ 7.5497.
- The matter was referred to 14 DRC members, the quorum being 6. Six members agreed that the deal was erroneous and may be reversed. Nobody gave contrary decision.
- As per code of conduct, RBI was approached to know the counterparty.
- RBI disclosed the name of the counterparty as a Co- Operative Bank.
- Both the parties were advised to reverse the trade.
- Accordingly, on 29th May 2019, the trade was reversed and reported on NDS - OM Reporting Deal Section.
- The off-market trade was thus reversed. The loss/gain reversed is Rs.8,14,200/-
- The reversal was informed to RBI and DRC members.