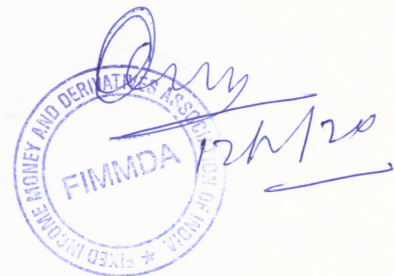


DRC 2019-20/18

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in **08.24 GS 2033**  
On  
**04<sup>th</sup> Feb 2020**



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

(Prepared by Ramandeep Kaur)

**Procedure followed for settlement of off market trade in 08.24 GS 2033 on NDS-OM dated 04<sup>th</sup> Feb 2020**

The details of actions taken for settlement are as under:

- On 04<sup>th</sup> Feb 2020 FIMMDA was informed of erroneous deals by the seller (Primary Dealer) for Rs.5 Cr. deal telephonically and subsequently via mail. The seller sold 08.24 GS 2033 at Rs.109.92/7.0970%. which was claimed to be out of market.
- Disputed trade was the first trade in the Captioned Security. Previous trade took place on 3rd Feb 2020 at Rs. 110.82/7.0007%.Succeeding trade took place at 110.82/7.0006%.
- The matter was referred to 14 DRC members, the quorum being 6. Eleven 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 counterparties.
- RBI disclosed the name of the counterparties as a Public Sector Bank.
- Both the parties were advised to reverse the trade.
- Initially the parties could not agree upon a mutually agreeable rate and a con call was arranged between DRC members and the counterparties, who directed the parties to settle the transaction at a rate suggested by them. Ultimately the parties opted to reverse the trade at the dealt rate itself.
- Accordingly, on 11<sup>th</sup> Feb 2020 the trade was reversed and reported on NDS - OM Reporting Deal Section.
- The loss/gain reversed is Rs.4,50,000/-
- The reversal was informed to RBI and DRC members.