

DRC 2019-20/15

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 07.32 GS 2024
On
20th Dec 2019




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

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trade in 07.32 GS 2024 on NDS-OM dated 20th Dec 2019

The details of actions taken for settlement are as under:

- On 20th Dec 2019 FIMMDA was informed of erroneous deal by the seller (Public Sector bank) of Rs.10 Cr. deal telephonically and subsequently via mail. The seller sold 07.32 GS 2024 at Rs.102.30/6.6666%. For Rs.10 Cr which was claimed to be out of market.
- Disputed trade is the first trade in the Captioned Security. Previous/closing trade took place on 19th Dec 2019 at Rs. 102.87/6.5094%. Succeeding trade as on date took place at Rs. 103.15/6.4307%.
- 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.
- Accordingly, on 23rd Dec 2019 day the trade was reversed and reported on NDS - OM Reporting Deal Section.
- The loss/gain reversed is Rs.10,00,000/-
- The reversal was informed to RBI and DRC members.