

DRC 2019-20/16

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 07.26 GS 2029
On
23rd Dec 2019



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

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trade in 07.26 GS 2029 on NDS-OM dated 23rd Dec 2019

The details of actions taken for settlement are as under:

- On 23rd Dec 2019 FIMMDA was informed of erroneous deal by the buyer (Mutual Fund) of Rs.25 Cr. deal telephonically and subsequently via mail. The Buyer bought 07.26 GS 2029 at Rs.102.195/6.9287%. For Rs.25 Cr which was claimed to be out of market.
- Disputed trade is the fifth trade in the Captioned Security. Preceding trade took place Rs. 103.13/6.7907%. Succeeding trade took place Rs. 103.15/6.7878%.
- The matter was referred to 14 DRC members, the quorum being 6. Seven 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 26th Dec 2019 day the trade was reversed and reported on NDS - OM Reporting Deal Section.
- The loss/gain reversed is Rs.25,00,000/-
- The reversal was informed to RBI and DRC members.