

DRC 2019-20/19

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 06.45 GS 2029
On
14th Feb 2020



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

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trade in 06.45 GS 2029 on NDS-OM dated 14th Feb 2020

The details of actions taken for settlement are as under:

- On 14th Feb 2020 FIMMDA was informed of erroneous deals by the sellers (Primary Dealer and Public Sector Bank) for total of Rs.35 Cr. deals telephonically and subsequently via mail. The seller (Primary Dealer) sold 6.45 GS 2029 at Rs.99.26/6.5533%. for Rs. 5 Cr. and the seller (Public Sector Bank) sold 6.45 GS 2029 at Rs.99.20/6.5618%. for total of Rs. 30 Cr. which was claimed to be out of market.
- Disputed trade was the first, fourth and fifth trade in the Captioned Security. Previous trade /Closing took place on 13th Feb 2020 at Rs. 100.1575/6.4263%. For the First case of 99.26 price. For the second lot of two trades at Rs. 99.20/ 6.5618% Succeeding trade took place at 100.11/6.4331
- The matter was referred to 14 DRC members, the quorum being 6. Nine 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 Financial Institution and Public Sector Bank.
- All the parties were advised to reverse the deals.
- Accordingly, on 17th Feb 2020 the trades were reversed and reported on NDS - OM Reporting Deal Section.
- The loss/gain reversed is Rs.26,98,750/-
- The reversal was informed to RBI and DRC members.