

DRC 2019-20/20

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 07.37 GS 2023
On
16th Mar 2020



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

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trade in 07.37 GS 2023 on NDS-OM dated 16th Mar 2020

The details of actions taken for settlement are as under:

- On 16th Mar 2020 FIMMDA was informed of erroneous deals by the buyer (Foreign Bank) for Rs.50 Cr. deal telephonically and subsequently via mail. The buyer bought 07.37 GS 2023 at 12:46:15 hrs. (2 trades), 12:46:21 hrs., 12:46:23 hrs. for Rs.104.3125/5.8181%, Rs.104.26/5.8365%, 103.95/5.9452%, 103.95/5.9452%, for total of Rs.50 Cr which are claimed to be Off Market trades.
- Preceding trade took place at Rs. 104.75/5.6654%. Succeeding trade took place at 104.95/5.5959%.
- The matter was referred to 14 DRC members, the quorum being 6. Eight members agreed that the deals were 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 Private Sector Bank, Payments Bank, Financial Institutions and Foreign Bank.
- All the parties were advised to reverse the trade.
- Accordingly, on 18th Mar 2020 trade worth 45 Cr. were reversed and reported on NDS - OM Reporting Deal Section and on 19th March Trade worth 5 Cr. was reversed.
- The loss/gain reversed is Rs.33,27,500/-
- The reversal was informed to RBI and DRC members.