DRC 2019-20/21

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deal in **6.79 GS 2029**

on

**18th Mar 2020**

**Approved by D.V.S.S.V Prasad,**

**CEO.**

# FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION OF INDIA

(Prepared by Ramandeep Kaur)

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# Procedure followed for settlement of off market trades in 06.79 GS 2029 on NDS-OM dated 18th Mar 2020

The details of actions taken for settlement are as under:

* On 18th Mar, 2020 FIMMDA was informed of erroneous deals by the buyer (Insurance Company) telephonically and subsequently via mail. The buyer bought 06.79 GS 2029 at 15:50:44 hrs. for Rs.102.75/6.4051%. For Rs.5 Cr which was claimed to be Off Market trade.
* Disputed trade was the Last trade in the Captioned Security. Preceding trade took place at Rs. 100.72/6.6865%
* The matter was referred to 14 DRC members, the quorum being 6. Eight 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 counterparty.
* RBI disclosed the name of the counterparties as a Sahakari bank.
* Both the parties were advised to reverse the trade.
* Accordingly, on 20th Mar 2020, the trade was reversed and reported on NDS – OM Reporting Deal Section.
* The off-market trade was thus reversed. The loss/gain reversed is Rs.10,00,000
* The reversal was informed to RBI and DRC members.

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