

DRC 2019-20/17

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 091 DTB 09012020
On
26th Dec 2019



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

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trade in 091 DTB 09012020 on NDS-OM dated 26th Dec 2019

The details of actions taken for settlement are as under:

- On 26th Dec 2019 FIMMDA was informed of erroneous deals by the seller (Mutual Fund) for total of Rs.200 Cr. deal telephonically and subsequently via mail. The seller sold 091 DTB 09012020 at Rs.99.7921/5.8501%. for total Rs.200 Cr which was claimed to be out of market.
- Disputed trades are the first four trades in the Captioned Security. Previous trade took place on 13th Dec 2019 at Rs. 99.6854/4.8%. Succeeding trade took place at Rs. 99.8257/4.9025%.
- 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 Mutual Fund and Foreign bank.
- All the parties were advised to reverse the trade.
- Accordingly, on 27th Dec 2019 deal worth Rs. 150 Cr. was reversed and on 31st Dec 2019 deal worth Rs. 50 Cr. was reversed and reported on NDS - OM Reporting Deal Section.
- The loss/gain reversed is Rs.6,00,000/-
- The reversal was informed to RBI and DRC members.