DRC 2020-21/18

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deals in **5.15 GS 2025**

on

 **12th Feb 2021**

**P Das Gupta**

 **Dy CEO**

**Approved**

# FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION OF INDIA

(Prepared by Akash Surana)

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# Procedure followed for settlement of off market trades in 5.15 GS 2025 on NDS-OM dated 12th Feb 2021

The details of actions taken for settlement are as under:

* On 12th Feb, 2021 DRC FIMMDA was informed of 3 erroneous deals by the Buyer (Gramin Bank and Private bank) telephonically and subsequently via mail as below:

2 trades by one buyer and 1 trade by another buyer

* 5.15 GS 2025 at 10:01:25 hrs. for Rs.99.21/5.3390% for Rs. 5 Cr,
* 5.15 GS 2025 at 10:01:28 hrs. for Rs.99.21/5.3390% for Rs. 5 Cr, and
* 5.15 GS 2025 at 10:01:31 hrs. for Rs.99.21/5.3390% for Rs. 5 Cr.

claiming apparent Off Market trades, and raising a dispute as per DRC norms.

* Disputed trades were the first 3 trades in the Security. Succeeding trade took place at Rs.98.50/5.5122 %. FBIL/FIMMDA valuation as on 11th Feb (Previous working day) is Rs.98.4175/5.5319%.
* The matter was referred to 16 DRC members, the quorum being 6. Eight members agreed that the deals were erroneous and may be reversed. There were no contrary decisions.
* As per DRC rules, RBI was approached to know details of the counterparty.
* RBI disclosed the name of the counterparties as a Co-operative Bank and Private Bank.
* All the parties were advised to reverse the trades.
* Accordingly, on 16th Feb 2021, the trades have been settled by cash on a mutually agreed price between the counterparties.
* The off-market trades were thus cash settled. The loss/gain reversed is Rs.10,35,000 (all 3 trades).
* The reversal was informed to RBI and DRC members.