DRC 2020-21/13

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deal in **08.13 GS 2022**

on

 **01st Sep 2020**

 **Approved**

 **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 8.13 GS 2022 on NDS-OM dated 01st Sep 2020

The details of actions taken for settlement are as under:

* On 1st Sep, 2020 FIMMDA was informed of erroneous deals by the seller (Primary Dealer) telephonically and subsequently via mail. The Seller sold 8.13 GS 2022 at 12:26:52 hrs. to 12:28:06 hrs. for Rs.105.58/5.2254% and 105.60/ 5.2154 for total of Rs.75 Cr which was claimed to be Off Market trade.
* Disputed trades are first five trades in the Captioned Security. Succeeding trade took place at Rs.107.47/4.3219%. FBIL/FIMMDA valuation as on 31st Aug is Rs.107.23/4.41%.
* The matter was referred to 14 DRC members, the quorum being 6. Ten members agreed that the deal was erroneous and may be reversed. Nobody gave contrary decision.
* As per DRC rules, RBI was approached to know the counterparty.
* RBI disclosed the name of the counterparties as a Primary dealer and Small Finance Bank.
* All the parties were advised to reverse the trade.
* Accordingly, on 02nd Sep 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.1,36,50,000
* The reversal was informed to RBI and DRC members.