DRC 2020-21/10

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deal in **7.50 GS 2034**

on

**23rd July 2020**

**Approved**

**D.V.S.S.VPrasad**

**CEO, FIMMDA**

# FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION OF INDIA

(Prepared by Ramandeep Kaur)

- 1 -

# Procedure followed for settlement of off market trades in 7.50 GS 2034 on NDS-OM dated 23rd July 2020

The details of actions taken for settlement are as under:

* On 23rd July, 2020 FIMMDA was informed of erroneous deals by the seller (Private Bank) telephonically and subsequently via mail. The seller sold 7.50 GS 2034at 11:53:45 hrs. Rs.110.15/6.3936% for Rs.5 Crores which was claimed to be Off Market trade.
* Preceding trade took place at Rs.111.00/6.2972% (Reporting Party was the seller to the trade). Security was last traded on 21st July 2020 at Rs.110.99/6.3085%. FBIL/FIMMDA valuation as on 22nd July was Rs.111.04/6.3033%.
* 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 Foreign Bank.
* Both the parties were advised to reverse the trade.
* Accordingly, on 27th Jul 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.4,25,000
* The reversal was informed to RBI and DRC members.