DRC 2020-21/21

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deals in **7.05 PN SDL 2031**

on

 **24th Mar 2021**

 **Approved**

 **G Ravindranath**

 **CEO**

# 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 7.05 PN SDL 2031 on NDS-OM-Odd Lot dated 24th Mar 2021

The details of actions taken for settlement are as under:

* On 24th Mar, 2021 DRC FIMMDA was informed of an erroneous deal by the Seller (Regional Rural Bank) telephonically and subsequently via mail. The Seller sold 7.05 PN SDL 2031 (Security) at 11:39:29 hrs. for Rs.100.70/6.9493% for Rs. 5 Cr claiming apparent Off Market trade, and raising a dispute as per DRC norms.
* Disputed trade is the 1st trade in the Captioned Security.
Succeeding trade took place at Rs. 101.38/6.8538%. FBIL/FIMMDA valuation as on 23rd Mar (Previous working day) is Rs.101.6080/6.8221%.
* The matter was referred to 16 DRC members, the quorum being 6. Nine members agreed that the deal was 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 counterparty as a Primary Dealer.
* Both the parties were advised to reverse the trade.
* Accordingly, on 26th Mar 2021, 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.454000.
* The reversal was informed to RBI and DRC members.