DRC 2020-21/12

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deal in **06.57 GS 2033**

on

**27th Aug 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 6.57 GS 2033 on NDS-OM dated 27th Aug 2020

The details of actions taken for settlement are as under:

* On 27th Aug, 2020 FIMMDA was informed of erroneous deals by the buyer (Public Sector Bank) telephonically and subsequently via mail. The buyer bought 6.57 GS 2033 at 11:06:23 hrs. and 11:06:40 hrs. for Rs.101.50/6.3991% for total of Rs.15 Cr which was claimed to be Off Market trade.
* Disputed trade is the second and fourth trade in the Captioned Security. Preceding trade took place at Rs.100.40/6.5230%. Succeeding trade took place at Rs.100.55/6.5060%.
* 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 DRC rules, RBI was approached to know the counterparty.
* RBI disclosed the name of the counterparties as a Mutual Fund Institution.
* Both the parties were advised to reverse the trade.
* Accordingly, on 28th Aug 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.15,00,000
* The reversal was informed to RBI and DRC members.