DRC 2020-21/15

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deal in **7.26 GS 2029**

on

**27th Oct 2020**

**Approved**

**P Das Gupta**

**DyCEO**

# FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION OF INDIA

(Prepared by Ramandeep Kaur)

- 1 -

# Procedure followed for settlement of off market trades in 7.26 GS 2029 on NDS-OM dated 27th Oct 2020

The details of actions taken for settlement are as under:

* On 27th Oct, 2020 FIMMDA was informed of erroneous deal by the seller (Primary Dealer) telephonically and subsequently via mail. The seller sold 7.26 GS 2029 at 10:17:13 hrs. and 10:17:17 hrs.  for Rs.107.6775/6.0574% for total of Rs.25 Cr which was claimed to be Off Market trade.
* Disputed trade is the first and second trade in the Captioned Security.  
  Previous trade took place on 26th Oct 2020 at Rs.108.54/5.9296%   
  Succeeding trade took place at Rs.108.35/5.95747%
* The matter was referred to 16 DRC members, the quorum being 6. Twelve 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 and Mutual Fund Institution.
* All the parties were advised to reverse the trade.
* Accordingly, on 28th Oct 2020, the trades were reversed and reported on NDS – OM Reporting Deal Section.
* The off-market trade was thus reversed. The loss/gain reversed is Rs.21,56,250
* The reversal was informed to RBI and DRC members.