DRC 2020-21/03

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deal in **6.18 GS 2024**

on

**28th Apr 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 6.18 GS 2024 on NDS-OM dated 28th Apr 2020

The details of actions taken for settlement are as under:

* On 28th Apr, 2020 FIMMDA was informed of erroneous deals by the buyers (Foreign Bank - two deals and Financial Institution) telephonically and subsequently via mail. The buyers bought 06.18 GS 2024 at 10:05:39, 10:05:41  for Rs. 104.85/4.9671%  For a total Rs 40 Cr and at and 10:05:54 hrs. at Rs. 104.86/4.9647%. For Rs.15 Cr which were claimed to be Off Market trades.
* Disputed trades are sixth, seventh and ninth trade in the Captioned Security. Preceding trade took place at Rs. 104.20/5.1257%. Succeeding trade took place at Rs. 104.10/5.1502%
* The matter was referred to 14 DRC members, the quorum being 6. Eight 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 two Primary Dealers.
* All the parties were advised to reverse the trade.
* Accordingly, on 30th Apr 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.35,90,000
* The reversal was informed to RBI and DRC members.

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