DRC 2020-21/05

**DISPUTE RESOLUTION COMMITTEE**

Proceedings of erroneous deal in 09.39 GJ SDL 2023 and 09.79 MH SDL 2023 on

**29th May 2020**

**Approved**

D.V.S.S.V.Prasad

CEO

# FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION OF INDIA

(Prepared by Ramandeep Kaur)

- 1 -

# Procedure followed for settlement of off market trades in 09.39 GJ SDL 2023 and 09.79 MH SDL 2023 on NDS-OM dated 29th May 2020

The details of actions taken for settlement are as under:

* On 29th May, 2020 FIMMDA was informed of erroneous deals by the seller (Co-operative Bank) telephonically and subsequently via mail. The seller sold 09.39 GJ SDL 2023 at 10:24;46 hrs. for Rs. 110.15/6.0985% for Rs 25 Cr and in security 09.79 MH SDL 2023 at 10:24:37 hrs. for Rs. 111.00/6.0726% for Rs 25 Cr which are apparently Off Market trades.
* Disputed trades are the only trade in the Captioned Securities. Security in the similar tenor did not get traded on that day. Security in the similar tenor got traded on 28th May 2020 (previous day) at the yield of 5.11%. FBIL/FIMMDA valuation for both the securities as on 28th May 2020 are as follows:  
  09.39 GJ SDL 2023- Rs. 113.4291/5.1214%  
  09.79 MH SDL 2023- Rs. 114.0833/5.1214%
* The matter was referred to 14 DRC members, the quorum being 6. Seven members agreed that the deals were erroneous and may be reversed. Nobody gave contrary decision.
* As per DRC rules, RBI was approached to know the counterparties.
* RBI disclosed the name of the counterparties as a Public Sector bank.
* Both the parties were advised to reverse the trade.
* Accordingly, on 02nd June 2020, the trades were reversed and reported on NDS – OM Reporting Deal Section.
* The off-market trades were thus reversed. The loss/gain reversed is Rs.1,59,06,000
* The reversal was informed to RBI and DRC members.

- 2 -