DRC 2021-22/03

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deal in **7.27 GS 2026**

on

 **25th Jun 2021**

 **Approved**

 **G Ravindranath**

 **CEO**

# FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION OF INDIA

(Prepared by Ramandeep Kaur)

- 1 -

# Procedure followed for settlement of off market trades in 7.27 GS 2026 on NDS-OM dated 25th Jun 2021

The details of actions taken for settlement are as under:

* On 25th Jun, 2021 DRC FIMMDA was informed by the buyer (Private Bank) telephonically and subsequently via mail of an erroneous deal done by them, claiming apparent off market trade and raising a dispute as per DRC norms. The buyer bought 7.27 GS 2026 (Security) at 10:02:14 hrs. for Rs. 25 Cr. at Rs.106.61/5.6683%.
* Disputed trade is the only trade in the Captioned Security. FBIL/FIMMDA valuation as on 24th Jun (Previous working day) is Rs.105.84/5.85%
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* The matter was referred to 16 DRC members, the quorum being 6. Ten 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 Private Bank.
* Both the parties were advised to reverse the trade.
* Accordingly, on 28th Jun 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.1887500.
* The reversal was informed to RBI and DRC members.