DRC 2021-22/05

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deal in **6.64 GS 2035**

on

 **6th Aug 2021**

 **Approved**

 **P. Das Gupta**

 **Dy. 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 6.64 GS 2035 on NDS-OM dated 6th Aug 2021

The details of actions taken for settlement are as under:

* On 6th Aug, 2021 DRC FIMMDA was informed by the seller (Foreign Bank) telephonically and subsequently via mail of erroneous deals done by them at 10:00:34 hrs.,10:00:37 hrs.,10:00:40 hrs.,10:00:42 hrs.,10:00:43 hrs. and 10:00:50hrs for total of Rs.50 Cr. (6 trades) at Rs.97.58/6.9130% and requested for reversal of the trades.
* In another deal done at 10:00:48 hrs on the same date at Rs.97.5775/6.9132% for Rs. 5 Cr. seller (Financial Institution) has reported the deal as erroneous and has taken up the matter with us via mail/phone for reversal of the trade.
* Disputed trades are 3rd to 9th trades (7 trades in all) in the Captioned Security.
Preceding trade took place at Rs. 98.5875/6.7977
Succeeding trade took place at Rs.98.55/6.8020%
* The matter was referred to 16 DRC members, the quorum being 6. Nine 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 counterparties.
* RBI disclosed the name of the counterparties as three public sector Banks and two Co-operative banks.
* All the parties were advised to reverse the trade.
* Accordingly, on 9th Aug 2021, the trades at 10:00:34 hrs., 10:00:37 hrs., 10:00:40 hrs., 10:00:43 hrs. and 10:00:48 hrs. were reversed and reported on NDS – OM Reporting Deal Section and on 12th Aug 2021 the trades at 10:00:42 hrs. and 10:00:50 hrs. were reversed and reported on NDS – OM Reporting Deal Section.
* The off-market trades were thus reversed. The loss/gain reversed is Rs.55,00,000.

The reversal was informed to RBI and DRC members