DRC 2020-21/16

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deal in **9.63 GS 2024**

on

 **11th Jan 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 9.63 GS 2024 on NDS-OM dated 11th Jan 2021

The details of actions taken for settlement are as under:

* On 11th Jan, 2021 FIMMDA was informed of erroneous deal by the Buyer (Public Sector Bank) telephonically and subsequently via mail. The buyer bought 9.63 GS 2024 (Security) at 11:55:45 hrs. for Rs.114.55/4.5190% for 5 Cr claiming an apparent Off Market trade, and raising a dispute as per DRC norms.
* Disputed trade is the only trade in the Security. .
FBIL/FIMMDA valuation as on 8th Jan (Previous working day) is Rs.113.8711/4.742
* The matter was referred to 16 DRC members, the quorum being 6. Eleven 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 counterparties as a Co-operative Bank.
* Both the parties were advised to reverse the trade.
* Accordingly, on 12th Jan 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.3,39,450
* The reversal was informed to RBI and DRC members.