DRC 2023-24/10

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deals in **07.17 GS 2030**

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# FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION OF INDIA

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# Procedure followed for settlement of off market trade in 07.17 GS 2030 on NDS-OM dated 25th October 2023.

The details of actions taken for settlement are as under:

* On 25th October 2023 FIMMDA was informed by the Buyer (Financial Institution) telephonically and subsequently via mail of an erroneous trade done by them, claiming apparent off market trade and raising a dispute as per DRC norms.

* The following deals were done in 07.17 GS 2030 for 30 crores at on NDS-OM on 25th October 2023 at 09:03:08 hrs. and were reported to be Off Market by the losing party.

1.For Rs. 10 crores at Rs.99.1000 / 7.3466%

2.For Rs. 5 crores at Rs.99.5500 / 7.2577%

3.For Rs. 10 crores at Rs.99.8675 / 7.1954%

4.For Rs. 5 crores at Rs.99.8675 / 7.1954%

These were the first four trades in the security. Subsequent trade took place at Rs 98.9300/7.3802%.

* FBIL closing valuation as on 23rd October 2023 was Rs 98.6961 / 7.4267%.
* Another financial institution also reported a deal to be erroneous in the same security where they were the gaining party. The trade was done at 09:03:00 hrs. for Rs. 10 crores at Rs.99.8675 / 7.1954%.
* The matter was referred to Dispute Resolution Committee (DRC) . Quorum for DRC decision being Six (6), we received eleven (11) responses out of sixteen (16) ruling the following three trades are erroneous and should be considered for reversal.

1. For Rs. 5 crores at Rs.99.5500 / 7.2577%
2. For Rs. 10 crores at Rs.99.8675 / 7.1954%
3. For Rs. 5 crores at Rs.99.8675 / 7.1954%

* There were two responses stating that all four trades should be reversed as they are a part of a single deal.
* Thus, the matter was conveyed to RBI. After seeking the necessary counterparty details from RBI, two deals were reversed on 26th October 2023 and one deal was reversed on 27th October 2023 on the NDS-OM reported deals section.
* The loss / gain reversed is Rs. 21,84,050
* The reversal was informed to DRC Members and RBI.

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