DRC 2023-24/02

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deals in **07.38 GS 2027**

**Approved**

**P. Das Gupta**

**Dy.CEO**

# FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION OF INDIA

(Prepared by Mihika Bendarkar)

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# Procedure followed for settlement of off market trade in 07.38 GS 2027 on NDS-OM dated 16th June 2023

The details of actions taken for settlement are as under:

* On 16th June, 2023 DRC FIMMDA was informed by the Seller (Small finance Bank) telephonically and subsequently via mail of 1 erroneous trade done by them, claiming apparent off market trade and raising a dispute a per DRC norms. The Seller sold 07.38 GS 2027 (Security) at 09:02:01 hrs. for Rs.  100.5250 / 7.2265% for Rs. 5 crores.
* Disputed trade was the 1st trade in the Captioned Security. Subsequent trades up to 9:59:53 hrs. happened between Rs.101.4175 to Rs 101.3525. FBIL closing valuation as on 15th June 2023 was Rs.101.3436/6.9897 %.
* The matter was referred to 16 DRC members, the quorum being 6. Eleven out of sixteen members of the Dispute Resolution Committee, ruled that the said trade is erroneous. There was no contrary view.
* Based on the members’ decision, as per DRC rules, RBI was approached to know details of the counterparty.
* RBI disclosed the name of the counterparty as a Non-Banking Financial Institution.
* The counterparties were advised to reverse the trade.
* Accordingly, on 21st June 2023, the trade was reversed on NDS OM reported section.
* The off-market trade was thus reversed. The loss/gain reversed is Rs. 409300
* The reversal was informed to RBI and the DRC members.