DRC 2022-23/09

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deals in **6.99 GS 2051**

on

 **16th Dec 2022**

 **Approved**

 **P. Das Gupta**

 **Dy.CEO**

# FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION OF INDIA

(Prepared by Anisha Gawde)

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# Procedure followed for settlement of off market trades in 6.99 GS 2051 on NDS-OM dated 16th December 2022

The details of actions taken for settlement are as under:

* On 16th December, 2022 DRC FIMMDA was informed by the Buyer (Private Bank) telephonically and subsequently via mail of three erroneous trades done by them, claiming apparent off market trade and raising a dispute as per DRC norms. The Buyer bought 6.99 GS 2051 (Security) at 14.06.14 hrs., 14.06.22 hrs. and 14.06.25 hrs. for Rs. 95.55/7.3635%, Rs. 95.8750/7.3353 and Rs. 95.8750/7.3353 for Rs. 5Cr, Rs. 5Cr and Rs. 15Cr. respectively total of Rs. 25 Cr.
* Disputed trades were the 2nd ,3rd and 4th trade in the Captioned Security.
Preceding trade took place at Rs.95.1500/7.3984%.
FBIL/FIMMDA valuation as on 15th Dec (Previous working day) was Rs.95.16/7.40%.
* The matter was referred to 16 DRC members, the quorum being 6. Seven members agreed that all three trades were erroneous and may be reversed. Two DRC members ruled that only the 2 trades (3rd and 4th Trade) were erroneous and reversed and one DRC member ruled that none of the 3 trades is erroneous.
* Based on majority members’ decision, as per DRC rules, RBI was approached to know details of the counterparty.
* RBI disclosed the name of the counterparty as a Foreign Bank and Private Bank.
* Both the parties were advised to reverse the trade.
* Accordingly, on 22 December 2022, all the three trades were reversed and reported on NDS – OM Reporting Deal Section.
* The off-market trades were thus reversed. The loss/gain reversed is Rs.1487500.
* The reversal was informed to RBI and DRC members.