DRC 2022-23/02

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deals in **6.22 GS 2035**

on

 **07th June 2022**

 **Approved**

 **G Ravindranath**

 **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 6.22 GS 2035 on NDS-OM dated 07th June 2022

The details of actions taken for settlement are as under:

* On 07th June, 2022 DRC FIMMDA was informed by the Buyer (Foreign Bank) telephonically and subsequently via mail of one erroneous deal done by them, claiming apparent off market trade and raising a dispute as per DRC norms. The Buyer bought 6.22 GS 2035 (Security) at 10:22:36 hrs. for Rs. 89.30/7.5375% for Rs. 10Cr and for total of Rs. 10 Cr.
* Disputed trade was the 1st trade in the Captioned Security.
Succeeding trade took place at Rs.88.4000/7.6578%.
FBIL/FIMMDA valuation as on 06th June (Previous working day) was Rs.88.60/7.6308%.
* The matter was referred to 16 DRC members, the quorum being 6. Ten 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 counterparty as a **Primary Dealer**.
* Both the parties were advised to reverse the trade.
* Accordingly, on 08th June 2022, 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.700000.
* The reversal was informed to RBI and DRC members.