DRC 2022-23/05

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deals in 0**5.74 GS 2026**

on

 **30th 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 05.74 GS 2026 on NDS-OM dated 30th June 2022

The details of actions taken for settlement are as under:

* On 30th June, 2022 DRC FIMMDA was informed by the Seller (Public Bank) telephonically and subsequently via mail of seven erroneous deals done by them, claiming apparent off market trade and raising a dispute as per DRC norms. The Seller sold 05.74 GS 2026 (Security) for total of Rs. 100 Cr. The details of the trades are given below

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Trade Sr. No. | Time Stamp | Amount | Price | Yield |
| 1 | 09.01.35 | 10 | 94.05 | 7.3533 |
| 2 | 09.01.39 | 10 | 94.05 | 7.3533 |
| 4 | 09.01.41 | 5 | 94.05 | 7.3533 |
| 5 | 09.01.50 | 5 | 94.05 | 7.3533 |
| 6 | 09.01.55 | 10 | 94.05 | 7.3533 |
| 7 | 09.01.55 | 10 | 94.05 | 7.3533 |
| 8 | 09.01.58 | 50 | 94.05 | 7.3533 |

* Disputed trades were 1st,2nd, 4th, 5th, 6th, 7th and 8th trade in the Captioned Security.
FBIL/FIMMDA valuation as on 29th June (Previous working day) was Rs.94.62/7.19%.
* The matter was referred to 16 DRC members, the quorum being 6. Nine 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 **Small Finance Bank, Private Bank, and Foreign Bank**.
* All the parties were advised to reverse the trade.
* Accordingly, on 04th July 2022, the trades were reversed and reported on NDS – OM Reporting Deal Section.
* The off-market trade was thus reversed. The loss/gain reversed is Rs.5700000.
* The reversal was informed to RBI and DRC members.