DRC 2021-22/06

**DISPUTE RESOLUTION COMMITTEE**

* Proceedings of erroneous deal in **8.27 GJ SDL 2026**

on

 **27th Sep 2021**

 **Approved**

 **G Ravindranath**

 **CEO**

# FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION OF INDIA

(Prepared by Ramandeep Kaur)

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# Procedure followed for settlement of off market trades in 8.27 GJ SDL 2026 on NDS-OM dated 27th Sep 2021

The details of actions taken for settlement are as under:

* On 27th Sep, 2021 DRC FIMMDA was informed by the seller (Insurance company) telephonically and subsequently via mail of an erroneous deal done by them , claiming apparent off market trade and raising a dispute as per DRC norms. The seller sold 8.27 GJ SDL 2026 (Security) at 12:39:47 hrs. for Rs. 5 Cr. at Rs.104.81/6.9499%.
* Disputed trade is the only trade in the Captioned Security.
FBIL/FIMMDA valuation as on 24th Sep 2021 is Rs.108.71/5.9385%
* The matter was referred to 16 DRC members, the quorum being 6. Seven 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 Mutual Fund Institution.
* Both the parties were advised to reverse the trade.
* Accordingly, on 28th Sep 2021, 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.19,50,000.
* The reversal was informed to RBI and DRC members