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It's biz as usual on D-Street despite bandh

Though Volumes Were Down, Business Continuity Plan By SEs, Brokers Ensures Smooth Functioning



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THE constant ringing of phones or the tapping of several keyboards by staffers punching in orders is what makes the dealing room in a broking firm a buzzing place on a normal trading day. This was missing on Monday, when trading in stocks was disrupted due to the call for a nation-wide bandh by the Opposition parties to protest rising fuel prices.

This led to a significant fall in business volumes due to the lacklustre participation of investors, even though essential staff manning key functions such as surveillance, dealing room and IT support were present in strength, thanks to the business continuity plan, or BCP, implemented by leading stock brokers and exchanges.

BCP is implemented to ensure smooth functioning of critical operations during events such as

flood, earthquake, terrorist attacks and strike. Under BCP, a problem or disaster is identified before forming a team to tackle with it. Once the threats are identified, a team leader is appointed who is given the responsibility to guide the staff members with a set of guidelines and procedure to be followed to deal with the emergency situation.

A leading Mumbai-based investment banking and stock broking firm has successfully implemented BCP during several critical days such as in the July 26 floods in Mumbai, and on days, when normal life was impacted in Mumbai. "We had 100% attendance of dealers and IT employees, but about 60% of our female staff, particularly secretarial, remained absent," said an official with a broking firm, on condition of anonymity.

The strike did not have any

major impact on the attendance level in most of our branches, said D Kannan, managing director, Kotak Securities, one of the top broking houses in the country. "Managing logistics becomes difficult in such situations, but we made travel or staying arrangements to ensure that our staff don't face any difficulty in reaching offices," he said. Attendance in dealing rooms was close to normal, though the overall trading volumes were affected substantially on Monday. "While it's difficult to estimate the loss of business, the fall in volumes should not have been more than 50% or even much lesser," added Mr Kannan.

Low investor participation led to a sharp fall in volumes (quantity of shares traded) and turnover (value of shares traded) on Monday. While volumes fell to 32.6 crore shares from

44.4 crore shares on Friday, turnover declined to Rs 2,857 crore from Rs 4,555 crore. The broader market remained range-bound, with the Sensex moving in a narrow range between the day's high of 17,506 and low of 17,424, before ending flat at 17,441.

The Bombay Stock Exchange (BSE) also implemented BCP because of which most of the employees looking after clearing and settlement, surveillance and IT functions were present, according to a top exchange official. He, however, said the attendance level in other departments was low because of the strike. "The overall volumes at the exchange were impacted due to lower investor participation," he said. The National Stock Exchange (NSE) is learnt to have offered overnight accommodation facilities to its essential staff in hotels close to its headquarters located in Mumbai's Bandra-Kurla Complex.

TRADERS' DIARY