



THE MARKETS ON FRIDAY

		Chg#
Sensex	29,916.0	▲ 1,627.7
Nifty	8,745.5	▲ 482.0
Nifty futures*	8,723.1	▼ 22.4
Dollar	₹75.2	₹75.0**
Euro	₹80.5	₹80.6**
Brent crude (\$/bbl)**	25.7**	26.2**
Gold (10 gm)**	₹41,169.0	₹835.0

*(March) Discount on Nifty Spot; **Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBA

SATURDAY, 21 MARCH 2020 • MUMBAI (CITY) ₹10.00
VOLUME VII NUMBER 34 • 30 pages in 2 sections



ECONOMY & PUBLIC AFFAIRS P17 NEW DEFENCE PROCUREMENT POLICY TO BOOST INDIGENISATION

ECONOMY & PUBLIC AFFAIRS P17 KAMAL NATH RESIGNS AHEAD OF TRUST VOTE

PUBLISHED SIMULTANEOUSLY FROM AHMEDABAD, BENGALURU, BHUBANESWAR, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI (ALSO PRINTED IN BHOPAL), NEW DELHI AND PUNE

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CORONAVIRUS EFFECT CITIES GRIND TO A HALT

From Maximum City to Millennium City, the impact of the deadly coronavirus on life and business has been uniform. Although there's no complete shutdown order yet, the country is already in a state of a virtual lockdown.

ARNAB DUTTA, SUBHAYAN CHAKRABORTY, AVISHEK RAKSHIT, SAMREEN AHMAD & RAJESH BHAYANI track the pulse of the market in the country.

- CASES CLIMB TO 236 IN INDIA AS 63 MORE TEST POSITIVE P22
- MAHARASHTRA ORDERS OFFICES TO SHUT DOWN TILL MARCH 31 P22
- POLITICIANS IN SELF-QUARANTINE AFTER ATTENDING SINGER'S PARTY P22
- JANATA CURFEW: INDIA READIES FOR A COMPLETE LOCKDOWN TOMORROW
- AIRLINES MAY HAVE TO GROUND 68% AIRCRAFT IN TWO MONTHS P2

BS ON SATURDAY SPECIALS

WEEKEND RUMINATIONS
Social mobilisation 9▶
The game is prevention, since mitigation efforts would be hampered by inadequate medical resources. If it works, it would be Modi's second successful experiment in social mobilisation. **TN NINAN** writes

NATIONAL INTEREST
Journalism in the time of corona 9▶
Coronavirus is the biggest story of our lives and a billion-plus people expect us to be around, watching, reporting, editing, recording this for posterity and blowing the whistle to draw attention to injustices and state failures, writes **SHEKHAR GUPTA**

Sebi unveils measures to tackle market volatility

Curbs on short selling, steep increase in margins and penalties from next week

SAMIE MODAK & JASH KRIPLANI
Mumbai, 20 March

The Securities and Exchange Board of India (Sebi) on Friday announced measures to control volatility in stocks. Curbs on short selling, a steep increase in margins, a 10-fold increase in penalties, and reducing the outstanding positions available for derivatives trading are some key changes the regulator announced.

Sebi has said the short positions in the derivatives market cannot exceed the value of the holdings of the underlying stocks or the collaterals provided by them.

An additional position limit of ₹500 crore will be available for the futures and options (F&O) segment. Market players said the move was to discourage traders from aggressively building short positions.

"There is a practical short-selling cap at ₹500 crore that has been levied. If people want to speculate beyond the prescribed limit of ₹500 crore, they will need to put up twice the margin, which will be blocked for three months," said Jimeet Modi, founder and chief executive officer, Samco Securities.

The market regulator and stock exchanges have been under pressure to rein in huge fluctuations in stocks, which were causing heartburn to long-term investors.

The benchmark indices have

TIGHTER FRAMEWORK

- Norms for F&O trading made stringent
- Limits available for trading halved in the case of volatile stocks
- Margin requirements hiked for both cash and F&O
- Participants barred from taking naked short positions
- Penalties increased 10 times



dropped 12 per cent this week and 22 per cent so far this month.

Further, Sebi has halved the so-called market-wide position limit (MWPL) for highly volatile stocks — those that see an average daily variation of 15 per cent during the week.

In recent weeks, many stocks in the futures and options (F&O) segment have seen fluctuations of up to 40 per cent daily. Turn to Page 18 ▶

FM takes stock of COVID-19 impact

ARUP ROYCHOUDHURY & SANJEEB MUKHERJEE
New Delhi, 20 March

Union Finance Minister Nirmala Sitharaman on Friday met her ministerial colleagues and bureaucrats of various departments to assess the impact of the coronavirus pandemic. In multiple meetings, the ministries discussed the problems in their sectors, which are some of the worst-hit, and presented memorandums from stakeholders.

While the meetings on Friday were preliminary discussions, *Business Standard* has learnt that sectors like tourism; hospitality; aviation; micro, small and medium enterprises (MSMEs); and livestock have sought deferring loan repayments and temporary tax holidays in specific cases to help them tide over the steep fall in economic activity.

Friday's meetings were a precursor to the meetings of the COVID-19 Economic Response Taskforce, which is yet to be constituted.

Turn to Page 18 ▶

RBI BUYS ₹10K CR OF BONDS, ANOTHER ₹30K CR IN MARCH P17

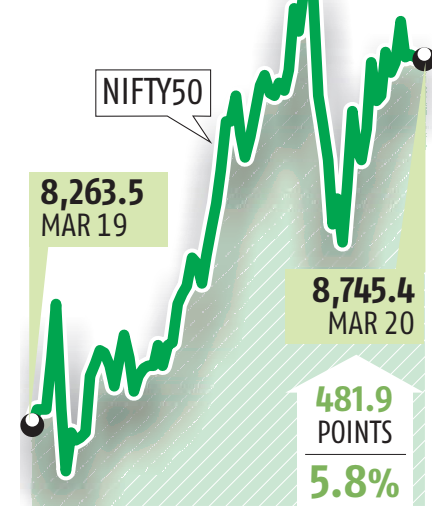
BANKS SEEK DEFERMENT OF LOAN REPAYMENT, NPA RECLASSIFICATION P17

SBI THROWS LIFELINE FOR AFFECTED BORROWERS P3

Markets rally on stimulus hopes

Indices post biggest single-day gains since 2009

RELIEF RALLY



Source: Exchange/Bloomberg

SUNDAR SETHURAMAN
Mumbai, 20 March

Investors had something to cheer going into the weekend, with the domestic benchmark indices rallying about 6 per cent, underpinned by a slew of support measures announced by policymakers around the world to cushion the economic shock of the coronavirus pandemic.

Markets across Asia and Europe gained as Brent crude prices rose above \$30 a barrel, while the US dollar weakened. The Sensex closed at 29,916, up 1,628 points, or 5.8 per cent, while the Nifty rallied 482 points, or 5.83 per cent, to end at 8,745 — the biggest single-day gains for both the indices since May

NIFTY GAINERS

	Mar 20	One-day chg (%)
Bharti Infratel	148.2	19.4
ONGC	72.4	18.5
GAIL India	80.8	16.4
UltraTech Cement	3,573.9	12.9
HUL	2,051.7	11.6

WORST WEEK SINCE 2008

	Mar 20	Chg (%)*
Nifty Bank	20,318	-19.3
Nifty Smallcap 100	3,885	-17.7
Nifty Midcap 100	12,661	-13.3
Sensex	29,916	-12.3
Nifty 50	8,745	-12.2
India VIX	67	30.4

*Change over last week

2009. The gains helped the market prune the weekly loss to 12.3 per cent, the worst since October 2008. If not for Friday's 6 per cent jump, the market would have logged its worst weekly setback in history.

The Sensex and the Nifty had dropped to 26,714 and 7,833, levels last seen in November 2016 in the aftermath of demonetisation, in intra-day trade on Thursday.

To avert a global recession, most central banks have announced measures worth trillion of dollars. The US Federal Reserve, the European Central Bank, and the Bank of England have doled out bond-buying programmes, interest rate cuts, and currency swaps to tide over the crisis. Turn to Page 18 ▶

India Inc puts best foot forward

Top conglomerates rule out cut in jobs or salaries

BS REPORTERS
Mumbai, 20 March

Several conglomerates promised on Friday they would not cut salaries of their staff and were not considering layoffs in the wake of the coronavirus pandemic, which threatens to push the global economy into recession, leaving millions out of work.

"I will cut my salary to zero before a single employee is laid off," Rajiv Bajaj, managing director and chief executive officer of Bajaj Auto, said in a TV interview. The Aditya Birla group, the Vedanta group, and the Essar group also promised not to cut any jobs or salaries of their staff.

Tata Sons Chairman N Chandrasekaran said the group companies would ensure full payment to temporary workers and daily wage earners working in its offices and sites in India for March and April. They would get remuneration even if these workers were not able to work due to either quarantine measures, site closures, plant shutdowns, or other reasons, he said.

The assurance from India Inc top leaders came after IndiGo, the country's largest airline, announced hefty pay cuts for the senior management, while the Apollo Tyres promoters, Onkar Kanwar and Neeraj Kanwar, announced a 25 per cent cut in their remuneration. GoAir has already sent 80 of its expat staff home.

With inputs from Dev Chatterjee, Viveat Susan Pinto, Sohini Das, Shalby Seth Mohile and Avishek Rakshit

VOICES FROM THE C-SUITE

"TATA COMPANIES WILL ENSURE FULL PAYMENT TO TEMPORARY WORKERS AND DAILY WAGE EARNERS WHO ARE WORKING IN ITS OFFICES AND SITES"

N CHANDRASEKARAN, CHAIRMAN, TATA SONS

"I WILL CUT MY SALARY TO ZERO BEFORE A SINGLE EMPLOYEE IS LAID OFF"

RAJIV BAJAJ, MD AND CEO, BAJAJ AUTO

"IN THESE TRYING TIMES, BUSINESS CAN TAKE A BACK SEAT AND THE SAFETY AND LIVES OF PEOPLE ARE OF UTMOST IMPORTANCE"

H M BANGUR, CHAIRMAN, SHREE CEMENT



HUL SETS ASIDE ₹100 CRORE TO FIGHT VIRUS

Hindustan Unilever (HUL), the country's largest consumer goods company, on Friday said it had committed ₹100 crore to fight the COVID-19 epidemic in India. It has also taken a host of other measures such as price cuts, free availability of soaps to the needy, a ₹10-crore donation for better testing facilities, and public awareness programmes. Sanjiv Mehta, chairman and managing director of HUL, said: "In a crisis like this, companies have a big role to play." 2▶

RBI's contingency plan: Keep it going from a secret location

A crack team of 150 overseeing critical operations from a hotel

ANUP ROY
Mumbai, 20 March

As the country goes on a self-imposed lockdown to fight the coronavirus contagion, a crack team of 150 people, in hazmat suits, is keeping India's financial system up and running since March 19 from an unknown location in a completely quarantined environment.

These 150 people, including 37 officials from critical departments of the Reserve Bank of India (RBI), such as debt management, reserve management and monetary operations, and third-party service providers, are now in charge of the business continuity plan of the central bank, designed in a way that could help create a benchmark for such exigencies in the future as well.

The idea is to keep the RBI's information technology (IT) infrastructure in top shape to run the payments and settlement system uninterrupted 24x7, and run the full gamut of RBI functions from the secured data centres, as nearly 14,000 RBI staffers, except the senior-most management, work from home.

The IT infrastructure operated by the RBI is necessary not just for the banking system to keep functioning, but also to ensure uninterrupted business and retail payments, as well as the continuance of government tax and other payments, said a source familiar with the arrangement.

"These systems, operated through multiple data centres, must stay live notwithstanding any exogenous disruption," the source said.

According to the plan, the 150 personnel are divided into two teams —

The infrastructure operated by the RBI is necessary not just for the banking system but also to ensure uninterrupted business and retail payments



IMAGING: AJAY MOHANTY

one that is running the show, and the other is acting as a backup. A primary data centre has been identified, while other centres are in standby, and the central bank has hired a hotel in the vicinity of the primary data centre exclusively to accommodate these people. The support staff of the hotel (69 in all), comprising maintenance, security, kitchen, front desk, and administration, has also been isolated within the hotel. Turn to Page 18 ▶