

<b>Daily Economic News Summary: 29 November 2019</b>
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**1. Govt introduces Labour Code on Industrial Relations bill in Lok Sabha**

**Source: The Economic Times ([Link](#))**

Labour Minister Santosh Kumar Gangwar, on 28 November, introduced the Labour Code on Industrial Relations, 2019 bill in the Lok Sabha. The bill aims to streamline industrial relations and help India improve on the ease of doing business index. The Bill consolidates essential elements of three laws the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947—helping improve ease of doing business. As part of labour reform the labour ministry has decided to amalgamate 44 labour laws into four codes on wages, industrial relations, social security and safety, health and working conditions.

**2. Swedish royal couple visits India to promote investment & innovation partnership**

**Source: The Economic Times ([Link](#))**

Swedish King King Carl XVI Gustaf and Queen Silvia will pay a state visit to India between December 2–6 to promote Swedish-Indian cooperation, including within the frameworks of the Joint Action Plan and the Innovation Partnership. This is the second royal visit to India from Europe since October, the first being visit by royal couple from Netherlands. The visit affirms Sweden's commitment to be a key partner for India in its rapid development, and in efforts to tackle common challenge in areas such as the climate change /environment, infrastructure, research and health. The visit aims to enable increased trade and investment for Swedish and Indian companies in both directions.

**3. Parliament approves chit funds amendment bill**

**Source: The Economic Times ([Link](#))**

Chit funds are used by the poor as a scheme acts as both a source of finance and an avenue for savings as because of deficiencies in the banking sector which have existed for years, said minister of state for finance and corporate affairs Anurag Singh Thakur as the Rajya Sabha passed the Chit funds (amendment) bill 2019. The bill seeks to increase the limits for aggregate fund collections in chit funds to thrice the current limits and allows the chit fund foreman a right to lien against the credit balance from subscribers. The Lok Sabha passed the proposed

amendment on November 20. While introducing the bill in the Rajya Sabha, Thakur had said the bill was aimed at reducing the compliance burden on chit funds and protecting subscribers.

#### **4. FM Nirmala Sitharaman presents 1st supplementary demand of grants**

**Source: Money Control ([Link](#))**

Finance Minister Nirmala Sitharaman on 28 November sought Parliament nod for additional spending of Rs 21,246.16 crore, including over Rs 8,820 crore for the newly formed union territories of Jammu and Kashmir and Ladakh, in the first batch of supplementary demands. Of this, the net cash outgo will be Rs 18,995.51 crore, she said in the statement tabled in the Lok Sabha here. She provided Rs 8,820.62 crore as grant to Union Territories of Jammu and Kashmir and Ladakh in lieu of J&K State share of 14th Finance Commission Award. As much as Rs 2,500 crore was provided for capital infusion in IDBI Bank Ltd through issuance of recapitalisation bonds.

#### **5. Andhra Pradesh govt hopes to get \$60 million loan from World Bank for watershed project**

**Source: Money Control ([Link](#))**

The Andhra Pradesh government is hoping to secure a 60 million USD loan from the World Bank to take up the Rejuvenating Watersheds for Agriculture Resilience through Innovative Development (REWARD) project in five parched districts of the state over the next six years. The total cost of the project, which would be taken up in the four Rayalaseema districts of Anantapuramu, Chittoor, Kadapa and Kurnool besides Prakasam in south coastal AP, is expected to be around Rs 500 crore. While the World Bank would fund 70 per cent of the project cost, the state and the central governments have to share the balance, a senior official of the Panchayat Raj Department said. The REWARD project would be implemented in Karnataka and Odisha apart from AP, with the World Bank lending a sum of 178 million USD for the three states. The total project cost in the three states is estimated to be 350 million USD.

#### **6. RIL becomes first Indian firm to hit Rs 10 trillion market capitalisation**

**Source: Business Standard ([Link](#))**

Reliance Industries (RIL) on 28 November became the first Indian company to hit Rs 10 trillion market capitalisation (m-cap) after the stock price hit a new high of Rs 1,584 on the BSE. The oil-to-telecom conglomerate's m-cap zoomed to Rs 10,02,380 crore during the trade on the BSE.

The stock ended at Rs 1580, up 0.65 per cent. In the past eight trading days, RIL has outperformed the market by gaining 8 per cent, after Reliance Jio, the telecom arm of the company, said it will increase tariffs in next few weeks. In comparison, the S&P BSE Sensex has gained one per cent during the same period. "Like other operators, we will also work with the Government and comply with the regulatory regime to strengthen the industry to benefit Indian consumers and take measures including appropriate increase in tariffs in next few weeks in a manner that does not adversely impact data consumption or growth in digital adoption and sustains investments," the statement had said.

#### **7. Govt wants RBI to take over stressed assets of shadow banks: Report**

**Source: Business Standard ([Link](#))**

India's finance ministry wants the Reserve Bank of India to set up a fund to buy out stressed assets of the country's top 25 shadow lenders, a government source told reporters on 28 November. The government has also asked the central bank to consider a one time waiver to banks from classifying some real estate loans as bad loans, the government official, who declined to be named, said. However, the RBI has opposed the idea of opening its balance sheet to buy toxic assets of the non-banking finance companies, the official said, adding discussions were ongoing.

#### **8. Companies can lay off employees after contract, season is over; bill tabled in Lok Sabha**

**Source: Financial Express ([Link](#))**

The new Industrial Relations Code has been approved by the Cabinet and the move has seen appreciation from different quarters of the industry. After the Industrial Relations Bill is passed, a company with more than a hundred employees can terminate its workers after the fixed-term contract or seasonal work is over. The new Industrial Relations Code has been approved by the Cabinet and the move has seen appreciation from different quarters of the industry. "Reforms in labour laws are an on-going process to update the legislative as well as governance system to address the need of the hour so as to make them more effective, flexible and in sync with emerging economic and industrial scenario," Santosh Kumar Gangwar, MoS, Ministry of Labour and Employment, said in a reply to a question in Rajya Sabha.

## **9. Why investors are back in listed realty firms amid gloom in sector**

**Source: Livemint ([Link](#))**

The gloomy scenario of ghost towns with unsold home inventory, stuck housing projects and stranded homebuyers don't seem to worry investors in realty shares. On the contrary, the Nifty Realty index has risen 21% in the past year, higher than the Nifty's 13% return. One of the reasons for this is that listed firms are faring better. According to Anarock Property Consultants Pvt. Ltd, in Q2 FY20, total home sales of eight listed firms rose 5% year-on-year (see chart), compared to 18% drop a year ago in overall home sales across seven top cities. In value terms, the share of these firms in total home sales has doubled to about 10% over a year. "With a number of unlisted developers continuing to grapple with high debt, funding crunch and stalled projects, home buyers have also become more discerning over the last couple of years," said Adhidev Chattopadhyay, an analyst at ICICI Securities Ltd.