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# NEWSLETTER MARKET UPDATES



## MESSAGE

Dear Members,

Hope all of you are in the pink of health and mind.

We have a fresh issue of MCCI Newsletter, highlighting our activities for the period.

We have done a session with the Indian Army on Military and Public Fusion. It didn't only mean cooperation but a vow to jointly carry out defence manufacturing and R&D helping the civilians and the military as well. It was a programme directed towards indigenisation of our armoury.

We had a session with Binod Kumar, Chairman, Kolkata Municipal Corporation, whom we could convince of maintaining a fixed tax rate for the added areas under the KMC. Rolling out Transferable Development Rights in Kolkata like other cities was also another major issue which was discussed and Kumar conceded to the idea. But apart from sessions we submitted representations to the Union Transport Ministry, State Transport Department and SIAM requesting them to enhance road safety and optimize the cost of operations thereby bringing down the overall logistics cost..

Thereafter we have looked at the global scenario because India's economy is day by day getting tagged with the global state of finances and supply chain management. Besides our focus on MSME, GST, Law, Exim and IT continues.

We are spreading out to districts looking at the clusters to find ways of attracting investments. But we need strength- the strength that provides the power to fine tune the state's industrial landscape.

So members come forward. We are growing. We need your support to grow from strength to strength.

Why not send us feedback at [i.roychowdhury@mcciorg.com](mailto:i.roychowdhury@mcciorg.com) about the activities we are highlighting on the issue.

Happy Reading.

**Namit Bajoria**  
President, MCCI

# MCCI Discusses on Ways of Military – Civil Fusion at Fort William



Lt. Gen. Rana Pratap Kalita, PVSM, UYSM, AVSM, SM, VSM, GOC-in-C, Eastern Command, said that the Nation should prevent brain drain and reshape higher education to create world-class universities focused on nation-building. He was addressing the members of the Merchants' Chamber of Commerce at a special session on Military – Civil Fusion on Friday June 30, at the Kitchener House of the Fort William.

Lt. Gen. Kalita said, it was important that the civil society and military collaborates and utilizes each other's capabilities to achieve comprehensive security and deter adversaries. Interactions between the defence, academia, government, and industry would help to meet future requirements of the country. He stressed upon building capacities

for dual-use technology and investment in R&D for developing niche capabilities and indigenous production.

On infrastructure, he said of sharing responsibilities at the apex level, utilizing the dual-use infrastructure system and empower the states and districts to achieve the strategic goals. He pointed out that the Government of India has already implemented the initiatives like "Make in India" which helps the country to become self-sufficient in producing military weapons and equipment for the Defence sector and reduce the dependency on imports.

"The Defence sector is ready to create military-industry fusion including force preservation and sustainability, clothing and

supplies, energy and communication, medical requirements, industrial capacities, and waste management,” Lt. Gen.Kalita said.

Namit Bajoria, President, MCCI, in his welcome address said, the government has always emphasized on increasing the MSMSE’s capability to cater to the requirements of the defence sector. The total number of MSME vendors across the country supplying to Defence Public Sector Units (DPSU) was 7591 in FY18, 8643 in FY19 and 10,506 till Q2 FY20. By December 2021, the total MSME count has increased to 12,000. This has resulted in a procurement value by DPSUs from Rs. 4842.92 crores in FY19 to Rs. 5463.82 crores in FY21.

The latest Union Budget has given a momentum to Aatmanirbharta in the defence sector with an allocation of Rs. 5.94 lakh crores, a 13% jump over the previous year’s allocation and for Defence R&D, the increase has been by 9%. The budget outlay for defence has been increased by 93%, with 70% reserved for the domestic defence industry, Bajoria said adding most of the members in MCCI were from the MSME segment of the industry, reckoned to be the backbone of the Indian economy and the engine for economic growth and employment. The Military- Civil Fusion would give the required boost to the MSME segment.

Earlier, on June 25 the Indian Army and the MCCI organised a heritage walk inside the Fort William, which the President said was a great honour for the MCCI.

## State looks for proposal from MCCI for betterment of goods transport sector



Merchants’ Chamber of Commerce & Industry’s pitch to Nitin Gadkari, Union minister for Roads, Transport & Highways and to Snehasish Chakraborty, West Bengal’s minister for transport, for enhanced infrastructure to ensure road safety, reduce pressure of vehicles from the roads and optimize cost of operations has been well received with the state transport secretary, Saumitra Mohan, wanting proposals to work on the issues submitted by the Chamber.

The Council on Logistics, Transport and Shipping raised five and seven issues in its submission to the Center and State respectively where the common issues for both the Centre and the State was detention of trucks, mandatory fitment of drunk driving test equipment in the Commercial Vehicles, putting in place the tyre pressure monitoring system and starting RORO services wherever possible. \

The Council also made a submission to the Society of Indian Automobile Manufacturers (SIAM) wherein it pitched for mandatory fitment of drunk driving test equipment and fitment of tyre pressure monitoring system in all vehicles.

However, payment of detention charges to commercial vehicles by consigner or consignee came to the fore in case of submission to the Centre with a view to missing out on the cost of opportunity., which increased logistics cost. Inefficiency of loading and unloading of vehicles detained vehicles for a long period, for which detention charges were not paid. “It is even inhumanly to keep a driver waiting at an unknown place without any work for days, Lavesh Poddar, Chairman of the Council pointed out.

In the submission to the state, the issue that came to the fore was of the trucks and trailers of West Bengal taking Nagaland number plates to get easy and low cost registration and fitness certificate as well in which West Bengal was losing revenue. The submission pitched to ease the process and cut down registration costs for better growth of the transport sector in the state.

Although the plan for such submissions were made in the presence of the MCCI President, Namit Bajoria, he could not make it to the transport secretary’s office. Nimish Saraf, Co Chairman of the Council, presented a comparison of the charges applicable for vehicles operating in West Bengal, Nagaland and Odisha. .

A bridge to connect Kolkakta with Haldia via Raichak / Diamond was demanded to curtail distance from 120 kms to 60 kms and de congest traffic movement to the port and RORO services at various places were pitched for.

## Total expenses details

State	Vehicle Type	Tax Quarterly	CF Govt . Fees	CF Other Expenses	NP Govt. Fees	NP Other Exp.	5 Year Permit Govt. Fees	5 Year Permit Other Exp.	Insurance	Pollution	Total
West Bengal	4 Wheelers	588	840	8560	17540	1960	9040	2050	18514	100	59192
Odisha	4 Wheelers	432	730	2500	17540	1000	6000	1000	17232	100	46534
Nagaland	4 Wheelers	375	580	1000	17500	1000	4200	1000	16500	100	42255
West Bengal	10 Wheelers	5310	940	5560	17540	1960	9040	2050	50722	100	93222
Odisha	10 Wheelers	3740	870	3700	17540	1000	6000	1000	45532	100	79482
Nagaland	10 Wheelers	530	740	1500	17500	1000	4200	1000	43112	100	69682
West Bengal	40 Ft Double Axle Trailor	9815	1040	10500	17540	1960	9040	2050	51029	200	103174
Odisha	40 Ft Double Axle Trailor	8000	1032	4968	17540	1000	6000	1000	54500	200	94240
Nagaland	40 Ft Double Axle Trailor	1125	970	2000	17500	1000	4200	1000	52300		80295

## Total Expenses Comparison

State Name	4 Wheelers	10 Wheelers	40 Ft Double Axle Trailor
Nagaland	42255	69682	80295
Odisha	46534	79482	94240
West Bengal	59192	93222	103174

## State wise Others Charges Comparison

State Name	4 Wheelers	10 Wheelers	40 Ft Double Axle Trailor
Nagaland	3000	3500	4000
Odisha	4500	5700	6968
West Bengal	12570	9570	14510

# Bajoria pitches for PPP in KMC projects

KMC willing to make taxes at par in added areas, bring down sanction time for buildings



The Kolkata Municipal Corporation was willing to reduce the time taken for sanctioning the building plans to 38 days, which at present varies from project to project. KMC introduced the Common Application Form to sanction building applications 2 years ago.

Binod Kumar (IAS), Commissioner, Kolkata Municipal Corporation (KMC) at a special session of the Merchants' Chamber of Commerce & Industry on June 23 said, for the added wards from 101 to 144, the KMC was set to introduce a single-window system for payment of both property tax and (Khajna) land tax for residents of large stretches of Behala, Garden Reach, Metiabruz, Tollygunge-Jadavpur and neighbouring belts, located off Eastern Metropolitan Bypass.

Property related charges for the added areas are not at par with the other areas under KMC. "The issue has been taken up with the Principal Secretary of the State Land and Land Reforms department and we have proposed to introduce a single-window system for payment of taxes," Kumar said. Although the government had initially thought of scrapping the West Bengal Land Reforms Act for the added areas but that would have attracted litigation, he said.

Kumar pitched for sharing tax revenue between the KMC and the Land & Land Reforms department in lines of sharing GST between the Center and the State. He made clear that only in the case of transferring

the property whose mutation has not been done a fresh mutation will be required.

On the issue of making the KMC area environmentally sustainable Kumar emphasized on planting 1 crore saplings, embarking on solid waste management, creating digital payment enabled new parking zone with private sector participation, putting up solar units and avail the use of chatbot services to reach out to KMC officials with their concerns.

KMC, he said was working on the Transferable Development Rights (TDR) along with the Urban development department.

Munish Jhajharia, Chairman, Council on Infrastructure & Real Estate, MCCI, pointing out to the issue of TDR said, West Bengal was running far behind than other states in implementing it

MCCI President, Namit Bajoria, citing the fast pace of the city's development, said private-public partnership in the areas of solid waste management, hospital waste management, plastic waste management, creating car parking facilities, especially night parking, creating solar illumination in the city would go a long way in creating a greener and smarter Kolkata. He offered starting a help desk from MCCI where a KMC officer would attend to register the grievances against the KMC.

Kumar, however, urged the industry to come forward with specific suggestions to work with them. KMC, he said was coming up with a centralized compost plant for the treatment of waste at Dhapa on a PPP model with a capacity of 500 MT per day and a Plastic Processing Plant with a capacity of 2 TPD on 10000 sq.ft land at Dhapa shortly. Another project would be the Bio-mining of legacy waste at Dhapa itself with an estimated quantity of 40 lakhs MT. The project was expected to be completed by May 2024, Kumar said.

### **Bullion Trends**

“Gold and silver price has been showing a sluggish trend following a much stronger-than-expected U.S. Automatic Data Processing (ADP) employment report. The report pushed the U.S. dollar index well off its overnight low and also pushed the U.S. Treasury yields higher.

The June U.S. ADP report showed a rise of 497,000 jobs, compared to market expectations for a gain of 220,000. That data falls into the camp of the U.S. monetary policy hawks. Better than expected U.S. data triggered sell-off in precious metals.

We expect gold and silver to remain volatile in the current session. Gold has support at \$1900-1888 while resistance is at \$1926-1938. Silver has support at \$22.58-22.42, while resistance is at \$22.96-23.15. In INR terms gold has support at Rs 58,120-57,940, while resistance is at Rs58,550 - 58,710. Silver has support at Rs69,750-69,220, while resistance is at Rs70,840-71,380.

### **CRUDE OIL**

“Crude oil prices were highly volatile but came off the session low after an upbeat U.S. economic data. Crude oil also held steady amid the U.S. holiday season demand eased fears of Fed rate hikes. Better than expected U.S. data supported crude oil prices at lower levels. The U.S. EIA crude oil inventories declined by 1.5 million barrels last week against expected decline of 2.0 million barrels. We expect crude oil prices to remain volatile in the current session. Crude oil has support at \$71.30-70.85 and resistance at \$72.60-73.10. In INR Crude oil has support at Rs 5,840-5,780, while resistance is at Rs6,035-6,110.

### **USD Vs INR**

USD-INR is trading above its trend as per the daily technical chart, and the USDINR of 82.20 and MACD is showing positive divergence. Looking at the technical set-up, RSI is fetching above 60 levels and the pair crossed its resistance level of 82.50. As per the daily technical chart the pair is having support at 82.20-82.05 while resistance is placed at 82.70-82.85.”

**Courtesy:**  
Mehta Equities

# MCCI observes World MSME Day

Centre starts Enterprise Development Services for hand holding MSMEs



While focusing on developing capabilities of the MSMEs by both the State and the Center as well the MSME ministry has developed enterprise development services to help micro, small and medium enterprises, to overcome challenges faced by those units. Such units have been brought under the MSME Champion Scheme providing the platform for getting a number of government support. This could help the units prove their excellence, Goutam Podder, IEDS, Assistant Director (Gr-I), MSME–DFO said.

“MSMEs will be incentivized for MSME innovation, IPR, incubation and design. Branding is essential”, he said at a special session of the Merchants’

Chamber of Commerce on the world MSME day on June 27. Government incentive will comprise of up to Rs. 4.5 lakhs for those MSMEs which come under the, above mentioned scheme.

He said Z certification will be required to be a defence vendor and MSMEs will be provided financial support for participating in trade fairs overseas. The promotion committee will look into the affairs of overseas trade fairs.

Poddar said that India at present has 2Cr. 1Lak, 337 thousands MSMEs under UDYAM registration. West Bengal which houses the 2nd highest number of MSMEs have 5 lakhs 83 thousands 397 MSMEs under the same scheme.

MCCI President, Namit Bajoria, welcoming the participants at the session, said, MSME day is celebrated all over the world to mark the crucial role the MSME sector play in attaining the Sustainable Development Goals (SDGs). Around 65 million units in the MSME sector contributes 30% of India's GDP, 45% of manufacturing and 40% of exports providing employment to around 113 million people, as per Government data. Out of these



MSME units, around 96% are micro units.

West Bengal, he said, have witnessed rapid growth in MSME over the last few years.

Sanjib Kothari, Treasurer & Chairman, Council on MSMEs, MCCI said, on this World MSME Day, we can take a pledge that MCCI would be happy to contribute meaningfully towards creation of a vibrant ecosystem, favourable for growth and sustenance of MSME units. He also mentioned about ONDC (Open Network for Digital Commerce), that offers a range of features and tools that MSMEs can leverage to enhance their digital presence. ONDC can attract potential customers and provide security of payment gateways with hassle free transaction.

At the session, 5 MSME Member-units of the Chamber namely M/s. Hindcon Chemicals Ltd., M/s. Nivedan Foods & Beverage LLP, M/s. RaunakCoirs Ltd, M/s. Savidha Consultants Pvt. Ltd. And M/s. PDS Infotech Pvt. Ltd were felicitated for their achievements.

# India's macro fundamentals look resilient



India's macro fundamentals look resilient, for now, with a steady growth profile, inflation in check and a comfortable external sector balance. Risks over the next 3-6 months will be from a probable erratic monsoon, a broad-based consumer demand slowdown and an (yet elusive) US recession. While the long-term prospects remain strong, we believe the investment cycle is currently narrow-based and the pickup will be more gradual than expected.

While the Eurozone stepped into a technical recession, the US has skirted it, till now, defying the constant predictions. However, India's outlook is in a delicate balance with a few risks to watch out for

We remain constructive on India's economic prospects. We pencil in FY2024 GDP growth at 5.8% (some global slowdown impact and some weakness in consumption). We estimate CPI inflation at 5% (with an upside of 30-40 bps in case of weak monsoons). The RBI should maintain the status quo for the rest of FY2024 as the domestic and external sector situation remains balanced. We estimate CAD/GDP at 1% in FY2024, which should keep the INR range-bound around current levels. Over the next 3-6 months, the key event risks could be— monsoon outturn, impact on inflation and rural demand, US growth prospects and domestic demand prospects through the festive season.

The narrative on capex pickup has centered on an increased pace of central government budgetary capex. However, at a public sector level, the investment rate (as a % of GDP) has been stagnant. Overall GFCF/GDP ratio has reverted to pre-Covid levels. Listed companies' capex, while seeing a rapid pace of increase, remains in line with pre-Covid levels of investment rate.



