



The Southern India Mills' Association

Post Box No. 3783, 41 Race Course, Coimbatore - 641 018

Phone: 0422 4225333 | Fax: 0422 4225366

E-mail: info@simamills.org | Web: www.simamills.org

NEWS CLIPPINGS –25-12-2017

Cotton auctioned	The Hindu http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/cotton-auctioned/article22272954.ece
<p>Cotton was auctioned for Rs. 1.10 crore at the Konganapuram Agricultural Producers Marketing Cooperative Society near Edappadi on Saturday. While PT variety fetched a price between Rs. 4,700 and Rs. 5,350 per quintal; RCH variety fetched a price between Rs. 5,700 and Rs. 6,689 per quintal. A total of 10,000 cotton bags were auctioned for Rs. 1.10 crores on the occasion, according to society sources.</p>	

New skill development scheme for textile sector to benefit Tirupur units	Business Today http://www.businesstoday.in/current/economy-politics/new-skill-development-scheme-for-textile-sector-to-benefit-tirupur-units/story/266600.html
<p>The knitwear industry in Tirupur, which is facing acute shortage of skilled workers, will benefit from the recent Central Government decision to implement a new skill development scheme covering the entire value chain of the textile sector, excluding spinning and weaving in organized sector.</p> <p>The Cabinet Committee on Economic Affairs (CCEA), chaired by the Prime Minister Narendra Modi, gave its approval this week for a new skill development scheme, 'Scheme for Capacity Building in Textile Sector (SCBTS)' from 2017-18 to 2019-20 with an outlay of Rs. 1300 crore. The scheme will have National Skill Qualification Framework (NSQF) compliant training courses.</p> <p>Raja M Shanmugham, President of Tirupur Exporters Association (TEA) said the Tirupur knitwear cluster employs six lakh workers directly and by enhancing the productivity, competitiveness can be attained and sustain in the global markets. It has been a long pending demand of the knitwear industry of Tirupur for allocation of funds to impart skilling to new workers and upskilling of existing workers.</p> <p>The small and medium scale knitwear industry in Tirupur generates about Rs. 30,000 crore revenue a year. Most of the labourers in Tirupur cluster are self-groomed without any proper technical skill orientation or training and</p>	

this creates an inconsistency in the production and quality parameters resulting in reputation and business loss.

Even a 10 percent saving would yield a saving of Rs 3,000 crore for the industry. The industry estimates even 25 percent improvement can be done to produce 'zero defect' knitwear, said Raja Shanmugham.

At present the NIFT TEA College for Knitwear Fashion's skill division has already trained 15,000 workers and have placed the trained candidates among TEA member units.

Knitwear-maker Dollar Industries on buy-route to growth, eyes niche units	Business Line http://www.thehindubusinessline.com/todays-paper/tp-others/tp-states/knitwearmaker-dollar-industries-on-buyroute-to-growth-eyes-niche-units/article10001791.ece
<p>The GST regime has indeed triggered the move from the unorganised to the organised. Kolkata-based hosiery and knitwear maker, Dollar Industries, is eyeing acquisition of half-a-dozen unorganised players having strong presence in pockets of Northern and Western India. According to Vinod Kumar Gupta, Managing Director, the acquisitions, worth Rs. 200 crore, may be mostly funded through internal accruals. NSE-listed Dollar Industries posted Rs. 906-crore turnover in 2016-17 and a net profit of Rs. 43 crore.</p>	
<p>Scope for consolidation</p>	
<p>According to Gupta, nearly two-thirds of the Rs. 25,000- crore hosiery and knitwear market in India is controlled by the unorganised sector, which is finding the going tough in the GST regime due to compliance issues. This opens scope for the the formal sector to consolidate. This process may accelerate as and when the e-way bill is introduced, bringing an end to GST avoidance. The GST Council has announced that the e-way bill would be in place between February 1 and June 1. “We are in preliminary talks with four-five regional brands and unorganised players. We could pick up stake in these companies and scale up our holding later too,” Gupta told BusinessLine.</p>	
<p>Bottomline boost</p>	
<p>The GST regime has already improved the profitability of the company. “The input tax credit on service tax and excise duty could push up our bottoline by Rs. 7 crore in FY-18. For a full year, the GST may bring a positive benefit of Rs. 14-15 crore,” he said.</p>	
<p>Dollar Industries reported a net profit of Rs. 27 crore for the first half of 2017-18. Gupta expects the second half performance to be better. “In H1 (April to September). growth was sluggish primarily because of trade de-stocking following the general perception and some bad advice,” Gupta said. The effective tax rate on hosiery</p>	

products has remained unchanged at 5 per cent (between VAT and GST regimes); but trade panicked. The company saw its turnover grow 4 per cent, year-on-year, to Rs. 452 crore. For the full-year, Dollar Industries is eyeing a turnover of Rs. 1,030 crore, up 14 per cent over last year. A slew of new launches in the athleisure and gymwear segment, focus on women's innerwear and kidswear are expected to boost growth. The company continue its push of existing premium and popular brands.

Exports

The company will also look to ramp up exports to Ukraine (for thermals); Saudi Arabia and African nations like Kenya, Nigeria, Sudan, and Algeria. "Contribution of exports to the turnover is expected to rise to 9 per cent this year from 8 per cent," he added.

Gujarat lessons: BJP to compensate farmers losing cotton in Maharashtra	Hindustan Times http://www.hindustantimes.com/mumbai-news/gujarat-lessons-bjp-to-compensate-farmers-losing-cotton-in-maharashtra/story-BOjUYYjOAv4st5d6v0WHCO.html
<p>After the BJP suffered an election setback in the cotton-growing areas of Gujarat, the Maharashtra government has taken steps to pacify farmers cultivating the cash crop in Vidarbha and Marathwada regions.</p> <p>It has decided to compensate farmers whose cotton crop has been infested with a pest known as pink bollworm.</p> <p>With around 18 months to go for the Assembly elections, the relief and financial assistance is being viewed as a measure to prevent a reversal in BJP's electoral fortunes in the region, which is controlled by the party. More than 50 BJP MLAs come from these two largely agriculture-driven economy regions.</p> <p>The state's relief and rehabilitation department is still carrying out surveys of destroyed cotton crop. During the winter session, agriculture minister Pandurang Fundkar said compensation for non-irrigated land would be Rs 30,800 per hectare, and Rs 37,500/ha for irrigated land. He said that farmers with two-hecatre of land would be eligible.</p> <p>The announcement of a financial assistance to farmers came two days after the BJP lost considerable ground in the Saurashtra-Kutch region of Gujarat, which predominantly grows cotton and groundnut. Of the 13.6 million farmers in Maharashtra, nearly 4.5 million cultivate cotton. In addition to crop insurance and assistance, farmers will also receive compensation from seed companies. Shiv Sena, BJP's partner in the government, has been slamming the BJP for not looking after farmers' welfare, and failing to implement loan waiver.</p>	

<p>Cotton buying remains better grades focused amid firm physical prices during trading</p>	<p>Daily Times https://dailytimes.com.pk/165066/cotton-buying-remains-better-grades-focused-amid-firm-physical-prices-trading/</p>
<p>KARACHI: Better grades of lint remained in focus that kept physical prices in green while buyers made deals on premium price to fortify their long positions. Better grades of cotton fetched above Rs 7,050 per maund during trading session at leading stations of Punjab and Sindh.</p> <p>Buyers purchased better and second grade of cotton at around Rs 7,075 per maund and 7,000 per maund respectively.</p> <p>The ginning units produced better grades to around 2.000 bales on demand while arrival of cottonseed remained normal.</p> <p>Majority of leading buyers bought better grades of cotton and also made forward deals for a month delivery period at around Rs 6,750 per maund and Rs 6,800 per maund.</p> <p>Demand for better grades of lint would keep sellers in driving seats as textile sector have been facing dearth of better grades. Secondary buyers made deals for all grades of cotton at around Rs 6,375 per maund to Rs 6,475 per maund during trading session in Sindh and Punjab stations.</p> <p>Physical prices would remain firm on demand for all grades of cotton that would keep market's sentiments in positive while bottom line prices likely to stand in firm frame.</p> <p>Private sector commercial exporters made deals at Rs 6,425 per maund to Rs 6,475 per maund.</p> <p>Raw grades of lint changed hands at Rs 5,975 per maund depending on trash level during trading session.</p> <p>More than 1,500 cotton bales changed hands while ex-gin price per maund remained firm at Rs 7,000 per maund. In Kerb market trading took place in a range of Rs 6,625 per maund to Rs 6,650 per maund.</p> <p>New York Cotton March Futures 2018 contract closed at around 76 cents per pound, May Future 2018 contract at 76.09 cents per pound and Cotlook A Index was hovering at 85 cents per pound.</p>	

<p>NITI Aayog mulls plan to save Indian jobs from automation</p>	<p>Fibre 2 Fashion http://www.fibre2fashion.com/news/textile-news/niti-aayog-mulls-plan-to-save-indian-jobs-from-automation-239721-newsdetails.htm</p>
<p>India should set up a labour utilization fund to make workforce better skilled and cost-competitive and encourage businesses to hire more when low-skill labour is losing relevance due to artificial intelligence and automation, Indian Government think tank NITI Aayog has proposed. It sees a need for labour subsidy instead of capital subsidy for</p>	

businesses. As social security benefits in India do not match those of developed nations, a dedicated policy and schemes to lower labour costs are needed to help bridge income inequality, NITI Aayog vice chairman Rajiv Kumar told a top Indian business daily.

The government's technology upgradation fund (TUF) has been encouraging automation in the textile industry to enable it to compete with large production houses in countries like China. TUF, announced in 1999 and modified for continuation in the 2012-17 period, offers capital subsidy to the sector for adopting technology.

Similarly, the labour utilization fund doesn't have to pay salaries but can be used for better training, for paying provident fund contribution and for covering the health costs, said Kumar. A policy objective of maximizing employment generation with focus on labour-intensive sectors like housing, construction, exports, garments, tourism, education and health should work, he added.