



## The Southern India Mills' Association

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### NEWS CLIPPINGS –03-10-2018

**CAI to hold cotton stakeholders' meet  
in Aurangabad on Oct 5-6**

**Business Line**

<https://www.thehindubusinessline.com/economy/agri-business/cai-to-hold-cotton-stakeholders-meet-in-aurangabad-on-oct-5-6/article25095113.ece>

First crop estimate for 2018-19 season to be announced

The Cotton Association of India (CAI) has announced its annual domestic conference to be held in Aurangabad during October 5-6 to engage with cotton stakeholders.

During the conference -- on the subject of "Enhancing The Brand Value of Indian Cotton" -- CAI will also release its first crop estimate for the new crop season 2018-19.

"The Cotton Association of India (CAI) organises two domestic conferences every year; one in Mumbai and the other at an upcountry cotton producing centre. In continuation to achieve this goal, our Board of Directors has decided to have the second domestic conference in the series of Cotton India 2017-18 in association with The Maharashtra Cotton Ginners' Association at Aurangabad," CAI said in a statement.

During the event, prominent speakers from the cotton sector will share their thoughts and expertise on solutions for the sector. The conference will cover various topical issues of importance to stakeholders of the entire cotton value chain in India.

Globally, India being the largest producer, consumer and exporter of cotton, it plays a key role in the world market. Over 700 delegates from textile mills, traders, MNCs, ginners, exporters, importers and farmers from all over India are expected to participate in the conference.

A. Cotton		
Spot price (Ex-Gin) 28.5 to 29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
22087	46200	80.82
Domestic Futures (Ex-Gin) July		
Rs/Bale	Rs/Candy	USD Cent/lb
0	0	0
International Futures		
NY ICE USD Cents/lb. ( Dec 2018)		76.31
ZCE Cotton: Yuan/MT (Jan 2019)		15645
ZCE Cotton: USD Cents/lb.		87.82
Cotlook A Index - Physical		0.00
B. Currency		
USD/INR	Close	Previous Close
Spot	72.913	72.490

**Cotton Guide:**

Indian markets were closed on Tuesday due to Gandhi Jayanti. However, US ICE cotton continued to trade. The market was sideways to slightly lower. December settled at 76.19, down 12 points from previous day. That was December 5th consecutive loss and its 12th lower close in the last 16 sessions for a net loss of 766 points. Trading volume was 19,677 contracts, less than half of previous day's volume of 47,770 contracts. Open interest began at 250,220 contracts, up 2,539 contracts. Open interest hit its 2018 low last Thursday at 247,226 contracts. Also adding no flavor, China is on holiday all week. Their ZCE futures market is closed. The other commodities-Metals, grains, coffee, sugar, cocoa and the US DOW (DJIA) were all higher today. However, cotton continued to trade higher. We think maybe it's the ongoing trade war with China and Turkey, which were the 2nd and 3rd biggest US customers last year. Also it could be possible that the US has sold enough cotton for now. Plus price ideas between buyers and sellers are even wider than usual. Many sellers prefer to wait to see what qualities they receive before putting more commitments on the books.

Technically, the market took a breather as it holds near 76 cents. Yesterday's low was at 7537, as building a base above that level would be the likely first step in forming a bottom. The work is negative enough that a meaningful rally is unlikely in the short term. The present support is 7600+/- 7500+ and 7400. Resistance is roughly 7800, 7960 and 8000+. Daily momentum is still a little oversold.

On the domestic front the new crop cotton is seen trading steady to weak below Rs. 46000 per candy ex-gin. The arrivals of new crops have increased considerably. As per market source it has gone above 40 to 50K bales across the country. We think the trend may remain weighed down. Also ICE cotton future trading lower is further pulling Indian

cotton price lower. On the futures front Indian MCX Cotton made a low of Rs. 21690 per bale but ended the session higher at Rs. 21930 per bale. We think the marginal rebounding in the price is mere short covering where in selling on rise is still recommended. For the day trading range would be Rs. 21800 to Rs. 22200 per bale.

### Currency Guide:

Indian rupee has opened weaker by 0.5% to hit a fresh record low level of 73.3475 against the US dollar. Rupee is pressurized by rising crude oil price and choppiness in equity market. Brent crude trades near 4-year high supported by falling Iran supply. Equity markets are choppy amid concerns about China and Italy budget crisis. Italy has passed a budget deficit target higher than acceptable under EU rules.. Disappointing Chinese economic data has also added to concerns about health of the economy. The US dollar is generally on a strong footing due to Fed's rate hike stance and Italy's budget crisis. Rupee is also under pressure as market players position for RBI monetary policy meeting this week. As per Bloomberg survey, RBI is expected to raise interest rate by 0.25% to 6.75% on Friday. Rupee may remain under pressure due to higher crude price. USDINR may trade in a range of 72.9-73.55 and bias may be on the upside..

### Arrival of cotton picks up in Punjab mandis

### Indian Express

<https://indianexpress.com/article/cities/ludhiana/arrival-of-cotton-picks-up-in-mandis-5382153/>

DESPITE heavy rainfall in the region in the last week of September, cotton arrival has picked up in Punjab mandis and farmers are getting prices in the range of Rs 5,300 to Rs 5,600 per quintal, which is higher than previous year's Rs 4,300- Rs 4,600 per quintal. Though arrival started about a fortnight ago, it has started picking up over the last three days, confirmed office of Cotton Corporation of India (CCI) in Bathinda.

The MSP has been raised to Rs 5,350 a quintal this year. The CCI did not purchase any cotton from Punjab market for the past two years and even this year, so far they have not made a single purchase. Ranjeev Raheja, a commission agent based in Abohar Mandi said, "Cotton purchase started with Rs 5,600 a quintal initially when only 250-400 bales a day was coming in the region.

However, now the prices have crashed to nearly Rs 5,300 a quintal, which is below the MSP. But only private players are in the market." A few farmers are selling the early-picked stock below the MSP, but the CCI has not yet stepped in, revealed information from Bathinda mandi.

Meanwhile, sources in the CCI office it was revealed that on an average daily arrival of cotton in the region is between 4000- 5000 cotton bales, and so far 34,000 cotton bales have arrived in the Punjab mandis.

**Farmers' protest: GST on agricultural goods to be reduced to 5%, new law for MSP**

Times now News

<https://www.timesnownews.com/business-economy/industry/article/igl-to-set-up-cng-stations-in-housing-complexes/293107>

After home minister Rajnath Singh met farmer's leaders and discussed their demands, they have reached an agreement on a majority of the demands. It may be noted that farmers belonging to Bhartiya Kisan Union (BHU) started the protest 'Kisan Kranti March' on September 23 in Haridwar. The protest march reached Delhi-UP border on Tuesday.

The farmers were protesting against low minimum support prices (MSP), high fuel rates. Their demands included loan-waiver, payment of pending sugarcane dues and more. Out of the nine specific demands, the government has agreed upon seven. It has been decided that a law will be brought in to prevent the sale of crops below minimum selling price (MSP). The farmers were also protesting against NGT banning diesel vehicles older than 10 years as it has hit the farmer hard. The government has agreed to form a new committee to discuss revoking the NGT ban.

The demand of complete loan waiver is still being discussed. Farmers were seeking loan waiver as they were unable to repay the loans due to crop failures, droughts, floods and low MSP. The government has also agreed to bring amend the Insurance Bill. Farmers and government reached a consensus on demands related to pricing for sugarcane farmers. The centre has also agreed to reduce the GST on agricultural goods to 5 per cent.

Crop insurance demand of the farmer has also been accepted by the government.

Worth mentioning here is that home minister Rajnath Singh held a meeting with Union agriculture minister Radhan Mohan Singh and farmer's leaders to discuss farmers' issues. UP ministers Narayan Ji, Suresh Rana and MoS Agriculture Gajendra Singh Shekhawat will meet the farmers as well.

**Plastic Ban In 6 Cities Of Odisha From Tomorrow**

Odisha Tv

<https://odishatv.in/odisha/plastic-ban-in-6-cities-of-odisha-from-tomorrow-324754>

Bhubaneswar: The much-hyped plastic ban will be enforced in six cities- Bhubaneswar, Cuttack, Rourkela, Sambalpur, Berhampur and Puri- from Gandhi Jayanti tomorrow. However, resentment is brewing among traders who alleged that as such ban is being implemented by the Odisha government without much preparedness.

Traders in Cuttack alleged that no alternative measures have been taken and there have been no promotional campaigns to enforce the plastic ban in spirit. Besides, they are also apprehensive about incurring losses owing to huge stock piles of polythene bags, thermocol and other items.

“People are so used to polythene, it seems impossible as of now to put a stop. We have a lot of stock left with us which will certainly affect our livelihood,” said Mohan Nandi, a trader in Cuttack.

As per the government guidelines, vendors will not be allowed to use polythene sheets of less than 50 micron thickness for storing, transporting, dispensing or packaging of any article.

On the other hand, Forests and Environment department director, K Murugesan informed that institutions and agencies engaged in the manufacturing of paper, cotton and jute bags will be promoted after discussions with the MSME department.

Directions have been issued to conduct raids on polythene manufacturing units in the cities where the new plastic ban rule will be implemented from tomorrow.

Meanwhile, in other parts of the State like Sambalpur and Rourkela, people have already started to turn to cotton and other alternatives including paper and jute bags. The Rourkela Municipal Corporation has formed two special squads for strict enforcement of the ban.

“The enforcement squads will conduct periodic raids in market areas and banned items will be seized,” said Rashmita Panda, an official of the Rourkela Municipal Corporation.

In Puri, the administration has asked the traders and others to dispose of existing stock of polythene and allied materials within a month. Later, action will be taken against big manufacturers of polythene as there is a provision of 5 years jail and Rs 1 lakh fine for the violators.

The Odisha government is also gearing up to create a provision in the municipal act to empower the concerned civic body officials to impose a penalty of Rs 2,000 to Rs 3,000 on small traders for any violation.

**GST collection exceeds Rs 94,000 cr in  
September**

**Business Line**

<https://www.thehindubusinessline.com/economy/gst-collection-exceeds-rs-94000-cr-in-september/article25095031.ece>

Collection from Goods and Services Tax (GST) has crossed Rs 94,000 crore in September. However, it is still below the Government’s estimate of Rs 1-1.10 lakh crore, as it aims to collect Rs 13 lakh crore during the current fiscal i.e. 2018-19.

A Finance Ministry statement issued on Monday, said the revenues collected in September of Rs 94,442 crore, shows an upward trend as compared to that in August 2018 at Rs 93,690 crore.

This is the first full month of revenue collection after GST was lowered on approximately 100 products w.e.f. July 27. Though the Government did not reveal the revenue loss on account of the cut, it was estimated that it could go up to Rs 10,000 crore per annum and if the duty benefit restored to the textile sector was included, the total outgo could go up to Rs 15,000 crore.

Of the total collection, CGST (Central Goods and Services Tax) is Rs 15,318 crore, SGST (State Goods and Services Tax) Rs 21,061 crore, IGST (integrated Goods and Services Tax) Rs 50,070 crore (including Rs. 25,308 crore collected on

imports) and cess Rs 7,993 crore (including Rs 769 crore collected on imports). The total number of GSTR 3B Returns filed for August up to September 30 was Rs 67 lakh.

The total revenue earned by the Central Government and the state governments after settlement in September 2018 was Rs 30,574 crore for CGST and Rs 35,015 crore for SGST.

Just last week, the GST Council, under the chairmanship of Finance Minister Arun Jaitley, reviewed the revenue position of states. It was found that 25 states and union territories have reported a shortfall and six states a surplus in GST collection during the first five months of this fiscal, despite the national average shortfall narrowing down to 13 per cent from 16 per cent in July 2017-March 2018. Leading the ranks in shortfall in GST collection were Puducherry with 42 per cent. Reporting surpluses were Andhra Pradesh and the five north-eastern states.

The shortfall is calculated on the basis of a projected growth rate of 14 per cent. States are compensated fully for the shortfall through a compensation cess that a Constitutional Amendment has assured for five years.

The Government is still hopeful of meeting the target. "We are in the middle of the year...the festival season is coming...We will try and come as close to the target (as possible)," Finance Minister Arun Jaitley said last Friday. Since October and November are festival months, there are expectations that demand will go up and so also tax collection.

### Closed spinning mill revived in Sircilla

### The Hindu

<https://www.thehindu.com/news/national/tehrangana/closed-spinning-mill-revived-in-sircilla/article25100047.ece>

Powerloom industry in the region would get further boost, says Collector

Sri Raja Rajeshwara Cooperative Spinning Mill Limited at Peddur, which was shelved for various reasons, was revived as Venkateshwara Spintex Private Limited by a private firm on Monday.

The revival of the spinning mill would come as a boon to the Sircilla powerloom industry, which consumes more than 40,000 kg of yarn per day. The raw material available abundantly in the region would give a fillip to the spinning mill to produce more yarn. The government will provide power at a subsidy of ₹ 1.50 per unit.

Principal Secretary IT and Industry Jayesh Ranjan along with Collector P Venkatarama Reddy formally inaugurated the spinning mill on Monday. Speaking on the occasion, Mr Ranjan said that the State government was taking all measures for the revival of defunct and closed industries. He said that the State government had revived FCI as Ramagundam Fertilizers and Chemicals Limited, Sirpur Khagaznagar Paper Mills, Rayons in Warangal etc.

He also said that the revival of the spinning would help the Sircilla textile industry to bring back its past glory with the availability of yarn locally for producing various fabrics. He said that the spinning mill would also supply yarn to other parts of the State and country.

Collector Venkatarama Reddy said that the revived mill would employ more than 350 workers in the region .

SP Rahul Hegde BK, SFC ED Ramesh, trainee IAS Rahul Sharma, AD (handlooms and textiles) Ashok, Venkateshwar Spintex Private Limited representatives Ranga Ashok and Vemula Venkat and others were also present.

**Cotton yarn exports post 6.52 percent growth in two months of FY 2018-19**

**Business Recorder**

<https://www.brecorder.com/2018/10/01/442784/cotton-yarn-exports-post-6-52-percent-growth-in-two-months-of-fy-2018-19/>

During the period from July-August 2018, about 79,733 metric tons of cotton yarn valuing \$224.145 million was exported against 81,064 metric tons worth \$210.418 million last year.

Meanwhile, about 1,988 metric tons of yarn other than cotton yarn valuing \$5.065 million was exported during the period under review as compared to 1,725 metric tons worth \$4.925 million during the same period of last year, according to data of Pakistan Bureau of Statistics.

However, during the period under review, exports of raw cotton came down from \$8.695 million in July-August, 2017 to \$3.292 million during the same months of current financial year, recording decrease of 62.14 percent.

The country exported about 21,440 thousand dozens of knitwear worth US \$488.815 million during the first two months of current financial year as compared to 16,992 thousand dozens valuing US \$439.224 million during the corresponding period of the last year.

During the period from July-August 2018, the exports of knitwear grew by 11.29 percent as compared to those during the same period of the last year.

Meanwhile, 7,450 thousand dozens of readymade garments valuing US \$435.425 million were exported during the period under review as compared to 6,108 thousand dozens worth \$418 million the last year. The exports of cotton cloth also reduced from 345,229 thousand square meters valuing \$346.780 million, which was recorded at 328,741 thousand square meters worth \$349.197 million during the same period of last year, it added.

**'Economic revolution can only be accomplished via trade promotion'**

**Business Recorder**

<https://fp.brecorder.com/2018/10/20181002412051/>

Governor Punjab Ch Muhammad Sarwar has said that government strongly believe that economic revolution in the country can only be possible through trade promotion and all possible support to export sector is being extended to achieve optimum growth. Textile industry is the backbone of economy and remedial measures to overcome the challenges are being taken to uplift this sector.

Addressing the 32nd Annual General Meeting of Pakistan Textile Exporters Association, he said that the government is fully committed to expedite growth of commerce to maximum possible level by using all available means.

Government had announced Rs 44 billion subsidy on gas price for export oriented sectors in Punjab to secure their competitive edge in international market; however he underlined the need for serious and well-planned efforts for increase in value-addition especially in textile sector for capturing more share in the regional and international markets.

Government is committed to imparting all possible facilities to the textile sector as it is playing a major role in bringing economic stability. No country could achieve economic targets without the due role of exporters. With support of the masses, we will overcome the challenges being faced by the country, he said and added that future of Pakistan is very bright and all resources will be mobilised for converting Pakistan according to the Premier's vision of economically stable and strong Pakistan.

Earlier new Chairman PTEA Khurram Mukhtar addressing the participants said that rising cost of doing business has not only stalled fresh investment in the textile industry but have also hampered the export growth. Government should devise a comprehensive strategy to counter the issue in order to accelerate the industrial pace and also to save livelihood of millions of workers.

He said Pakistani exports are under pressure due to prevailing economic financial, industrial crisis in the country as well as persistently high cost of production and high energy cost which are badly affecting the industrial and trade activities and productivity output. He appreciated the successful efforts of outgoing team in resolving the issues confronting exports.

Outgoing Chairman Shaiq Jawed presenting his annual report said that despite, big challenges, it was wonderful experience representing as Chairman of the country's premier Association of textile manufacturers and exporters. During the year utmost efforts were made to look after the trade related issues of members by advocating their voice at appropriate forums.

He termed payment of long outstanding refunds as positive which will definitely help to accelerated industrial pace in the country. Notwithstanding the fact that Pakistan's economy has lost significant momentum, our exporters have held their ground against heavy odds and achieved the export targets. He expressed the hope that new team will continue the efforts to strengthen the linkages with the local and international businesses to promote and protect the interests of textile industry.

Later, shields were presented to the Governor and outgoing chairman. Provincial Minister for Social Welfare & Bait-ul-Mall Muhammad Ajmal Cheema, Provincial Minister for Excise & Taxation Hafi Mumtaz Ahmed and a large number of textile exporters attended the meeting.