

**IBTEX No. 264 of 2016**

**Dec 30, 2016**

USD 67.95 | EUR 71.63 | GBP 83.50 | JPY 0.58

<b>Cotton Market Update</b>		
<b>Spot Price ( Ex. Gin), 28.50-29 mm</b>		
<b>Rs./Bale</b>	<b>Rs./Candy</b>	<b>USD Cent/lb</b>
18645	39000	<b>73.67</b>
<b>Domestic Futures Price (Ex. Gin), December</b>		
<b>Rs./Bale</b>	<b>Rs./Candy</b>	<b>USD Cent/lb</b>
19310	40392	<b>75.50</b>
<b>International Futures Price</b>		
NY ICE USD Cents/lb ( March 2017)		69.75
ZCE Yuan/MT ( January 2017)		14,900
ZCE Cotton: USD Cents/lb		<b>82.55</b>
<b>Cotlook A Index - Physical</b>		<b>78.55</b>
<p><b>Cotton &amp; currency guide:</b> Cotton rose on speculation that a recent price slide and a weaker dollar will boost demand for supplies from the U.S., the world's top exporter. March futures jumped 1.1 percent to settle at 70.13 cents a pound on ICE Futures U.S. in New York, after surging as much as 2.3 percent, the largest intraday gain since Nov. 11. Cotton arrival in major markets across India marginally decreased by 2,000 bales on Tuesday. Cotton arrival in major markets across India decreased by 16,000 bales on Wednesday.</p>		
<p><b>Compiled By Kotak Commodities Research Desk , contact us :                  research@kotakcommodities.com, Source: Reuters, MCX, Market source</b></p>		

Exhibit your company at [www.texprocil.org](http://www.texprocil.org) at **INR 990** per annum  
[Please click here to register your Company's name](#)

**NEWS CLIPPINGS**

<b>INTERNATIONAL NEWS</b>	
<b>No</b>	<b>Topics</b>
1	Intertextile Shanghai Apparel Fabrics to add new hall
2	Textile sector arrests downslide in 2016; yarn continues to post decline
3	Taiwanese company to produce jacquard fabrics in Vietnam
4	UK: Trützschler develops T-DATA a monitoring system for spinning processes
5	Italian silk industry exacerbated by high raw material prices
6	Minimum wage of Nigerian textile workers to rise by 13%
7	South Korea:Textile sector set to suffer trade deficit for 2nd straight year
<b>NATIONAL NEWS</b>	
1	Textile Commissioner all praise for Brandix Park
2	International Textile Conference on 'Make in India' receives overwhelming response
3	Weak export demand, high cotton prices a tough challenge for spinning industry: ICRA
4	Sebi allows Cotton Association of India to exit bourse business
5	KVIC retail outlets not impacted by demonetisation

## INTERNATIONAL NEWS

### Intertextile Shanghai Apparel Fabrics to add new hall



Intertextile Shanghai Apparel Fabrics, which begins March 15-17, 2017 in Shanghai, China will see the addition of an additional hall to accommodate the over 3,000 participating exhibitors. The organisers have added the hall due to an increased number of ladieswear and accessories exhibitors, and to lesser

extent functional fabrics suppliers.

Four concurrent textile fairs like Yarn Expo Spring, Intertextile Shanghai Home Textiles – Spring Edition, CHIC and PH Value will occupy another seven halls. In addition to domestic buyers, visitors from around 100 countries and regions are expected at the 2017 edition.

To facilitate buyers' sourcing, a wide range of pavilions and product zones are spread throughout the halls. These include SalonEurope, Premium Wool Zone, Verve for Design, All About Sustainability, Functional Lab, Asian Pavilions and lastly Group Pavilions.

Besides these pavilions and product zones, Intertextile Shanghai's will organise various fringe programme like the Intertextile Directions Trend Forum, several seminars and panel discussions.

Source: fibre2fashion.com – Dec 29, 2016

[HOME](#)

\*\*\*\*\*

## **Textile sector arrests downslide in 2016; yarn continues to post decline**

LAHORE: The downslide in textile sector witnessed in 2015 was largely arrested in 2016 with yarn and fabric being the only sub-sectors where decline still continues. Indecisiveness of the government on proposed textile package created uncertainty impeding investment plans.

According to the data compiled from government statistics, the textile exports of six major items declined by \$363 million to \$9.888 billion in Jan-Nov 2016, compared to \$10.251 billion in the same period of 2015.

During the same period, cotton yarn exports decreased \$228 million and cotton fabric by \$155 million. Cumulative decline in exports of these two items amounts to \$383 million that is \$20 million higher than the total decline in textile exports. This in other words means that the exports in value-added sectors increased, though only nominally.

In the first 11 months of 2015, cotton yarn export was \$1.431 million that declined to \$1.103 million during the corresponding period of 2016. Cotton fabric exports were down from \$2.126 billion to \$1.971 billion in 2016.

Knitwear exports during Jan-Nov 2015 were \$2.187 decreasing nominally to \$2.186 in calendar year 2016. Bed wear exports however increased from \$1.858 billion to \$1.890 in 2016, towels exports declined from \$694.7 million in 2015 to \$691.5 million in 2016. The exports of readymade garments increased from \$1.955 billion in 2015 to \$2.047 billion in 2016.

Pakistani Prime Minister had assured the textile sector of incentives in September 2015, but nothing was done for over a year. He again promised the textile sector in October 2016 that the textile package would be announced soon. No notification has been released in this regard.

This has created uncertainty among textile exporters, who cannot quote their best prices. They would miss a big opportunity at the largest global

fair on home textiles which is to be held in Frankfurt in the second week of January.

Textile sector, like the preceding five years, did not invest in balancing and modernisation in 2016 that further deteriorated its spinning and weaving machines. The eroding competitiveness of the sector was not only because of high cost of doing business in Pakistan but also due to 10 years old machinery.

The older machines consume 40 percent more power than the latest basic textile machines. New machines produce more with only 33 percent of the workforce needed in older machines.

The cost of energy came substantially down in 2016. The textile industry in Punjab was completely dependent on state supplied 18 hours per day of uncertain power and average six hours natural gas supply during summer in 2015.

During acute power shortages, most of the millers had to run their diesel generators that produced costly power. In 2016 they were assured 24/7 electricity at an average of Rs12 per unit and 24/7 RLNG for their generators that produced electricity at an average of Rs10 per unit.

That was a vast improvement, but the dilemma for 70 percent of the industry based in Punjab is that the energy cost in other provinces is substantially lower. They produce electricity from natural gas that is 35 percent cheaper than RLNG.

Another drawback faced by the textile sector in 2016 was sharp rise in textile imports. Textile imports have crossed \$3 billion. The imports include raw cotton that is usual except for the fact that this year the imports were higher due to low cotton output in Pakistan. Indian yarn has also made substantial inroads in the country. Even the readymade garments imports have increased – all at the expense of the domestic textile sector.

It was the worst year for cotton crop in the last 25 years, as the country harvested less than 10 million bales. The industry coped with the shortage by importing bales which were available globally at low cost. Bureaucratic hurdles impeded cotton imports from neighboring India.

The regulations that were invoked after tensions with India increased hurt our domestic industry, but were a blessing for Indian millers as the glut brought down cotton price in India.

Going forward, the basic textile industry has realised that its survival lies not only in technology upgrade but also in value-addition so they consume yarn and fabric in their own concern. Though the larger textile houses are on target in this regard, the comparatively small units are rich in ideas but short on resources.

Source: thenews.com.pk– Dec 30, 2016

[HOME](#)

\*\*\*\*\*

## **Taiwanese company to produce jacquard fabrics in Vietnam**



Taiwanese manufacturer of accessories like shoe laces and elastic tapes, Taiwan Paiho Ltd is planning to invest \$50 million in setting up a manufacturing facility in Vietnam. The plant to be managed by Paiho's Vietnamese subsidiary, Paiho Shih Holdings Corp would mainly produce jacquard

knitted fabrics destined for export to various countries.

“The company will install 42 machines at the new plant, which is scheduled to begin commercial production the last quarter of 2017 and plans to install 350 such machines within the next five years,” Taiwanese media reported.

After analysing various factors like transportation costs and tariffs of

various Southeast Asian countries, the Taiwanese company zeroed in on Vietnam to set up the plant.

According to Paiho Shih chairman Cheng Kuo-yen, producing jacquard warp-knitted fabrics is projected to help it enhance its presence in the shoe material market, since there is an increasing demand for the fabrics from shoe manufacturers from across the globe.

Source: fibre2fashion.com– Dec 29, 2016

[HOME](#)

\*\*\*\*\*

### **UK: Trützschler develops T-DATA a monitoring system for spinning processes**

Trützschler, a leading textile machinery manufacturer from Germany, specialist in machines, installations and accessories for spinning preparation, the nonwovens and man-made fibre has developed T-DATA a brand new real-time monitoring system in spinning processes that provides management with solid data for the daily routine, even on the go.

Since the system is web-based, the data are available anytime and anywhere, the company reports, providing new opportunities for efficient analysis of the production process. T-DATA has been developed to provide transparency and optimisation of the spinning preparation, and can be easily and intuitively individualised, precisely tailored to the requirements of the user. The system allows easy data transfer to higher-ranking customer systems, the manufacturer reports.

The T-Data software is easily configured by means of the intuitive web interface and adapted to customer requirements. The user determines which data are of interest to him on an individual basis, and defines the way they are viewed. Options range from basic settings all the way to highly sophisticated functions.

The production data of the machines are centralized via a communication gateway, and transmitted to a PC via a standard Ethernet connection. T-Records, a powerful recording tool, stores the information received in a readily accessible database. Access to the quality data, error statistics and their evaluation takes place via the web browser.

All Trützschler TC cards, TD autoleveller draw frames, foreign part separators, and in the future combers TCO 12, Superlap TSL 12, as well as the installation control LINECOMMANDER, can be linked to T-Data. The connected machines send their information automatically to the monitoring system.

To obtain meaningful information, it must firstly be determined. For this purpose, Trützschler developed a number of sensors. The optical sensor WASTECONTROL is used to monitor the waste quality of the cleaners in the blow room to prevent unnecessary fibre loss.

On the cards, NEPCONTROL counts the neps, trash particles and seed-coat fragments in the card web, allowing targeted clothing maintenance. The signals of the DISC MONITOR sensors on cards, draw frames and combers are designed to enable the early detection of emerging faults via the spectrogram analysis.

Finally, power consumption is monitored by special energy meters in the machines. T-DATA shows the deviating values of individual machines, allowing for a very targeted maintenance, according to the manufacturer. Trützschler's headquarters is located in Mönchengladbach, Germany. Trützschler produces excellent products at 9 locations in six countries around the world. Trützschler Spinning is the technology market leading in spinning preparation in the cotton and manmade fiber sector.

Source: yarnsandfibers.com – Dec 29, 2016

[HOME](#)

\*\*\*\*\*

## **Italian silk industry exacerbated by high raw material prices**

Italian silk industry is caught between the double-digit increase in the cost of raw materials due to which a general refusal by end customers to accept higher prices over China and the super dollar on one side and giant fashion brands on the other.

Due to reduced supply of high-quality silk, where China has a near monopoly, retail prices have been rising for months, the impact exacerbated by a rise in the dollar, the currency in which raw materials are denominated.



Sergio Arcioni, head of the textile-clothing chapter of Confindustria Lecco and Sondrio, said that just over €47 was enough to buy a kilo of product, which became €53 in October and is now nearly €56, given the recent surge in the U.S. currency: they are approaching a 20% increase.

The problem is that the end clients, often major international luxury brands, refuse to accept higher prices. The impact of raw material on the price is in the order of 30-40 percent. This situation creates problems in terms of corporate profitability. Companies are very concerned.

Silk historically represents a point of strength in the textile district of Como, producing €2.3 billion in revenue (one-third from silk production), 1,200 companies and 18,000 employees with local silk production representing 80% of Europe's entire output. The strength of the dollar, while offering certain competitive advantages for direct sales to the U.S., in part mitigates the higher costs but the net impact remains negative, a situation that is worrisome at a time when the market was already not particularly brilliant.

In the first half of the year, the national silk industry saw revenue dip 2.2%, with a only slightly more comforting news on the orders, an increase of 3.8% in the second half after an analogous drop between January and March.

The next silkworm harvest and the future of the dollar, are uncertain scenarios that keep silk producers on edge. Also customers are moving into other products, marginalizing silk.

Source: yarnsandfibers.com – Dec 29, 2016

[HOME](#)

\*\*\*\*\*

## **Minimum wage of Nigerian textile workers to rise by 13%**



The minimum wage of the Nigerian [textile](#) and apparel workers will increase by 13 per cent to N32,000 as per

the 46<sup>th</sup> national collective agreement. The agreement has been signed by the National Union of Textile, Garment and Tailoring Workers of Nigeria (NUTGTWN) and the Nigeria Textile Garment and Tailoring Employers Association (NTGTEA).

Post the 13 per cent wage hike, the minimum wage in Nigerian textile and garment industry would be more than 70 per cent of the current national minimum wage of N18,000.

The increase in minimum wage rate will enable the labourers in the textile industry to deal with the economic recession, according to a leading Nigerian daily.

Through the collective bargaining process, there was 18 per cent and 15 per cent rise in the wage rate in 2012 and 2014 respectively, according to NUTGTWN. Collective bargaining is a process of negotiation between employers and a group of employees aimed at agreements to regulate working salaries, working conditions, benefits, and other areas of workers' compensation and rights.

Source: fibre2fashion.com– Dec 29, 2016

[HOME](#)

\*\*\*\*\*

## **South Korea: Textile sector set to suffer trade deficit for 2nd straight year**



SEOUL, Dec. 30 (Yonhap) - South Korea's textile and garment industry is set to suffer a trade deficit for the second consecutive year in 2016 amid an influx of cheap Chinese products, industry data showed Friday.

According to the data compiled by the Korea International Trade Association (KITA), the segment's exports dipped 4.8 percent on-year to reach US\$12.4 billion in the first 11 months of the year.

In contrast, imports of textiles and clothing increased 1 percent to \$13.52 billion over the cited period. If the trend continues this month, inbound shipments may top the previous record high of \$14.65 billion set in 2014.

In the January-November period, the sector logged a trade deficit of \$1.09 billion, far surpassing last year's deficit of \$157 million, the data showed.

The textile industry logged a deficit for the first time last year in its history, as high labor costs and increased competition from foreign rivals, such as China, ate into its profitability.

For instance, South Korea shipped textiles and clothing worth \$2.22 billion to China last year, but its imports from the neighboring country stood at \$6.45 billion, resulting in a trade deficit of \$4.23 billion.

Source: yonhapnews.co.kr- Dec 30, 2016

[HOME](#)

\*\*\*\*\*

## NATIONAL NEWS

### Textile Commissioner all praise for Brandix Park



Textile  
Commissioner Dr  
Kavita Gupta seen  
in Brnadix Park in  
Visakhapatnam on  
Thursday 29  
December, 2016

***Textile Commissioner Dr Kavita Gupta seen in Brnadix Park in Visakhapatnam on Thursday***

Textile Commissioner Dr Kavita Gupta seen in Brnadix Park in Visakhapatnam on Thursday Textile Commissioner Dr Kavita Gupta seen in Brnadix Park in Visakhapatnam on Thursday Visakhapatnam: Additional Secretary and Textile Commissioner Dr Kavita Gupta visited Brandix India Apparel City located at Atchutapuram near city on Thursday.

The Commissioner toured Brandix Park and termed it as a great success story and an example for other textile parks to follow.

She appreciated the world class infrastructure instituted to facilitate the textile and apparel exports.

observed the state-of-the-art water treatment and effluent treatment plants inside the park and appreciated the processes being followed to support the manufacturing units and also their dedication in complying with the international standards.

On visiting the fabric and garment manufacturing units inside the park, Dr Kavita Gupta was overwhelmed at the organised assembly line production processes and the design and quality of the finished products. She appreciated Brandix for their excellent training in manufacturing products for international brands and labels.

She was pleased to learn that Brandix not only the largest textile park in the country, but also the largest employer of women workforce of over 15,000 at a single location.

She enquired about all the units located in Brandix Park and recommended the management to further expand and develop integrated value chain in all segments, including spinning, weaving, apparel, and technical textiles and garmenting.

She suggested Brandix to develop its own brands and create a place for it in the textile and apparel sector in the international market.  
source :thehansindia.com

Source: thehansindia.com– Dec 30, 2016

[HOME](#)

\*\*\*\*\*

## **International Textile Conference on ‘Make in India’ receives overwhelming response**



The Textile Association (India), Mumbai Unit organized International Textile Conference on “Make in India – Global Vision of Indian Textile Industry” on 1st & 2nd December 2016 at Hotel The Lalit, Mumbai. The Conference received overwhelming response.

Mr. C. Bose, President, TAI, Mumbai Unit welcomed the Chief Guest, Mr. Ujjwal Uke, IAS, Principal Secretary (Textiles), Government of Maharashtra and Key Note Speaker, Mr. R. D. Udeshi, President-Polyester Chain, Reliance Industries Limited. He also welcomed the Awardees, Speakers, Press, Media and delegates.

Mr. V. C. Gupte Chairman, TAI, Mumbai Unit and Convener of the Conference while giving the highlights said that “Make in India” campaign aims to facilitate investment, foster innovation, enhance skill development, protect intellectual property, and build best-in-class manufacturing infrastructure in India. The textile sector is one of major thrust areas planned in this mission providing growth drivers, FDI, investment and

employment opportunities. Mr. Gupte said TAI, Mumbai Unit thought of bringing national as well as international thought makers to give their views for the success of this “Make in India” campaign.

Mr. R. D. Udeshi in his Key Note Address highlighted the comparative advantages and competitive strengths of India as fast emerging economy. He pointed out fibre base, modern technologies under the TUFs scheme and thrust on technical textiles. He remarked that the industries should avail of the opportunities to the best advantages to excel in the international competitive environment.

The Textile Association (India), Mumbai Unit has set a precedent of felicitating the textile professionals for their outstanding contribution in the field of textile industry. In this Conference, the TAI, Mumbai Unit felicitated Mr. Jayantibhai Jariwala, Chairman & Managing Director, Colourtex Industries Pvt. Ltd. and Mr. G. T. Dembla, Chairman, Precision Rubber Industries Pvt. Ltd. with “The Lifetime Achievement Awards”.

Mr. Ujjwal Uke, the Chief Guest in his inaugural address, emphasized that industry and government should work hand in hand to achieve the super ordinate goals of the “Make in India”. He emphasised on positive vision by both industries and individual for the future growth of the country.

The theme of the first session was “Make in India – Textile Perspective”. In this session first paper was presented by Mr. R. B. Gupte, Director, MSME Development Institute, Ministry of MSME, Government of India on “Make in India – An approach to Global Manufacturing Hub”. Dr. A. Raj, Senior Advisor, ZED, QUALITY COUNCIL OF INDIA presented the paper on “Journey towards Challenges –Best Practices & ZED Certification”. Dr. Swapna Mishra, Director, Textile Sector Skill Council (TSC) made the presentation on “Role of Textile Sector Skill Council to support Make in India mission through Skilling in textile”.

The second session was on “Innovations in Manufacturing Technologies” were presented by eminent speakers from India and abroad. Mr. G. Elango, General Manager, Textile Engineering-Processing, A.T.E. Enterprises Pvt. Ltd. presented the paper on “Eco Line” - Denim Finishing – A. Monforts, Germany”. Mr. Horst Ros, Managing Director Sales, J. Zimmer, Austria presented the paper on “Printing & Coating competence out of one hand”. Then Mr. Bhushan Zarapkar, Director-Operations, ATE Envirotech Pvt.

Ltd. presented the paper on “Advanced anaerobic technology for textile industry wastewaters”. Mr. Elliyas Mohammed, Business Development Manager (Polyester Dyes), Colourtex Industries Pvt. Ltd. made the presentation on “Dyeing of Polyester fabrics using Super Critical Fluid (Carbon Dioxide) - Waterless Dyeing “. Mr. Manohar Samuel, President (Marketing & Business Development), Birla Cellulose, Grasim Industries Ltd. presented the paper on “Make in India : Integrated Textile Park : Man Made Cellulose”. Mr. Parthiv Shah (Business Development Head- Global Sales), Amazon Global Selling spoke on “Enabling Manufacturers and Exporters to Sell Globally with Amazon”.

The Third Session was on “Supply & Demand Chain Management”. Mr. Sanjay Soneja, Head – PSF business, Reliance Industries Limited presented the paper on “Polyester: Supporting India’s Credentials as a Textile Super-power”. Mr. Alok Kumar, Assistant Director (Insp.), Central Silk Board, Ministry of Textiles Govt. of India expressed his views on “Perspectives of Indian Silk”. Ms. Deepa Chandran, General Manager - Head of Buying and Merchandising for Brand People, Aditya Birla Fashion and Retail Limited spoke on “Linen Fibre – Fibre based Textile”.

The theme of the fourth Session was “Industry Perceptions of Make in India”. Mr. Varun Vaid, Associate Director, Wazir Advisors Pvt. Ltd. presented the paper on “Global Textile Industry – A Peek in to future”. Mr. Sumit Gupta, Deputy Director Standards Development & Quality Assurance, Global Organic Textile Standard (GOTS) expressed his views on “Making Organic Textiles in India - Benefits to India and way forward”. Mr. Prasad Pant, CEO, NimkarTek Technical Services P. Ltd. presented paper on “Global developments in sustainability and their impact on Make in India”. Mr. Manoj Purohit, Product Manager - Heating Division and Mr. V. M. Desai, R&D Dept., Water & Waste Treatment, Thermax Limited made the presentation on “Revolutionary technique of Thermic Fluid Heater and Textile Effluent treatment plant”.

The theme of the last session was “New Trends in Textiles Retailing & other”. Mr. Rajeev Kewlani, Antar Advisors spoke on “How DNA technology is playing a critical role in ascertaining the Textile Supply chain”. Mr. Umesh Prasad, Director, U. V. Textile Machines Pvt. Ltd. / Automha India gave the importance of “Automatic Transportation & Warehousing / Storage solutions for Textiles”. Mr. R. Girish, IAS, Commissioner for Textile Development & Director Handlooms & Textiles,

Govt. of Karnataka gave the highlights on “State Policies of Karnataka Government - Nuthana Javali Neethi (2013-18)”. Mr. Hasmukh Jain, Vice President-Marketing, Industrial Boiler Ltd. presented the paper on “The Pressure Reducing Turbine”

All the Papers received very high response as well as interactions from the participants.

Mr. A. V. Mantri, Hon. Secretary, TAI, Mumbai Unit proposed a vote of the thanks. The Conference was a grand success and was attended by 350 participants.

Source: yarnsandfibers.com– Dec 29, 2016

[HOME](#)

\*\*\*\*\*

### **Weak export demand, high cotton prices a tough challenge for spinning industry: ICRA**

The firmness in cotton prices is driven by a hangover of cotton shortage in India earlier in the year, slower cotton arrivals amid the demonetisation drive and uncertainty related to the extent of improvement in domestic crop-size against a backdrop of superior yields but lower sown area. 29 December, 2016

ICRA expects the weak export demand and high cotton prices to hurt the profitability of domestic cotton spinners. While the commencement of the cotton harvest season has been accompanied by a softening of the domestic cotton price, however, it remains 17% higher YoY. The firmness in cotton prices is driven by a hangover of cotton shortage in India earlier in the year, slower cotton arrivals amid the demonetisation drive and uncertainty related to the extent of improvement in domestic crop-size against a backdrop of superior yields but lower sown area. Besides, weakness in export demand poses challenges for the domestic spinning industry. Cotton yarn exports have been under pressure due to lower demand from China amid improved local mill usage.

Jayanta Roy, Senior Vice-President, and Group Head, ICRA said, “As the domestic spinning industry remains highly dependent upon exports, with a third of India’s cotton yarn having been exported during the past



four years, the fall in export demand is a major challenge for the industry.”

The cotton yarn export quantity was 23% lower YoY during 7M FY2017. The improved domestic mill consumption in China has reduced its dependence upon imports, adversely impacting yarn exports from India. China’s yarn import quantity declined by 20% (YoY basis) during 7M FY2017 with a steeper decline in imports from India, which have fallen by 54% YoY.

“While the impact of the steep fall in exports has been cushioned by an estimated recovery in domestic consumption from a four-year low growth in FY2016, a sustained revival remains to be seen and will be challenging due to the adverse impact of the demonetisation on disposable incomes and hence consumer spending.” Roy added.

The growth in spun yarn production slowed further to 1.1% in H1 FY2017 from the slowest growth in four years (3.2%) witnessed in FY2016. In addition, given the increased share of non-cotton yarn, aided by improved competitiveness of PSF vis--vis cotton, the cotton yarn production witnessed a 1.8% de-growth in H1 FY2017.

In ICRA’s view, overall yarn demand is unlikely to get immediate support amid low exports and curtailed consumer spending amidst the demonetisation drive. Accordingly, spinners will have to sacrifice capacity utilisation or contribution, and hence profitability is likely to remain under pressure. Apart from profitability pressures, high cotton prices will translate into higher working capital requirements, and hence higher borrowings and weaker credit metrics of players.

While the contribution margin was under pressure during Q2 FY2017, ICRA notes that stronger players had stocked cotton prior to the hike in cotton prices, which supported profitability. However, from Q3 FY2017 onwards, profitability is likely to decline.

Source: [financialexpress.com](http://financialexpress.com)- Dec 30, 2016

[HOME](#)

\*\*\*\*\*

## **Sebi allows Cotton Association of India to exit bourse business**

Volume of future trades of CAI started declining from 2002 onwards and became nil on 2007 Markets regulator Sebi on Thursday allowed Cotton Association of India (CAI) to exit the bourse business by withdrawing its recognition.

The Securities and Exchange Board of India (Sebi), in February this year, informed the CAI that since there was no trading operation on its platform for more than 12 months, it is liable to exit.

Following this, the Association decided to voluntarily surrender the recognition granted to it as a deemed recognised by the stock exchange.

In an order passed on Thursday, Sebi said the CAI has complied with the regulator's conditions for exit and is therefore "a fit case to allow exit" from capital markets.

"From the valuation report and undertaking of CAI, it is observed that all the known liabilities as on date have been brought out and that CAI has substantially complied with the conditions contained in the exit circular of 2016," Sebi said in an exit order.

While allowing the exit, Sebi has asked the exchange to comply with tax obligations and not to use the expression "exchange" in its name, among others.

Cotton Association of India, formerly known as the East India Cotton Association Ltd, was granted recognition in June 1955, for organising and regulating forward contracts in cotton throughout India.

The volume of futures trade on CAI started to decline during 2001-02 and became nil in 2006-07 and no futures trading was conducted thereafter, Sebi noted.

Source: business-standard.com - Dec 29, 2016

[HOME](#)

\*\*\*\*\*

## **KVIC retail outlets not impacted by demonetisation**



Retail stores managed by the Khadi and Village Industries Commission (KVIC) have not been impacted by the demonetisation of higher value currency notes. Most of the retail outlets operated by KVIC was already accepting digital payments, while its flagship store in New

Delhi has been receiving almost 91 per cent of payments in digital mode.

A news agency quoted KVIC CEO Usha Suresh as adding that KVIC was not impacted by the demonetisation drive and also that the state owned agency is hosting awareness programmes to inform about cashless transaction benefits.

KVIC is organising a 'Khadi Haat' in Mumbai from December 26 to January 1, to extend a helping hand in selling traditional handmade goods of rural artisans from across Maharashtra.

Source: fibre2fashion.com- Dec 29, 2016

[HOME](#)

\*\*\*\*\*