

## United Colors of Benetton kicks off 25th anniversary celebrations with Spring-Summer'18 preview

By Our Staff Reporter

MUMBAI, FEB. 25—

United Colors of Benetton celebrated an evening full of fashion, glamour and merriment to mark a quarter century of its heritage & values in India. The high-on-fashion evening was held at Benetton's iconic Linking Road Store, which was graced by Sonam Kapoor's presence.

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The avidity in the air was palpable as guests arrived to witness a celebration of the history of craftsmanship; a signature of Benetton, reflected in the Spring Summer'18 collection. Commenting on Benetton India's completion of 25 years, Mr. Sundeep Chugh, CEO & MD, Benetton India said "For the past twenty-five years creativity and social relevance has been central to our culture and we have consistently strived to do business in a way our associates, partners and customers can be proud of. On this occasion I'd like to thank every stakeholder who has contributed to Benetton India's success journey. Colors of United Colors of Benetton are getting deeper in the country and we promise our customers to continue delivering consistently high quality, democratic fashion and strong brand values."

The event was also marked by the launch of United Colors of Benetton's Spring Summer'18 collection characterized by color palettes of summer, shades of Bordeaux reds & oxide yellows. The women swear collection denotes the amalgamation of femininity & modernity with playful stripes ranging from classic nautical to variegated stripes, floral, flowy summer dresses and much more, inspired by nautical elements.

The menswear collection embraces classic and contemporary prints in many ways. Some of the key inspiration apart from prints and checks include textured fabrics in tie & dye and denims with pocket detailing to add the right amount of fun to your wardrobe.

### Maha State Textile Policy 2018 -23

## Promising Investment across Textile/Apparel Value Chain

By Sanjay Arora, Business Director and Disha Acharya, Consultants, Wazir Advisors

Maharashtra Government recently announced its new State Textile Policy 2018 - 23, an attractive incentive package for strengthening the State's textile and apparel value chain.

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The policy aims at creating 10 lac new jobs and attracting Rs. 36,000 crores investment in the sector over the next five years. Knitting, processing and hosiery segments and Vidarbha, Marathwada and North Maharashtra regions remain the key focus of the policy. Significant emphasis is laid on women employment, infrastructure development, technology upgradation and skill development.

Government envisions to achieve processing of State's complete cotton production to take forward the Make in Maharashtra concept, through the new policy.

Out of various incentives provided Capital Subsidy is the key feature of the new policy. While other State policies have upper cap for Capital Subsidy disbursement however Maharashtra policy does not levy any upper limit.

### The key highlights of new policy are as ahead:

#### \* CAPITAL SUBSIDY

a. 40% of the eligible amount for processing, technical textiles, knitting, hosiery and apparel units, 35% for composite units, 25% for spinning, ginning and pressing units and 25% for plain loom modernization and new powerlooms.

b. 5% subsidy for SC, ST and minority community textile projects.

c. Upto 20% additional capital subsidy for textile projects

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## Home textiles exporters stare at ~300 bps fall in profitability

MUMBAI, FEB. 25—

Operating profit margins of home textiles exporters is seen falling ~300 basis points (bps) from this fiscal following pressure on export realisations stemming from a shift in the dynamics of US retail, and a reduction in incentives after the implementation of the Goods and Services Tax (GST).

This fiscal, the landscape is undergoing a sea-change. Many brick & mortar retailers in the US have pruned inventories and downsized stores to offset profitability pressures caused by the e-tail boom. In order to cushion the consequent fall in utilisation levels, Indian exporters have been enhancing their share of the business with

US e-retailers, but at lower realisations.

Domestic home textile firms have had a good run since fiscal 2012, with India's share of US imports of cotton bed sheets and terry towels increasing from 34% to about 40% in fiscal 2017 because of cost competitiveness compared with peers in China and Pakistan.

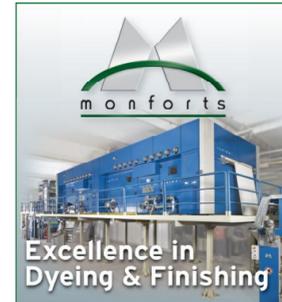
US accounts for a third of global home textiles market worth US \$16 billion. Almost 47% of India's home textile exports of \$5.3 billion last fiscal was to the US.

Additionally, competitiveness continues to be impacted in Europe – an equally large consumer of home textiles as the US – with levies up to 10%

duty on Indian products compared with free access to Bangladesh and Pakistan firms. Suppliers from Pakistan also benefit from better export incentives provided by their government.

Domestic home textile firms, on the other hand, have been hit by the lowering of Duty Drawback Rate and Rebate of State Levies to ~2% from 7.5% and 3.9%, respectively, following the implementation of GST in July 2017. However, recently, partial relief was provided whereby incentives under the Merchandise Exports from India Scheme (MEIS) was increased from 2% to 4%.

"Our study of 63 firms (including 59 rated by CRISIL),



which account for ~70% of India's home textiles exports, indicates that despite relief under MEIS this fiscal, average export incentives as a percentage of revenues will be lower by at least 200 bps," said Anuj Sethi, Senior Director, CRISIL Ratings.

That, along with pricing

Continued on Page 4

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Georg Stausberg, CEO Oerlikon Manmade Fibers Segment

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# Prices steady

By Cotton Man

MUMBAI, FEB. 24—

The cotton prices continued to maintain a steady trend amid lacklustre market conditions.

Quality	Rate	Arrival in Bales	State Wise
<b>NORTH ZONE (RATES IN MAUND)</b>			
<b>Punjab</b>			
J-34 S/G	4180 / 4190		
J-34 R/G	4210 / 4220	4000	
<b>Haryana</b>			
J-34 S/G	4180 / 4190		
J-34 R/G	4210 / 4220	9000	
<b>Rajasthan</b>			
J-34 S/G	4160 / 4190		
J-34 R/G	4190 / 4220	5000	
<b>CENTRAL ZONE (RATES IN BALES)</b>			
<b>Gujarat</b>			
V-797 (Kalayan) 22mm	29000 / 29500		
S/6 28 mm B Grade	39500 / 40000		
S/6 29 mm A-Grade	40800 / 41300	30000	
<b>Maharashtra</b>			
MECH 1 - 29 mm 3.8 mic	40000 / 40500		
MECH 1 - 30 mm 3.8 mic	40500 / 41000		
MECH 1 - 31 mm 4.0 mic	41000 / 41500	35000	
<b>Madhya Pradesh</b>			
MECH - 1 29 mm 3.8 mic	39800 / 40300		
MECH - 1 30 mm 3.8 mic	40300 / 40800		
DCH-32 34-35 mm	55500 / 57500	10000	
<b>SOUTH ZONE (RATES IN BALES)</b>			
<b>Andhra Pradesh</b>			
MECH - 1 (Adil) 29-30mm	39500 / 40500		
Bunny / Brahma (Wara) 29-30 mm	39500 / 40500		
MCU-5 29-31 mm	39500 / 41500	25000	
<b>Karnataka</b>			
MECH-1 29 3.8 mic	40000 / 40500		
Bunny / Brahma 30 4.0 mic	40400 / 41000		
DCH-32 34-35mm	56000 / 58000	10000	
<b>Total Arrivals</b>	<b>1,28,000</b>		

## Indian Cotton Federation

(Per Candy 2017018 Crop)

V-797	29500	Sankar-6 (New)	39500
Jayadhar	-----	MCU-5	41700
J-34 (RG) (New)	40312	DCH-32	58300
MECH-1/H-4 (New)	40200	MECH (New)	40500

## COTTON ASSOCIATION OF INDIA

State	Grade	Staple	Mic	Per Candy
P/H/R	ICS-101	Below 22mm	5.0-7.0	41900
P/H/R	ICS-201	Below 22mm	5.0-7.0	42400
GUJ	ICS-102	22mm	4.0-6.0	29100
KAR	ICS-103	23mm	4.0-5.5	33300
M/M	ICS-104	24mm	4.0-5.5	36500
P/H/R	ICS-202	26mm	3.5-4.9	38700
M/M/A	ICS-105	26mm	3.0-3.4	34700
M/M/A	ICS-105	26mm	3.5-4.9	36300
P/H/R	ICS-105	27mm	3.5-4.9	39300
M/M/A	ICS-105	27mm	3.0-3.4	35200
M/M/A	ICS-105	27mm	3.5-4.9	37300
P/H/R	ICS-105	28mm	3.5-4.9	40500
M/M/A	ICS-105	28mm	3.5-4.9	38200
GUJ	ICS-105	28mm	3.5-4.9	39200
M/M/A/K	ICS-105	29mm	3.5-4.9	39300
GUJ	ICS-105	29mm	3.5-4.9	39900
M/M/A/K	ICS-105	30mm	3.5-4.9	40400
M/M/A/K/T/OICS-105		31mm	3.5-4.9	42100
K/A/T/O	ICS-106	32mm	3.5-4.9	42800
M(P)/K/T	ICS-107	34mm	3.0-3.8	55400

## U.S. Futures Daily Cotton Market

21 February 2017

Contract	Open	* High	Low	Close *	Settle	Change
Mar '18	77.50	79.10	77.45	78.75	78.91	+1.40
May '18	78.57	80.52	78.57	80.26	80.39	+1.43
Jul '18	79.66	81.18	79.66	81.01	81.10	+1.39
Oct '18	0	0	0	0	77.94	+0.93
Dec '18	75.90	76.44	75.83	76.40	76.40	+0.40

\*Open and Close prices reflect the first and last trade in the market and do not correlate to any opening or closing period

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## Home textiles cos stare at fall in profitability

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 pressure, is expected to crunch EBITDA (earnings before interest, tax, depreciation and amortisation), or operating margins to 16% starting fiscal 2018 from ~19% last fiscal.

However, demand for Indian home textiles will continue to grow at ~8% seen in the recent past, helped by exports to traditional markets and better penetration in non-traditional markets such as Asia, Australia, South America and Canada.

"Given the still healthy demand, CRISIL expects the 63 firms to spend as much as Rs 3,700 crore to expand capacities in fiscals 2018 and 2019. That would be significant considering that Rs 4,600 crore has already been spent in the previous two fiscals," said Rajeswari Karthigeyan, Associate Director, CRISIL Ratings.

Debt being raised for capacity expansion (net of repayments) and lower EBITDA margins are expected to result in aggregate debt to EBITDA ratio increasing to ~3 times in the near term from ~2.5 times in fiscal 2017. Nevertheless, credit profiles of CRISIL rated firms are not expected to be materially affected.

## ICSI to come out with auditing standards for professionals

KOLKATA, FEB. 25-(PTI)

The Institute of Company Secretaries of India (ICSI) today has said that it is set to introduce auditing standards for practising company secretaries.

The auditing standards, however, will be voluntary in nature. President of ICSI Makarand Lele said that four auditing standards would be announced soon.

He said these standards were being drawn up to harmonise with the secretarial standards.

## Commonwealth Fashion Exchange: Wool the green thread in sustainable fashion

From Tecoya NewsDesk

MUMBAI, FEB. 25—

The Commonwealth's 53 countries have united as part of the Commonwealth Fashion Exchange, showcasing artisanal fashion skills and highlighting sustainability within the industry. Designers included Burberry, Stella McCartney, Karen Walker and KitX.

Hosted by HRH The Duchess of Cambridge and HRH The Countess of Wessex on behalf of Her Majesty The Queen, Head of the Commonwealth and attended by leaders in the fashion and sustainability industries, the event showcased wool as a natural, renewable and biodegradable fibre.

The exhibition brought the Commonwealth together to showcase a wealth of design and artisan fashion talent across its 53 countries. Participating designers and artisans were teamed together to each create a special look, marrying innovative design with traditional handicraft. The designs will be given a public exhibition at Australia House from tomorrow, February 22, and then move to other locations in London in the run up to the Commonwealth Heads of Government Summit in April.

The Commonwealth Fashion Exchange was developed by brand consultancy

Eco-Age, headed by Livia Firth, in partnership with The Woolmark Company and S w a r o v s k i . MATCHESFASHION.COM will launch an edited collection of the designers' outfits in September, giving consumers worldwide the opportunity to buy these unique wool garments.

The Commonwealth Fashion Exchange is particularly timely as a global wave of interest in handmade products and authentic luxury causes a reassessment of the artisan fashion trades.

"As a company that markets a premium natural fibre, The Woolmark Company is very proud to be supporting this important project," said The Woolmark Company Managing Director Stuart McCullough. "Australian wool has been cultivated by generations of Australian woolgrowers who care for their sheep and work tirelessly to protect and conserve the extensive pastures on which their flocks graze.

"It is important that The Woolmark Company is active in the sustainability arena to clearly demonstrate the eco-credentials of wool. By supporting this global initiative, The Woolmark Company is highlighting Merino wool as a natural, renewable and biodegradable fibre to a cross-section of the world's most

influential designers - and helping secure validity for Merino's eco-argument from respected experts and ambassadors in the field of sustainability.

"Wool continues to be an important premium ingredient in the global fashion industry. It is therefore exciting to work with Livia Firth and Eco-Age to make sure their principles of sustainable excellence are applied across the entire collections in this initiative and to see so much of our natural fibre, wool, being used."

Marrying ethics with aesthetics, Eco-Age is a globally respected brand consultancy working at the cutting edge of sustainability. Its founder and Creative Director is Livia Firth, who is a UN Leader of Change and has been recognised with the UN Fashion 4 Development Award.

"This is a project rich in partnerships and creative co-design," she said. "As someone who is passionate about joining the threads of global fashion and creating real partnerships you can imagine how exciting it is for us to be involved. The majority of the population of the Commonwealth is under the age of 30 so we needed to find something that spoke to the millennials, the young people." #

## Naidu pushes for intra-regional trade via value chain approach

VISAKHAPATNAM, FEB. 25-(PTI)

Vice-President M Venkaiah Naidu has said that adopting the regional value chain approach could be an appropriate model for India to foster intra-regional trade.

"Although India has a lot of trading agreements, both regional and bilateral, the country is yet to fully capitalise

on the existing synergies in its Regional Trading Agreements.

"An example is the South Asian Free Trade Agreement (SAFTA) as the South Asian region is the least integrated among all the regions in the world," he said here.

"Adopting the regional value chain approach could be an appropriate model to foster intra-regional trade by deepening

regional processes," Naidu said. The vice-president said domestic firms should find ways to achieve higher exports.

"Indian companies need to identify segments of global value chains with higher value addition and low entry barriers in global markets to achieve higher exports in the short term," he noted. #

## Maha Textile Policy lures textile investors

Continued from Page 1 Col 2

in Vidarbha, Marathwada and North Maharashtra regions.

d. For investment of more than Rs 500 crores 5% additional capital subsidy and further 5% capital subsidy if such a project is first project in the taluka.

### \* POWER SUBSIDY

a. Rs 3 per unit for co-operative spinning mills for 3 years. Overall annual subsidy will be upto Rs 150 crores.

b. Rs 2 per unit for spinning mills (excluding co-operative spinning mills), processing units & all other textile units with power consumption of more than 107 HP.

c. Rs 2 per unit for power looms, apparel, knitting & hosiery units with power consumption above 200 HP.

### \* ASSISTANCE FOR TEXTILE PARKS

Rs 9 crore or 9% of the project cost whichever is lower, for projects approved by State Government & those approved under Central Govt. SITP scheme.

### \* SUBSIDY FOR PROJECTS UNDER IPDS SCHEME (PRE & POST PROCESSING)

25% of project cost or Rs 37.5 crore whichever is less for projects approved under IPDS scheme.

### \* SUBSIDY FOR

### MODERNIZATION OF PLAIN POWERLOOMS

Based on type of modernization i.e. semi-automatic shuttle looms or shuttleless rapier looms subsidy of Rs 6,400 to Rs 28,000 per loom.

### \* PLUG AND PLAY SET-UP

MIDC will develop Plug & Play premises in each district or taluka of Vidarbha, Marathwada & North Maharashtra for setting up of knitting, hosiery and apparel units, with Common Facilitation Centre (CFC), worker training centre etc. which would be run by owners, associations, co-operative societies etc.

\* Privatization of co-operative spinning mills & co-operative

powerloom societies provided, they return Govt. equity, loan & interest thereupon.

Within Maharashtra, Vidarbha region which forms the central part of India has been incentivized higher than the other parts of the State under the policy with 20% additional capital subsidy and further 5% subsidy for units undergoing forward and backward integration. The region has presence of entire textiles and apparel value chain i.e. polyester fibre and filament manufacturing, spinning, weaving and garmenting units, abundant manpower availability, well-developed infrastructure and good land, sea and air connectivity, hence with the declared new policy benefits it can become one of the competitive manufacturing destination catering to PAN India market.

Located in the western part of the country and with its strategic presence near the key textile cities such as Surat and Ahmedabad, Maharashtra is the second largest exporter of textile and apparel from India. It is major cotton growing state with more than 1,500 mn kg. of annual cotton production.

It is the second largest spinning hub in India accounting to 9% share in India's total spindle capacity and has seventh highest rotor capacity in India with around 0.35 lacs rotors installed. Maharashtra has more than 15 sanctioned textile parks. There are above 10,000 apparel manufacturing units in the State. Mumbai, Pune, Nagpur, Bhiwandi, Solapur etc. are the key textile and apparel clusters in the State and it is home to leading textile companies and brand offices.

In lines with the new policy release by Gujarat and Uttar Pradesh Government, Maharashtra has also announced attractive incentives for the sector. Being one of the key textile and apparel manufacturing States of India, it has potential for huge investments thus, depending on the target market i.e. domestic or exports, an investor can conduct a location-wise cost benefit analysis to set-up manufacturing units and avail maximum policy benefits.