FDDI NEWSLETTER
Be Ambitious. Be at FDDI.
Institution of National Importance (INI) under FDDI Act, 2017
A Weekly Newsletter
साप्ताहिक समाचारपत्रिका

04th January 2019

Issue No. 709

Govt. to provide Rs. 600 cr subsidy sops to merchant exporters

The government on January 2, 2019 decided to provide 3 per cent interest subsidy to merchant exporters to enhance flow of funds for them with a view to boosting outbound shipments. The decision was taken by the Cabinet Committee on Economic Affairs.

"The proposal will entail benefits of around Rs. 600 Crore to exporters on interest equalisation for the remaining period of the scheme," an official release said.

Approval has been given to the proposal of the Department of Commerce for "including merchant exporters under the Interest Equalisation Scheme for pre- and post-shipment rupee export credit by allowing them interest equalisation rate of 3 per cent on such credit for export of products covered under 416 tariff lines (products) identified under the scheme," the release said.

These products are largely in Micro, Small & Medium Enterprises (MSME)/ labour-intensive sectors such as agriculture, textiles, leather, handicraft and machinery.

It added that the inclusion of merchant exporters in the scheme is expected to make exporters more competitive, encourage them to export more products manufactured by MSMEs.

"Additional exports by them will increase production by MSME giving a fillip to employment generation as MSME are generally in the employment-intensive sectors," it added.

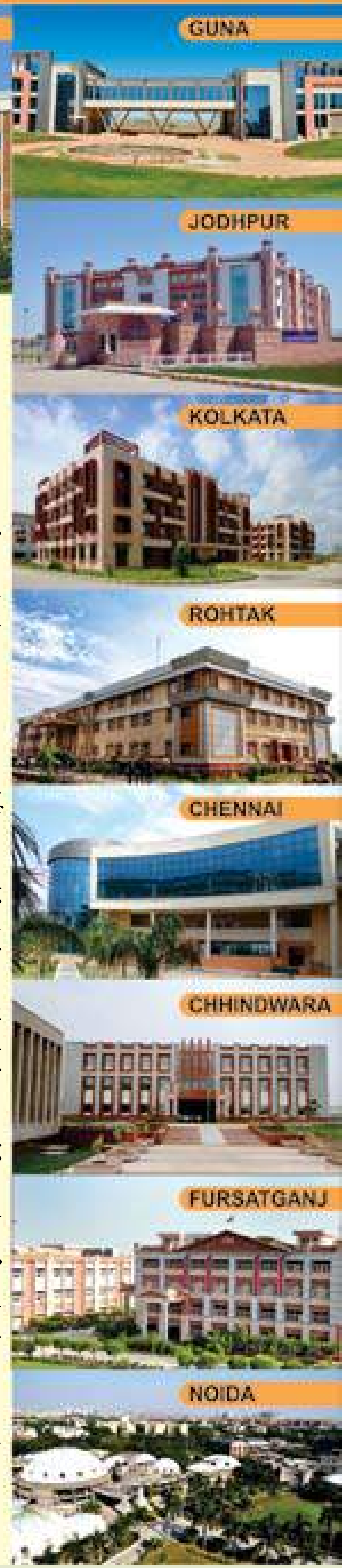
Commerce Minister, Mr. Suresh Prabhu has time and again raised the issue of declining export credit. He had suggested that loans to exporters should be considered as priority sector lending by banks.

(Source: The Pioneer)

No FDI in multi-brand retail, says Centre

STILL BARRED

The FDI rules pertaining to e-commerce have not allowed foreign investment in the inventory-based model or multi-brand retailing, the Department of Industrial Policy and Promotion (DIPP) clarified on January 3, 2019.



It also stressed that the provisions are also not against the interest of consumers, noting that only fair, competitive and transparent business practices would be beneficial for buyers.

These clarifications have come against the backdrop of new provisions announced by the DIPP related to Foreign Direct Investment (FDI) in e-commerce sector last month.

"Certain averments suggest that Press Note 3/2016 had covertly allowed multi-brand retail trading. Such a view is completely contrary to the specific provisions of Press Note 3/2016, which unambiguously provided that FDI is not permitted in the inventory-based model of e-commerce which amounts to multi-brand retail," a note released by the DIPP said.

Under Press Note 3/2016, the government has enlisted provisions of FDI in e-commerce. The DIPP also said that the government continued to receive complaints that certain marketplace platforms were violating the policy by influencing the price of products and indirectly engaging in the inventory-based model.

"An e-commerce platform operating an inventory-based model does not only violate the FDI policy on e-commerce but also circumvents the FDI policy restrictions on multi-brand retail trading," it said.

Recent provisions released by the department in FDI in e-commerce sector were needed to ensure that the rules are not circumvented, the DIPP mentioned.

(Source: DNA)

MSMEs get one-time restructuring of loan

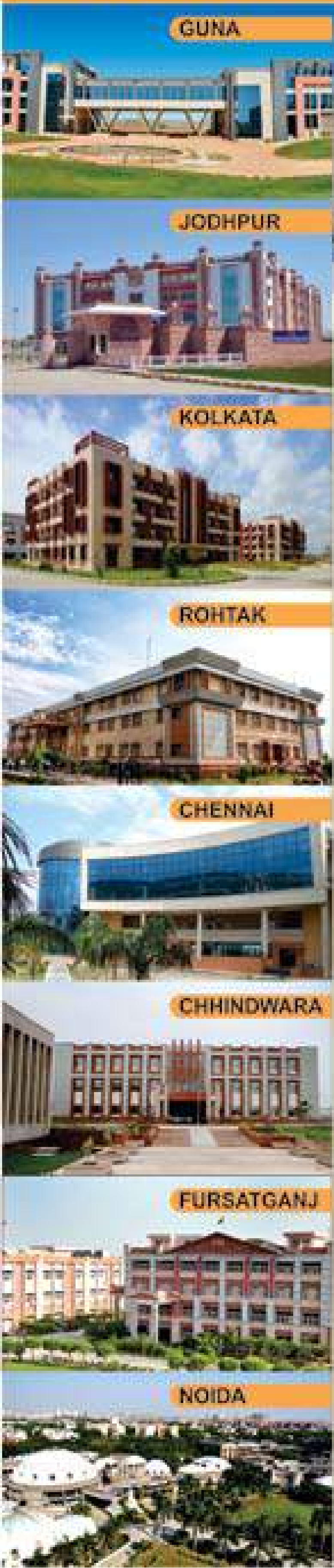
In a New Year gift to the Micro, Small & Medium Enterprises (MSME) sector, the Reserve Bank on January 1, 2019 allowed a one-time restructuring of existing debt up to Rs. 25 Crore for the companies which have defaulted on payment but the loans given to them have continued to be classified as standard assets.

The decision will help the MSMEs which are facing cash crunch in the wake of demonetisation and GST implementation.

The RBI's board in its crucial meeting held on November 19, 2018 had advised the central bank examine a scheme for restructuring of stressed standard assets of MSME borrowers with aggregate credit facilities of up to Rs. 25 Crore, subject to such conditions as are necessary for ensuring financial stability.

To facilitate meaningful restructuring of MSME accounts that have become stressed, the RBI has decided to permit a one-time restructuring of existing loans to MSMEs that are in default but 'standard' as on January 1, 2019, without an asset classification downgrade, the central bank said in a statement.

To be eligible for the scheme, the aggregate exposure, including non-fund based facilities of banks and NBFCs, to a borrower should not exceed Rs. 25



Crore as on January 1, 2019, and the restructuring has to be implemented by March 31, 2020.

Restructuring package for MSME was one of the sore points of the tussle between the RBI and the government.

There was a detailed presentation by Financial Services Secretary, Mr. Rajiv Kumar on the cash crunch being faced by the MSME sector at the crucial November 19 board meeting.

The government had suggested several steps to help the sector which contributes 50 per cent to the manufacturing sector.

(Source: The Statesman)

Arvind Fashions bets big on 'value fashion' market opportunity

Targets Rs. 2,000 Crore by 2022 from Unlimited, its value fashion brand

Arvind Fashions, the branded apparel and accessories business of Arvind, the $1.7-billion conglomerate, aims to more than double its revenue from Unlimited, its value fashion retail brand.

Betting big on the fast-growing, organised value fashion market in the country, which is expected to grow from $2 billion to $15 billion by 2023, the company expects to garner one-third of its total revenue from Unlimited at Rs. 2,000 Crore, in the next three years.

Unlimited is a large format (8,000-10,000 sq ft) value fashion store for families, which primarily sells in-house brands such as Karigari, Anahi, Sugr, Ruggers, Excalibur, Colt, Newport, etc. along with a couple of licensed brands such as Elle Studio and Cherokee. Ninety per cent of the apparel and accessories retailed at Unlimited are priced below Rs. 1,000 with the average price point at Rs. 550.

Mr. J Suresh, MD & CEO of Arvind Fashions

"Unlimited is one of the key drivers for our future value creation as it is the only brand in our portfolio that addresses the value fashion segment, which can take advantage of the largest growth segment in the Indian apparel market — the value fashion segment. Every other brand we have addresses the mass premium and premium segments. Unlimited currently contributes to 25 per cent of our sales. We expect it to contribute to one-third of our business in three years, at Rs. 2,000 Crore", Mr. J Suresh, MD & CEO of Arvind Fashions Ltd., said.

Upbeat on Growth

The value fashion market is driven by a handful of players including Max Fashion, Fbb, Reliance Trends, Pantaloons and

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Unlimited. Arvind entered the value fashion segment in early 2016 by re-branding its large format discount stores — Megamart to Unlimited, with a focus on value fashion. For the first two years after re-branding, the company had just 50 Unlimited stores.

"We are very bullish on the fast growing value fashion market and added another 50 stores in the last 18 months. In parallel, we also closed a lot of Megamart stores. We plan to add 30-35 Unlimited stores every year and are targeting to become a Rs. 2,000 Crore company by 2022. We will end this fiscal year at Rs. 830 Crore," said Mr. Suresh. The company has 90 Unlimited stores and 10-odd Megamart stores across 60 cities.

Late last year, Arvind Ltd decided to de-merge its branded apparel and engineering businesses from the parent company. The branded apparel business will be listed as Arvind Fashions Ltd after the de-merger which is expected to come through in the first week of February.

(Source: Business Line)

Compiled by: **Resource Centre (RCIP), Footwear Design & Development Institute (FDDI)**
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Physical Laboratory Testing Services Provided by FDDI, NOIDA

S.No.	Test Description	Charges in Rs.
1.	**COMPLETE FOOTWEAR**	
1.1	Shoe water proofness	500
1.2	Shoe flexing at room temperature	
a.	Casual shoes	1200
b.	Sports/heavy duty shoes	1200
1.3	Shoe flexing at low temperature	2000
1.4	Heel attachment strength	600
1.5	Strap attachment	600
1.6	Strength of attachment of Bows & Trims	600
1.7	Whole shoe topline strength	600
1.8	SATRA sole adhesion test	600
1.9	16 point bondability test	1400
1.10	Calibration	1200
1.11	Leakage resistance	600
1.12	Slip resistance for safety	1400
1.13	Slip Resistance as per SATRA	4500
1.14	High Voltage	3000
1.15	Thong attachment	600
1.16	Top piece attachment	600
1.17	Heel impact	1500
1.18	Heel fatigue	1500
1.19	Peel Strength	600
1.20	Visual observation	1000
2.	**LEATHER/SYNTHETICS/UPPER MATERIALS**	
2.1	Flexing resistance at room temperature	700
2.2	Flexing resistance at low temperature	2000
2.3	Tensile strength & extension at break	600
2.4	Seam strength/Stitch tear	600
2.5	Induced tear Strength	600
2.6	Tongue tear	600
2.7	Grain crack index	600
2.8	Burst Strength	600
2.9	Adhension of coating (synthetics)	600
2.10	Dynamic water resistance	600
2.11	Break pipiness	100
2.12	Wrinkleometer test	100
2.13	Surface water absorption	200
2.14	Water vapour permeability	600
2.15	Water vapour coefficient	600
2.16	Adhesion of finish (Tape test)	100
2.17	Blocking test	600
2.18	Heat fastness of finish	250
2.19	Taber abrasion	600

FDDI ITC (NOIDA & CHENNAI) IS OFFERING FLAT 20 % DISCOUNT ON ALL TESTING TO ALL THE CUSTOMERS TILL THIS FINANCIAL YEAR 2018-19

*** The said discount is not applicable on inter-lab testing & package fee**

To be continued...