

FDDI NEWSLETTER

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Institution of National Importance (INI)
under FDDI Act, 2017

A Weekly Newsletter
साप्ताहिक समाचारपत्रिका

GUNA



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JODHPUR



27th October 2017

Issue No. 647

KOLKATA



Khadim India to launch its IPO on November 2

Footwear retailer Khadim India Ltd on October 26, 2017 said its Rs. 543 Crore initial public offering (IPO) will open on November 2. The company has set a price range of Rs. 745-750 per share for the IPO, which values it at Rs. 1,288-1,297 Crore.

The offer will close on November 6.

The share sale includes new shares worth Rs. 50 Crore. The proceeds from the fresh issue will be used for prepayment or scheduled repayment of all or a portion of term loans and working capital facilities availed by the company and to meet corporate expenses.

Promoter Mr. Siddhartha Roy Burman plans to sell 722,000 shares, which at the upper end of the price band will fetch Rs. 54 Crore, while Fairwinds Private Equity (formerly Reliance Equity Advisors) will sell 5.85 million shares worth Rs. 438 Crore.

Fairwinds, which holds 33% stake in Khadims, invested Rs. 90 Crore in 2013. As of March 31, Khadims had 829 outlets across 23 States and one Union Territory.

(Source: Hindustan Times)

DIPP lets Reebok open retail stores in India

The Department of Industrial Policy and Promotion on October 24, 2017 approved Reebok India's proposal to set up single brand retail stores in the country.



"The proposal to undertake single-brand retail trading of Reebok branded products in India has been approved. It entails Foreign Direct Investment (FDI) inflows of Rs. 20 Crore," official sources said.

Reebok India had sought government's nod to set up single brand retail stores in the country. The company had submitted its proposal to the Department of Industrial Policy and Promotion (DIPP).

At present, Germany's Adidas AG sells Adidas and Reebok sports shoes and clothes in India.

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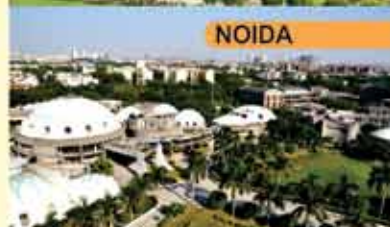
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As per the FDI policy, 100 per cent equity investment is allowed in single brand retail trading. FDI of up to 49 per cent is permitted under the automatic route but government's nod is required beyond that limit.

Foreign investment is allowed subject to certain conditions, which require products to be of a 'single brand' only and to be sold under the same brand globally.

Furthermore, in respect of proposals involving FDI beyond 51 per cent, it is mandatory to source 30 per cent of the value of goods purchased from India, preferably micro small & medium enterprises.

(Source: Millennium Post)

Nike's \$50-billion bluster looks dead merely two years later

With its shares and confidence surging, Nike Inc. was on top of the world in 2015. That was then, and this is now.

The company was at an "all-time high," Chief Executive Officer Mark Parker said at an investor day in October of that year. He predicted sales would jump 63 percent by 2020 to total \$50 billion annually. "It's clear that Nike is a growth company," he said.

Two years later, his claim is anything but clear. Increased competition,

led by Adidas AG, has knocked the world's largest sports brand off course and muddied its outlook. Since Parker made the forecast, Nike's stock is down 17 percent -- erasing \$22 billion in market value. Sales growth has been uneven, slowing to just 0.1 percent last quarter.

On October 24, 2017, Parker and his management team hold another investor day at the company's headquarters in Beaverton, Oregon. This time, they were trying to convince Wall Street that the vision is still alive.

"It went from a company with all these tailwinds and firing all cylinders to having headwinds and not firing on close to all cylinders," said Brian Yarbrough, an analyst for Edward Jones. "They are going to have reset expectations."

Nike shares were unchanged at \$53.66 at 10:18 a.m. in New York. The stock has risen 5.6 percent this year.

If Parker and his management team are scaling back their aspirations, they've shown few signs of it. They've told investors that they are changing some aspects of the business -- like speeding up sneaker production -- and betting that investors will give them time because of their track record.

That record includes a 2010-2015 period in which Nike dominated the

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U.S. -- the company's largest and oldest market -- with average annual sales gains of 10 percent. There were no acquisitions -- just organic growth that led to a tripling of the company's stock price.

But Parker, a Nike lifer who became CEO in 2006, didn't foresee that the boom in athletic footwear and apparel would fizzle. He also didn't predict that the rapid growth of sporty attire -- what many call "athleisure" -- would simultaneously lure a slew of nonathletic brands to the segment.

Fashion houses like Burberry and Jimmy Choo piled in on the high end, while mass retailers like Target started their own lines aimed at shoppers looking for affordable options. Adidas, which had struggled for years in the U.S., also came on strong and managed to close its coolness gap with Nike by focusing on casual looks and pushing partnerships with celebrities like Kanye West.

"2015 was an extraordinary year and really was an outlier in terms of growth rate in apparel and footwear," Matt Powell, an analyst for NPD Group, said of the U.S. market. "Everybody thought that was going to go on forever, and it didn't."

Now that athleisure is slowing amid a flood of competitors, industry fallout has been substantial. Under Armour is the worst-performing stock in the S&P 500 over the past year, with a 56

percent decline. Foot Locker Inc. is just behind it, with a 53 percent drop.

"This was a face plant for the industry," Powell said.

As a result, Parker's projected \$50 billion in sales, which the company had proposed reaching by the fiscal year ending in May 2020, might fall short by \$10 billion. At the time, the guidance meant that 10 percent annual growth rates would have to continue. In the two years since then, gains have been about half that. Nike expects to grow at a similar rate this year as U.S. weakness continues.

"They went on a five- or six-year tear that was pretty unbelievable, with eye-popping numbers for a company that big," Yarbrough said. "But they don't command the respect they used to and are starting to lose some credibility."

Nike earlier this year announced its first major layoffs since the financial crisis, cutting about 2 percent of its workforce, or 1,400 employees.

Cracks have even appeared in Nike's Jordan brand. Since their introduction in the 1980s, the shoes remained a premium product that often sold out in a couple days. This success forged a "sneaker-head" culture that powers a secondary online market and feeds demand for new releases. Their popularity continued unabated even as memories of Michael Jordan

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started to fade after the NBA superstar retired almost 15 years ago.

Some Jordan shoes are now being discounted because of lackluster demand.

Foot Locker CEO Dick Johnson even singled them out as a reason for declining sales during his company's last earnings call in August. He went on to question Nike's marketing and whether Jordan, who is now in his 50s, is still relevant to younger shoppers.

"The relationship with Jordan, and Michael himself, and the shoes is still incredibly high in the marketplace," Johnson said. "But the fact is that today's kid really needs it to be connected to a story."

This is quite a turn for a company that's used to being referred to as a standout marketer with an iconic slogan -- "Just Do It" -- and revolutionary commercials like the campaign with Jordan and filmmaker Spike Lee.

(Source: The Financial Express)

Compiled by: Resource Centre (RCIP),
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Physical Laboratory Testing Services Provided by FDDI, NOIDA

S.No.	Test Description	Charges in ₹
16.4	Composition	300
16.5	Linear Density of yarn/count	100
16.6	Scouring Loss	500
16.7	Colour fastness to light	1200
16.8	Identification of fibre	200
16.9	Dimensional stability	100
16.10	Threads per unit length in woven fabric	150
16.11	Weight per square meter	100
16.12	Crease Recovery	550
16.13	Dry Cleaning	550
16.14	Ash Test	200
16.15	pH	300
16.16	Water Soluble	300
16.17	Cone Test	200
16.18	Water Absorption	200
16.19	Hot Pressing	450
16.20	Bleaching Test	250
16.21	Crocking Test	250 each

17. AGEING TESTS HEAT AGEING/WET HEAT AGEING (HYDROLYSIS)

17.1	Upto 24 hours (1day)	
a.	For the first sample	600
b.	For the subsequent three samples (per sample)	100
17.2	Upto 72 hours (3 days)	
a.	For the first sample	1000
b.	For the subsequent three samples (per sample)	200
17.3	Upto 120 hours (5 days)	
a.	For the first sample	1200
b.	For the subsequent three samples (per sample)	250
17.4	Upto 168 hours (7 days)	
a.	For the first sample	1500
b.	For the subsequent three samples (per sample)	300
17.5	Upto 240 hours (10 days)	
a.	For the first sample	2000
b.	For the subsequent three samples (per sample)	400
17.6	Upto 336 hours (14 days)	
a.	For the first sample	3000
b.	For the subsequent three samples (per sample)	500

FDDI ITC (NOIDA & CHENNAI) IS OFFERING FLAT 20 % DISCOUNT ON ALL TESTING TO ALL THE CUSTOMERS TILL THIS FINANCIAL YEAR 2017-18
* The said discount is not applicable on inter-lab testing & package fee

To be continued...