

FDDI NEWSLETTER

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

A Weekly Newsletter
साप्ताहिक समाचारपत्रिका

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17th November 2017

Issue No. 650

KOLKATA



FDDI participates in Higher Education Summit at India Expo Centre, Greater Noida

Footwear Design & Development Institute (FDDI) participated in the Asia's largest Higher Education Summit which was organized at India Expo Centre, Knowledge Park – II, Greater Noida from 9th to 11th November 2017.

Deliberations on policy roadmap and other topical issues in Higher Education were held during which more than 150 exhibitors from top of the line Institutions showcased best practices to the global participants and explored collaborations.

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The students of FDDI displayed a wide range of creations at its stall no. 79 & 80 which included ladies and gents shoes, casual and formal footwear and sports shoes, fashion accessories, leather goods - travelware, belts, portfolios, handbags and wallets.

The information about FDDI's laboratory services, various training programmes, consultancy services through brochure and one-to-one meeting and interaction with the companies regarding the placements of the students was also held carried out.

The students of FDDI also visited the summit where they were benefited through knowledge sharing by the experts.

Footwear maker Khadim India's shares decline on market debut

Shares of Khadim India made a weak stock market debut on November 14, 2017. The footwear retailer ended 8.2% lower at Rs. 688.50 per share, after listing on the stock exchanges at Rs.727, a 3.07% discount from its issue price of Rs. 750 apiece.

The Rs. 543 Crore-initial public offering (IPO), which was subscribed 1.90 times during the share sale from 2-6 November, had fixed a price band at Rs. 745-750.



Mr. Rohit Bhatnagar, Sr. Faculty - FDDI
addressing the audience

During the summit, workshop on footwear and leather goods was organized by FDDI on 10th November by Mr. Rohit Bhatnagar (Sr. Faculty).

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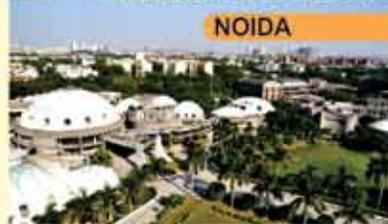
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Ahead of IPO, analysts said the issue was fairly priced. According to ICICI Securities Ltd., at the higher end of the price band of Rs. 750, the stock is valued at 2.2 times market capitalization to sales and price to earnings of 43.8 times on FY17 numbers which is reasonably valued, compared with peers.

Motilal Oswal Securities said the issue was priced at discount compared with valuations of peers Bata India Ltd., Relaxo Footwears Ltd. and Liberty Shoes Ltd. Net proceeds from the issue will be used for scheduled prepayment or scheduled repayment of term loans and working capital.

The firm operates through two verticals, retail and distribution. It operates retail stores under the 'Khadim's' brand with a major presence in east India. The retail business operates through its exclusive retail stores catering to consumers in large cities.

(Source: Mint)

Adidas profits surge on strong own-brand sales

German sportswear giant Adidas on November 09, 2017 reported a spike in third-quarter profits powered by strong demand for its own-brand products, as it drafted in Victoria Beckham to help boost its struggling Reebok unit.

The Bavarian company, which sponsors English Premier League giants

Manchester United, said net profit soared to 526 million Euros (\$611 million) between July and September, up 36 percent on the same period last year.

Group revenues grew by nearly nine percent to 5.7 billion Euros, driven by brisk online sales in all regions and the success of Adidas' retro-inspired Originals trainers and its adidas neo urban fashion line.

emand was especially robust in the key markets of China and North America, where sales of the three-stripped brand increased by around a third, Adidas said.

(Source: The Financial Express)

Future Retail, Trent & D-Mart beat GST heat

Though the Goods and Services Tax (GST) muted retailers' revenue growth in the July-September quarter, some were able to improve profitability. The implementation of the new tax regime prompted many to advance their end of season sales to June to liquidate inventory. This meant muted revenue growth for September quarter.

Kishore Biyani-promoted Future Retail reported Rs. 153 Crore net profit for the quarter, 108 per cent year-on-year growth, despite sales posting single-digit growth of 7.5 per cent to Rs.4,506 Crore.

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Profit growing faster than revenue helped it post 153 basis points improvement in PBIDTM (profit before interest, depreciation, tax margin), a yardstick for operating profit margin. What helped improve revenues was same-store sales growth of 10.2 per cent, with Big Bazaar's same-store sales growth hitting a five-quarter high.

a better format mix. There was a two-day reduction in inventory days, given successful optimisation measures," said Himanshu Nayyar, analyst with domestic brokerage Systematix Shares & Stocks.

Radhakishan Damani-promoted Avenue Supermarts, which owns retail chain D-Mart, reported 65 per cent annual net profit growth to Rs.191 Crore in the quarter, despite revenue growing at a slower pace of 26 per cent to Rs.3,508 Crore. While the firm did not disclose same-store sales growth numbers, analysts estimate this to be in mid to high teens. The firm recorded a near 100 basis points improvement PBIDT margin in its PBIDTM to 9.7 per cent.

Latika Chopra, analyst with foreign brokerage J P Morgan, attributed the margin improvement to "better product mix". "This year, the festive season started earlier, and that usually helps the product mix," Chopra said in her note after the results.

The firm also reported higher profit because of lower interest costs. Out of the Rs.1,870 Crore raised by the company through its initial public offering this year, Rs. 863 Crore was used for part payment of its debt. This eventually brought down interest cost and boosted profitability.



MARGINS RISE

Q2 FY18 (Rs. Cr)	Future Retail	Avenue Supermarts	Aditya Birla Fashion	Shoppers Stop	Trent
Net Sales	4,506	3,508	1,804	838	522
Y-o-Y (%)	7.5	26.3	-3.9	-12.2	18.8
PBIDT*	214	339	100	23	61
Y-o-Y (%)	58.9	40.8	-42.2	-58.7	26.7
PBIDT margin	4.7	9.7	5.5	2.7	11.7
Y-o-Y*	153.6	99.7	-367.4	-307.8	72.6
Net profit	153	191	-10	-22	29
Y-o-Y (%)	108.0	65.2	P/L	P/L	37.7
Debt equity ratio (x)	0.44	0.10	1.98	0.52	0.25

*Profit before interest, depreciation, tax excluding other income; "in basis points; P/L Profit to loss; Compiled by BS Research Bureau Source: Capitaline

"Margins made a new high of 4.7 per cent, driven by higher apparel sales and

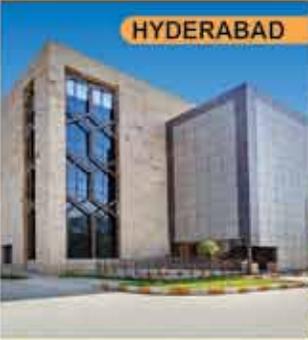
Tata group-promoted Trent, which owns Westside and Landmark stores, reported

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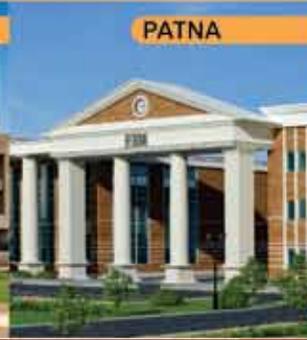
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37.7 per cent annual growth in net profit to Rs.29 Crore in the quarter, despite revenue rising at a slower pace of 18.8 per cent to Rs.522 Crore. This helped the company show 72.6 basis points growth in its PBIDTM to 11.7 per cent.

Bharat Chhoda, analyst with ICICI Securities, attributed improvement in the company's operating profitability margin to controlled operating expenses. "Rent and other expenses as a per cent to sales stood at 12.3 per cent and 20.4 per cent, respectively, versus 13.1 per cent and 23.6 per cent," he said.

However, Aditya Birla Fashion and Shoppers Stop showed declining revenue and profitability with respective net loss of Rs.10 Crore and Rs.22 Crore. Their PBIDTM respectively shrunk by 367 basis points and 307 basis points.

(Source: Business Standard)

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

S.No.	Test Description	Charges in ₹
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	Adhesion 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 2017-18 * The said discount is not applicable on inter-lab testing & package fee

To be continued...