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Reliance Brands signs agreement to retail Tod's in Indian market

Reliance Brands has become the official retailer of Tod's in all categories including footwear, handbags, and accessories in the Indian market.

Tod's has been operational in India since 2008 with mono-brand stores in DLF Emporio, New Delhi, and Palladium, Mumbai, and multi-brand e-commerce platform Ajio Luxe, Reliance Brands said in its release.

The management of the existing channels will be taken over by Reliance Brands and the focus will be on enhancing the brand's potential in the market and strengthening their digital presence.

"Tod's has crafted a unique space for itself at the global luxury front. A name that conjures images of luxe leathers and soigné materials, we are thrilled to partner with the brand to uphold its core values of exceptional quality, craftsmanship and effortless elegance in the Indian market," said Darshan Mehta, managing director of Reliance Brands, in

the release.

Reliance Brands is a subsidiary of Reliance Retail Ventures and was set up to launch and build global brands in the luxury to premium segments across fashion and lifestyle.

Carlo Alberto Beretta, Tod's general manager, said: "We are pleased to partner with the country's leading luxury retailer as we believe that our common passion for quality and a modern and sophisticated lifestyle will allow us fully to express the potential of this important partnership."

Reliance Brands' current portfolio of brand partnerships include Armani Exchange, Bally, Versace, Villeroy & Boch, and West Elm.

Reliance Brands operates 1,937 doors, split into 732 stores and 1,205 shop-in-shops.

In 2019, Reliance Brands marked its first international foray by acquiring British toy retailer Hamleys.

Hamleys has 213 doors in 15 countries.

Surat's looming crisis: Workers, industries pay the price of power cuts

Fifty-two-year old Mulayam Singh, who hails from Unnao in Uttar Pradesh and works in the Pandesara industrial estate in Surat, is sad that his friends and colleagues from UP have gone back home for festivals, but he has not been able to due to his lack of savings.

"To make matters worse, the weekly power cuts mean that I lose employment for a day, unlike those working in the city limits who are able to earn more and save for a trip back home," rues Singh.

Last month, the state-run Gujarat Urja Vikas Nigam Limited (GUVNL) had ordered weekly staggered holidays for industries with non-continuous processes across high-tension and low-tension users. By late April, the peak power demand in the state had crossed 21,000 MW, much of which came from the industrial and agricultural sectors. Gujarat's power generation capacity stands at roughly 37000 MW.

ALSO READ: Power crisis not one of capacity but delayed coal deliveries to generators

A senior official at GUVNL maintained, however, that the order to industry for taking staggered holidays was not mandatory. "Gujarat is in a better position regarding power and is looking at ways to meet the future rise in power demand," the official told.

Gujarat, and in particular Surat, may not have seen the kind of power crisis that has affected other states of north India, but workers in Surat's textile industry, especially in the power loom sector, are at a particular disadvantage if there is even a minor decline in production. This is because power loom workers are paid per metre of cloth woven. Staggered holidays and a lesser number of shifts mean that they can produce less and, hence, earn less.

The second part of a series on power crisis takes you to Surat, a commercial textiles hub. This ground report looks at the impact on weaves and knit

Surat has a migrant worker population of between 1.2-1.5 million, largely employed in textiles, followed by construction and much further down, by the diamond industry. Most of them are from Odisha, Bihar and Uttar Pradesh (UP), among others. In normal times, Surat's textile workers are relatively better off than their peers in other industries since they earn on a piece rate basis. For every metre of grey cloth or fabric that they churn out, they get paid anywhere between Rs 3 per metre and Rs 5 per metre, amounting to average monthly salaries of about Rs 20,000 to Rs 25,000.

Mulayam Singh's employer Vipul Bekawala of Jai Mata Di Textiles in Pandesara, one of the largest power loom and textile clusters in Surat, says that around 40-50 per cent of the industry's migrant workers have gone back to their home states, leading to a shortage of labour. This, together with the sluggish demand and weekly power cuts, have led to the industry operating at a sub-optimal capacity.

Today, instead of the usual production of 40-45 million metres of fabric per day, Surat's textile industry is churning out roughly 30 million metres per day.

"This year, many workers have gone back home on extended vacation. Moreover, due to the weekly power cuts and staggered holidays, workers from our industrial area have shifted to units within the city limits where there is continuous power supply and, therefore, a steady income," says Bekawala. As a result, he adds, out of the 250 power looms at his unit, only 130-140 are operational during the day shift and fewer still during the night shift.

Industry sources estimate that 400,000-500,000 migrant workers are employed by textile weaving units, another 300,000-400,000 by textile processing units, and 200,000 by textile traders in the wholesale markets. Surat has an estimated 450 textile processing units, 600,000 weaving and knitting power looms, and over 700 textile markets that employ nearly half a million workers for packing and dispatching of finished goods.

While the diamond industry is largely situated within the city limits where power is distributed by private player Torrent, most of the textile units, including power looms and and processing units, are located outside the city, where the state-run Dakshin Gujarat Vij Company Limited (DGVCL) supplies power.

Denying the impact of the shortage of coal and a power crisis, a senior DGVCL official maintains that power cuts are being done only as part of regular annual maintenance ahead of the monsoons. "This has nothing to do with the power crisis. This is an annual exercise done in the summer season to ensure maintenance to reduce mishaps during the monsoon."

Nonetheless, the weekly power cuts by DGVCL have seen at least a 10 per cent dip in production, says Ashish Gujarati, president of South Gujarat Chamber of Commerce and Industry (SGCCI).

"For the textile industry, a production loss of 10 per cent is heavy because of the fixed overhead costs. This coal and power crisis is going to remain for around two more years. Hence, we have requested policymakers and the government to come out with solutions in renewable energy. In Gujarat, industry is growing at around 6-7 per cent and so power is also growing commensurately," Gujarati adds.

Industry insiders say that though the textile processing sector is not so affected by the weekly power cuts, the prices and availability of coal have had an impact on its value chain. These units largely depend on imported coal for its boilers. But with the price of imported coal almost doubling, input costs have spiked from anywhere between 25 per cent and 40 per cent, says Jitu Vakharia, president of South Gujarat Textile Processors Association (SGTPA).

"In textile processing, production is not much affected by weekly power cuts since the weekly off is used for the maintenance of machines and boilers. The impact, however, has been in terms of imported coal prices and availability. Other input costs such as dyes and chemicals, especially sodium hydrogen sulphate and other discharging agents, have seen a price hike of 30 per cent to 150 per cent, resulting in almost a doubling of total input costs," says Vakharia.

And since demand is weak, the textile processing industry is unable to pass on the input cost hike to the subsequent value chain and textile buyers.

Taxing digital companies: UN tax panel working on new set of rules

The United Nations' (UN's) tax committee, of which India is part, is developing a set of rules to tax digital services in a way that is distinct from global tax deals for large multinationals, including Google, Facebook, Netflix, and Microsoft.

The committee is looking to absorb these rules in tax treaties multilaterally.

The committee -- comprising representatives from 25 countries, including India -- met two weeks ago, when it discussed the contours and implications of the UN model and whether it could be implemented multilaterally.

This multilateral route would be a parallel to the global tax deal drawn up under the auspices of the Organisation for Economic Co-operation and Development (OECD) and allows taxing small to mid-sized firms, regardless of their business size and threshold.

The OECD, composed of 139 countries, have been working on a consensus-based two-pillar package deal to alter the existing tax system in view of the challenges of digitisation.

Pillar one would be applicable to 50-70 multinationals due to its criteria of a high revenue threshold of euro20 billion and a minimum 10 per cent profitability. It deals with reallocating additional shares of profit to market jurisdictions where the users are.

Pillar two relates to a global minimum tax at 15 per cent.

Unlike the OECD, which offers consensus-based solutions, the UN model gives flexibility and greater taxing rights to enable countries to start taxing the digital economy.

The committee discussion assumes significance as it agreed to take the multilateral route even when the OECD's "Base Erosion and Profit Shifting" multilateral solution has been in place and is designed to work effectively to address the challenges of the evolving international tax landscape of digital economy, transfer pricing, etc.

Among other nations, India too has adopted the OECD's two pillars to tax digital giants. However, the BEPS scope is restrictive, unlike the UN approach, which is supposed to be broad-based and is intended to provide more flexibility, according to people privy to the discussions. The committee is expected to meet next in November in Geneva, where it is likely to finalise the terms of the rules.

"Unlike the OECD's pillar one, the UN model's Article 12B is comparatively simple, and can be applied to MNCs not covered by Pillar one. This will result in fair distribution of taxing rights and countries will be more comfortable giving up unilateral measures like equalisation levy," said Radhakishan Rawal, former partner at Deloitte India, and he wrote a concept note on UN multilateral instruments (MLIs).

"MLI is an innovative instrument to quickly transpose new provisions from treaty models to tax treaties, which otherwise can take decades," Rawal added.

Under the OECD, finding middle ground has been challenging and the process went through many alterations. Also it is more of a political matter as it involves big technology firms which are tax-residents of developed nations like the US and any changes and redesigning in law would allow developing nations like India to seek tax from these firms.

"To avoid uncertainties, the UN panel may need to design specific approaches which may not need to overlap between the UN and other multilateral solutions," said Amit Maheswari, managing partner, AKM Global.

Background

The UN, through its Committee of Experts on International Cooperation in Tax Matters, has released the finalised draft of a new Article 12B, to include income from automated digital services (ADS) in the 2021 version of the UN Model Tax Convention, also termed as UN Model.

Article 12B does not require any particular threshold, such as a permanent establishment, a fixed base, or a minimum period of presence, in a contracting state as a condition for taxing income from automated digital services.

The UN model, which is aiming to be simpler and faster than the pillar one solution, would give additional taxing rights to countries where an automated digital service provider's customers are located.

The UN model allows market jurisdictions to levy a withholding tax on the gross amount of digital services income. It means it gives additional taxing rights to countries where an automated digital service provider's customers are located.

The UN model consists of articles on the treaty's scope and on definitions to be used in the treaty. For different kinds of income and capital, it allocates taxing rights before establishing how double taxation will be eliminated where the taxing rights are shared. It also includes articles that prevent certain forms of tax discrimination; provide for the exchange of tax information and assistance in tax collection between the treaty partners; allow the treaty partners to consult together, through the Mutual Agreement Procedure, to resolve disputes or address doubts concerning the treaty; and address certain types of treaty abuse.

UPL net profit rises 29% to Rs 1,379 crore in Q4; revenue up 24%

Agro-chemicals major UPL on Monday reported a 29 per cent growth in net profit at Rs 1,379 crore for the quarter ended March.

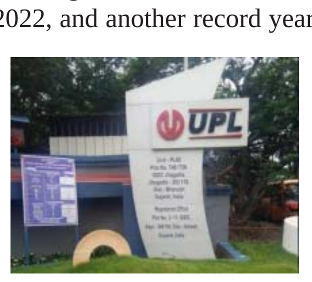
The company's net profit stood at Rs 1,065 crore in the corresponding quarter of the previous financial year, UPL said in a statement.

Revenue grew by 24 per cent to Rs 15,860 crore, compared to Rs 12,797 crore in the year-ago period.

For the full fiscal 2021-22, UPL's net profit grew by 26 per cent to Rs 3,626 crore, as against Rs 2,872 crore in the preceding fiscal.

The company's revenue in FY22 climbed 19 per cent to Rs 46,240 crore from Rs 38,694 crore earlier.

"We are delighted to share a strong set of results for Q4 2022, and another record year



for UPL. Thanks to the dedication, agility and tenacity of our team, we have been able to significantly outperform the guidance given at the start of the year, with nearly every region seeing double-digit growth.

"FY22 was a year of challenging macro-environment, input cost inflationary pressures and supply chain disruptions and we chose to prudently invest towards ensuring reliable growth going forward," company CEO Jai Shroff said.

Guided by its OpenAg purpose to create sustainable growth for all, UPl achieved important milestones in its mission to build a network that 'reimagines sustainability' for the entire agricultural industry, he added.

"In a significant achievement for this mission, our digital platform nuture.farm became the first company to successfully forward sell agricultural-related carbon credits in India," he said.

Central Bank of India back in black, logs Rs 310-crore profit in Q4

Public sector lender Central Bank of India posted a net profit of Rs 310 crore in the fourth quarter ended March 2022 on improved net interest income (NII) and fall in provisions.

It had posted a net loss of Rs 1,349 crore in the quarter ended March 2021.

For FY22, the Mumbai-based lender's net profit stood at Rs 1,045 crore against loss of Rs 888 crore for FY21.

The bank is under the Reserve Bank of India's (RBI's) prompt corrective action (PCA) since June 2017. It reported net profit in FY22 after incurring losses for March 2016 to March 2021. It was placed under

PCA regime in June 2017 due to high net NPA and negative return on assets.

M V Rao, managing director and chief executive, said the bank is complying with the PCA parameters and will submit audited results to the RBI. It will also make a request to the RBI to move out of the PCA regime. The bank's NII rose by 59.43 per cent to Rs 2,417 crore for Q4 of FY22 against Rs 1,516 crore for Q4 of FY21. The stock closed 1.9 per cent lower at Rs 18.05 per share on the BSE on Monday.

Provisions fell by 42.09 per cent to Rs 1,150 crore in Q4 of FY22 from Rs 1,986 crore in Q4 of FY21. Provision coverage ratio (PCR) improved from 82.54 per cent to 86.69 per cent.

Asset quality improved with a decline in gross non-performing assets (gross NPAs) to 14.84 per cent in March 2022 from 16.55 per cent a year ago. Net NPAs stood at 3.97 per cent in March 2022, down from 5.77 per cent a year ago.

The bank — in an analysts' presentation — said it expects to bring down gross NPAs below 10 per cent and net NPAs to less than 3.5 per cent by the end of March 2023.

Gross advances rose by 7.23 per cent year-on-year (YoY) to Rs 1.89 trillion as on March 31, 2022. It has pegged growth in loan book to 10-12 per cent in FY23.

Total deposits grew by 3.85 cent YoY to Rs 3.43 trillion at the end of March 2022.

Share of low cost deposits — current account and savings accounts (CASA) — rose to 50.58 per cent in March 2022 from 49.24 per cent a year ago.

PVR reports net loss of Rs 105.49 cr, revenue at Rs 537.14 cr in Q4

Leading multiplex chain operator PVR Ltd on Monday reported narrowing of its consolidated net loss to Rs 105.49 crore for the fourth quarter ended in March 2022.

The company had posted a net loss of Rs 289.21 crore in the January-March quarter a year ago, PVR said in a BSE filing.

Its revenue from operations rose by nearly three-fold to Rs 537.14 crore during the quarter under review as against Rs 181.46 crore in the corresponding quarter last fiscal. Its total expenses were at Rs 731.17 crore, up 43.91 per cent in Q4/FY 2021-22 as against Rs 508.07 crore in the year-ago quarter.