

IN BRIEF

USFDA report for Duvvada unit received: Dr Reddy's Lab

Drug major Dr Reddy's Laboratories on Saturday said it has received the inspection closure report for its Duvvada facility in Andhra Pradesh from the US health regulator. "We have received a written communication from the United States Food and Drug Administration (USFDA) about the issuance of establishment inspection report (EIR) for FTO VII, our formulations manufacturing facility at Duvvada, Visakhapatnam," Dr Reddy's said in a filing to the BSE. This site was included in the warning letter received from USFDA in November 2015. Subsequently, the site was audited by the regulator in March 2017 for which we received EIR in November 2017, wherein the site's status remained unchanged, it added. The site was again audited in October 2018, Dr Reddy's said. "Based on our responses and follow-up actions, the USFDA has concluded that this inspection is 'closed' and has determined the inspection classification of this facility as voluntary action initiated," it added. **PTI**

Titan Eyeplus launches 3 stores in Coimbatore

Titan Eyeplus, one of India's largest optical retail chains on Saturday launched three new stores in the city, taking the total to seven. The expansion is aimed at offering enhanced shopping experience to its customers, the company CEO-Eyewear Division, Ronnie Talati said at the launch of the stores. Personalised to suit the diverse taste of customers, each store offers a huge range of lenses and frames starting at ₹395 and ₹495 respectively besides the state-of-the-art service, Talati said in a release. **PTI**

TechM board to meet on Feb 21 to consider share buyback

IT firm Tech Mahindra on Saturday said its board will meet on February 21 to consider a share buyback proposal. However, the company did not disclose any other details of the proposal. "...the Board of Directors of the company at their meeting scheduled on Thursday, February 21, 2019 shall inter-alia consider a proposal to buy-back the fully paid-up equity shares of the company," Tech Mahindra said in a BSE filing. Cash-laden Indian IT firms have been returning surplus cash on their books to shareholders by way of dividends and buybacks. **PTI**

Brickwork Ratings lowers rating of Reliance Capital

Reliance Capital on Saturday said Brickwork Ratings has revised downward rating to AA for long-term debt programme, market-linked debentures and subordinated debt of the company, primarily due to delay in monetising the non-core investments. The company remains confident to be able to monetise some of these assets over the next two quarters and bring down the debt significantly, Reliance Capital said in a filing to stock exchanges. **PTI**

Religare to raise ₹500 crore through NCDs

Religare on Saturday said the company has got board approval for raising ₹500 crore by way of issuance of non-convertible debentures on a private placement basis. The board in its meeting held on Saturday gave approval for this, Religare said in a regulatory filing. The approval of shareholders for the same will be sought through a postal ballot, it said. **PTI**

Kwality seeks more time to file results

Dairy firm Kwality, which is undergoing corporate insolvency resolution process (CRP), Saturday sought more time to declare its financial results. It said after an order of the National Company Law Tribunal (NCLT), the powers of the board of directors of the company stood suspended and are being exercised by the interim resolution professional appointed by the NCLT. "Though the company is sincerely endeavouring for completion of audit on priority basis, but the company would need additional time to declare and publish financial results beyond the stipulated due date and will be able to do within 30 days," Kwality Ltd said in a BSE filing. **PTI**

Jaquar Group eyes ₹3,900 crore revenue in 2018-19

Sanitary ware major Jacquar Group has set a target of garnering ₹3,900 crore revenue during the current fiscal year and aims to reach ₹1 billion by 2022, the company said. As part of its expansion plans in the country, the firm inaugurated an exclusive brand showroom at Madhavaram that would display the group's latest collections and products under the Artize and Jacquar brands, company officials said. For the year 2017-18, the company recorded a turnover of ₹3,123 crore. **PTI**

WeWork restores old-world charm of iconic buildings

The company is converting many old buildings, which are lying in shambles, into office spaces

KARAN CHOUDHURY
New Delhi, 16 February

Iconic but rundown movie theatres, out-of-business amusement-cum-convention centres and historic buildings in the country are getting a snazzy makeover.

This effort of converting many old buildings into office spaces is being undertaken by global co-working giant WeWork. From the famed Galaxy Theatre, which was the first operational air-conditioned and 70 millimetre theatre in India, to 32nd Milestone, the yesteryear go-carting and arcade games hotspot in Gurgaon, and old office complexes such as Bandbox House in Mumbai are all getting converted into new age offices.

According to industry experts, such buildings mostly situated in the heart of the central business district (CBD), are finding many takers. The reason is excellent connectivity with other major areas, as well as lower lease value.

According to ANAROCK data, all major co-working deals in 2018 happened around the CBD areas of cities. Global co-working giant WeWork leased major spaces in key localities across cities, including 0.12 million square feet space at Domlur in Bengaluru, 0.19 million square feet space at Bandra-Kurla Complex in Mumbai, 0.2 million square feet at Andheri in Mumbai and 0.22 million square feet at Cyber City in Gurugram, among others, ANAROCK said.

"With absolutely no empty land parcels in most central areas, there is dearth of quality and new-age spaces with old-world charm. We can fill



The company plans to eventually foray into cities such as Hyderabad, Pune and Chennai where it will find more such projects of adaptive reuse with architectural history

this gap by converting old iconic buildings into swanky spaces. Hence, the trend of revamping old buildings is likely to grow in the future as cities age and need more and more new spaces," said Anuj Puri, chairman - ANAROCK Property Consultants.

According to Arnab Gusain, head of real estate, WeWork, India capitalises on historic and ageing architecture by redesigning buildings around the world. It is now doing it in India as well. The company plans to eventually foray into cities such as Hyderabad, Pune and Chennai where it will find more such projects of adaptive reuse with architectural history. The company, at present, has over 4,000 desks (individual office seating spaces) at these reinvented buildings.

While the novelty or 'retro-cool' value of working out of

SPACES WITH A DIFFERENCE

2,317 DESKS
WeWork Galaxy, Bengaluru

1,389 DESKS
WeWork 32nd Milestone, Gurugram

734 DESKS
WeWork Purva Pavillion, Bengaluru

OPENING SOON
WeWork Bandbox, Mumbai

an old movie theatre helps, WeWork, with its target market of millennials, also realised that it is making perfect economic sense. This is because the lease value for such buildings is lower, in some cases by almost 25 per cent, compared

to a new commercial property.

"Location remains the foremost factor for determining price per desk. When compared to spaces in commercial properties in a typical business district, the rents in older landmark buildings are slightly lower than market rates, but not substantially marked down as these structures are often located in prime and central locations. In cases where in the location isn't that desirable, we typically see a 20-25 per cent rental difference," said Gusain.

Also, according to industry experts, the owners of these properties also prefer such revamping as it is a cost-effective measure and gets them a good deal out of an old property which cannot be demolished in many cases due to legal and ownership issues.

"It makes absolute financial sense to restore such

buildings. This is the best way to deal with ageing buildings, rather than demolishing them and creating new structures on the plots from scratch. Renovating and revamping such buildings also brings down the cost for concerned stakeholders by as much as 20 per cent over what it would cost to completely demolish and re-build. Simultaneously, keeping the 'vibe' of an old building helps market it more effectively, given that all things old and antique have their own unique charm and value," added Puri.

On the other hand, as most of these spaces are centrally located, firms are able to charge a premium on rent. "While it is true that often old iconic structures are centrally located on arterial roads of a city, the rentals are always computed factoring in the advantage of location," added Gusain.

Firms such as WeWork closely work with landlords, helping them invest in retrofitting the buildings to bring them up to date with fire and safety standards and other necessary aspects of building codes.

Globally, WeWork has several landmarked buildings in New York City, including spaces in SoHo's Cast Iron district, the Gansevoort Market Historic district in Meatpacking district, West Chelsea. "Apart from this, WeWork has taken up historic buildings, while retaining many of the original architectural flourishes, in London and Paris. Some of these include WeWork Waterhouse Square, built on the site of the former Furnival's Inn building of the Inns of Chancery," Gusain added.

Starbucks paid its median worker \$12,754 and 52 pounds of coffee

ANDERS MELIN, JENN ZHAO & JASON PERRY
February 16

Starbucks has disclosed for the first time how much it pays its median employee: \$12,754 a year and 52 pounds of coffee, one for each week.

The figure, included in a Jan. 25 regulatory filing, represents the compensation for an unidentified part-time barista in California, counting salary and restricted stock. Chief Executive Officer Kevin Johnson, by comparison, received \$13.4 million for 2018, including a \$1.46 million salary, a bonus and equity awards.

The 2010 Dodd-Frank Act requires public companies like Starbucks to disclose the pay gap between rank-and-file workers and their CEOs, a measure intended to highlight income inequality in the US. That topic has become a focal point in the nascent campaigns of those seeking to challenge President Donald Trump in 2020, including former Starbucks CEO Howard Schultz.

Schultz, a billionaire who's touring the country to promote his autobiography and explore a White House run, has said he favors raising taxes on wealthy people like himself to make sure they "pay their fair share."

In addition to salary and stock, Starbucks offers workers benefits including health care coverage, college tuition reimbursement and paid parental leave. A large share of the firm's roughly 291,000 employees work part-time.

The CEO pay ratio is calculated by dividing the CEO's compensation by the pay of the median employee, meaning half of a company's workers make more and half make less. These are the companies that have filed, including those with the median, lowest and highest CEO pay ratios. **BLOOMBERG**

IndiaLends plans to raise more funds in 8-10 months

Fintech firm's focus will be on the personal finance space

SUBRATA PANDA
Mumbai, 16 February

New Delhi-based fintech company IndiaLends is looking to raise more capital in the next 8-10 months to fuel growth.

IndiaLends had mopped up \$10 million in June 2018 from ACPI Investment Managers and Ganesh Ventures to enable the company grow in areas like technology, marketing and human resource.

"The funding market is pretty attractive right now. In the next 8-10 months, we will be looking to raise more capital to fuel our growth," said Gaurav Chopra, founder of IndiaLends.

"We raised \$10 million just a few months back. Moreover, our investors have deep pock-

ets. So, we will probably raise money from them or get external capital as and when the need arises," he added.

The current investors in the fintech company include DSG Consumer Partners, AdvantEdge Partners, Ganesh Ventures and ACPI Investment Managers. Siddharth Parekh and Gautam Radhakrishnan are also investors in the company.

The company, which is focusing only on unsecured credit, has a loan book of ₹1,000 crore over a period of three years and a customer base of five million people. The default rate of the firm is less than 2 per cent, which is manageable, said Chopra.

On the company's focus in the coming quarters, Chopra said, "We have always been focusing on the consumer. We



Fintech is now looking at launching a new line of business in the e-commerce space

believe it is a model which is scalable. This is especially true in the personal finance space. More and more Indians are now comfortable in taking credit. This is where we are seeing a huge demand for credit."

The firm is now looking at launching a new line of business in the e-commerce space. "Instead of giving credit to the

customer, the money will be directly facilitated to the e-commerce platform. This will save time as well as hassles and the underwriting will be done in a manner so that the money transfer takes place immediately," said Chopra. It is also looking to launch a virtual line of credit which will essentially make the consumer feel that

he has credit available with him whenever he needs it. The company has tied up with 50 banks and NBFCs. Major private sector banks like HDFC Bank, IndusInd Bank and NBFCs like Tata Capital, Bajaj Capital and IIFL supply credit to the digital lender. On looking to forge new tie-ups with lenders, Chopra said, "Now, with 50 banks and NBFCs, we have enough suppliers of credit. If any new player comes along with a sizeable book and if he can match the appetite of the demand that we are generating, then we will obviously look at a tie up."

However, the company has no intention of getting an NBFC licence as it has enough suppliers of credit. "As long as these suppliers of credit are working with us and we don't see any issues coming along, we will stay away from that model (NBFC model)," said Chopra.

KKR-backed company eyes \$1-billion fund to tap India ESG investors

AMEYA KARVE
16 February

Aventus Capital has started accepting money for one of India's first funds to base investment decisions on environment, social and governance parameters as investor concerns about governance at Indian companies surge.

"Traditionally, university endowments and pension funds tend to participate in ESG. But we are now seeing a lot of appetite also from millennial, high net-worth investors and family offices," Abhay Lajawala, managing director at Aventus Capital Public Markets Alternate Strategies LLP, said in an interview at his office in Mumbai. "The compelling newsflow around climate change and work-related issues is driving this shift."

Aventus expects to raise \$1 billion over two years with its ESG fund and sees around 70 per cent of that money coming from overseas investors. Lajawala declined to say how much his fund has raised so far. The firm has an exclusive agreement with proxy advisory firm Institutional Investor Advisory Services India Ltd., or Iias, to assess NSE Nifty 100 Index companies based on ESG scores, and aims to invest in no more than 25.

Global investment based on ESG strategies stood at nearly \$23 trillion at the end of 2015, according to the



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most recent data available from the Global Sustainable Investment Alliance, published in a report sponsored by Bloomberg, the parent company of Bloomberg News. While sustainable investment is now well-entrenched in Europe and the US, the concept is just getting off the ground in India.

The timing couldn't be better for Aventus, a Mumbai-based financial company backed by KKR & Co., as corporate India struggles with a host

of governance issues ranging from troubled relationships between companies and their founding firms to poor disclosures on debt. "In India, environmental issues are hard to ignore and corporate governance scandals loom large in investors' minds," said Dan Lefkowitz, an index strategist at Morningstar Inc. in Chicago. "Awareness is growing that ESG issues are material to financial results."

India seized control of Infra-

structure Leasing & Financial Services last year and is inspecting its books for audit lapses after a series of defaults by the conglomerate that roiled market sentiment. So far in 2019, allegations of financial irregularities have rocked the nation's top drugmaker Sun Pharmaceutical Industries, Dewan Housing Finance Corp. and Essel Group, owner of India's biggest television network.

SBI Magnum Equity ESG Fund is currently the only Indian fund that classifies as a portfolio investing in sustainable assets, according to data compiled by Value Research Quantum Asset Management last week filed a draft with the capital markets regulator for an ESG fund, the Securities and Exchange Board of India website showed. Other than that, it's still a pretty wide open field for Aventus, which opened its fund on February 1.

"Just think, as an example, how big a catalyst a factor like air quality will be as Indians increasingly start demanding their right to breathe fresh," Lajawala said. "This is a big environmental and social issue and we will definitely study its repercussions on businesses and investments."

"This is a big environmental and social issue and we will definitely study its repercussions on businesses and investments." **BLOOMBERG**

Infosys unveils learning app for engineering students

PRESS TRUST OF INDIA
New Delhi, 16 February

The country's second-largest IT services firm Infosys on Saturday announced the launch of 'InfyTQ', a digital platform to offer learning and engagement experiences to engineering students in the country.

InfyTQ is a free platform open to all engineering students in their third and fourth years across India, Infosys said in a statement. The platform encourages holistic development by imparting technical as well as professional skills, helping them become industry-ready, it added.

InfyTQ, available on both mobile and desktop, includes content, courses, and news as well as online assessments and certification.

"With InfyTQ, students will benefit from the always-on, anytime, anywhere learning, catered through a continuous transfer of digital skills and expertise from the Infosys innovation ecosystem.

The platform will also assist students to stay connected with the organisation, keep up with



InfyTQ is a free platform open to all engineering students in their third and fourth years across India

the latest happenings, and familiarise themselves with Infosys' culture and value system," it said.

The learning courses will be centered around conceptual and practical aspects of technology. This includes extensive hands-on learning to aid application of concepts in the real world.

The platform will evolve and offer advanced learning mate-

rials and enable virtual programming environments for certain sets of students to further hone their technical skills, the statement said.

In addition, the platform also offers courses on professional skills to help students navigate the art of effective contextual response, inter-personal relationships, communication and e-mail, and etiquette, among others, it added.