



# India Retail Round-Up: Events, Trends and their Bearing on the Future of Retail

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*India is the fifth largest preferred retail destination globally. Indian Retail Market is a USD 800 Billion opportunity which is growing at 13% CAGR. With India's economy expected to grow at almost 7 - 8% over the next decade, the Indian consumption story will further get stronger. The sector is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in Tier-II and Tier-III cities.*

*The report analyses 5 key themes and trends in Retail during the last year and its impact on consumption and growth. The trends are 'Consumer Confidence and the Impact on Consumption, Indian Retail Real Estate Sector on a Road to Recovery, FDI in Retail & New Entrants in the Indian Market, Tailwinds for the Indian e-commerce market and Fund Raising Activity and M&A's in retail.'*

## 1. Consumer Confidence And The Impact On Consumption

The Consumer Confidence Index (CCI) Survey is a measure of how optimistic or pessimistic consumers are with respect to the economy in the near future. The Consumer Confidence Index (CCI) is based on the concept that if consumers are optimistic, they tend to purchase more goods and services. This increase in spending inevitably stimulates the whole economy. CCI consist of two components-

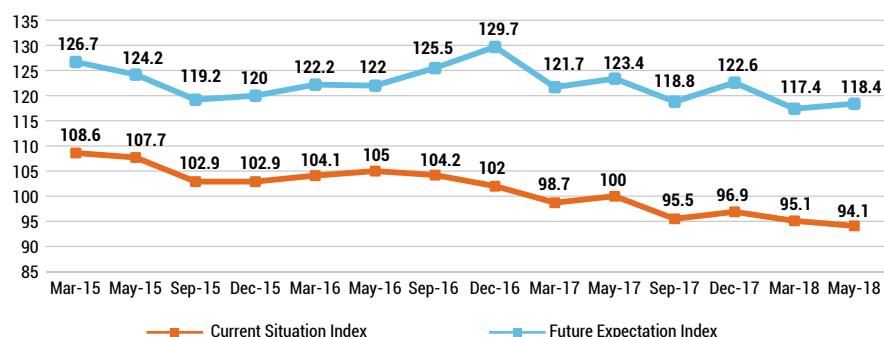
- Current situation index (CSI), which is compiled on the basis of net responses on the economic situation, income, spending, employment and the price level for the current period. Any score below 100 on the CSI is treated as being in the zone of pessimism.
- Future expectations index (FEI), expectations from all parameters for next 1 year.

The last round was conducted in May 2018(quarterly survey), covering six metropolitan cities - Bengaluru; Chennai; Hyderabad; Kolkata; Mumbai; and New Delhi - and obtained 5,077 responses on households' perceptions and expectations on the general economic situation, the employment scenario, the overall price situation and their own income and spending.

The results of this survey showed that CSI fell from 96.9 in December 2017 to 94.1 in May 2018. This is in line with the falling CSI over the last 3 years, and the CSI being below 100 for almost a year, thereby reflecting the pessimism in consumer confidence in the short-term outlook, while the future or long-term outlook is still optimistic.

The consumer confidence index fell after demonetization. It recovered a bit in May 2017, but slipped again, perhaps due to the Goods and Service Tax (GST) during that time. The disruption caused by demonetization and GST triggered a change in consumer psychology and made them act prudently and postpone discretionary purchases, which is exactly what can be observed in CCI survey for last 3 years.

Consumer Confidence Indices



### Current Situation Index: Summary based on Net Responses

Main Variables	Current perception compared with one year ago		
	March-2018	May-2018	Change
Economic Situation	-8.2	-16.1	↓
Income	-1.6	3.3	↑
Spending	81.7	81.0	↓
Employment	-13.3	-12.6	↑
Price Level	-83.1	-85.0	↓
Consumer Confidence Index	95.1	94.1	↓
↑ POSITIVE sentiments with sign of improvement compared to last round		↑ NEGATIVE sentiments with sign of improvement compared to last round	
↓ POSITIVE sentiments with sign of deterioration compared to last round		↓ NEGATIVE sentiments with sign of deterioration compared to last round	

### Future Expectations Index: Summary based on Net Responses

Main Variables	One Year Ahead Expectations Compared With Current Situation		
	March-2018	May-2018	Change
Economic Situation	20.7	21.7	↑
Income	35.2	40.6	↑
Spending	82.7	82.4	↓
Employment	23.9	24.5	↑
Price Level	-75.5	-77.3	↓
Consumer Confidence Index	117.4	118.4	↑
↑ POSITIVE sentiments with sign of improvement compared to last round		↑ NEGATIVE sentiments with sign of improvement compared to last round	
↓ POSITIVE sentiments with sign of deterioration compared to last round		↓ NEGATIVE sentiments with sign of deterioration compared to last round	



### Key insights from the research reveal:

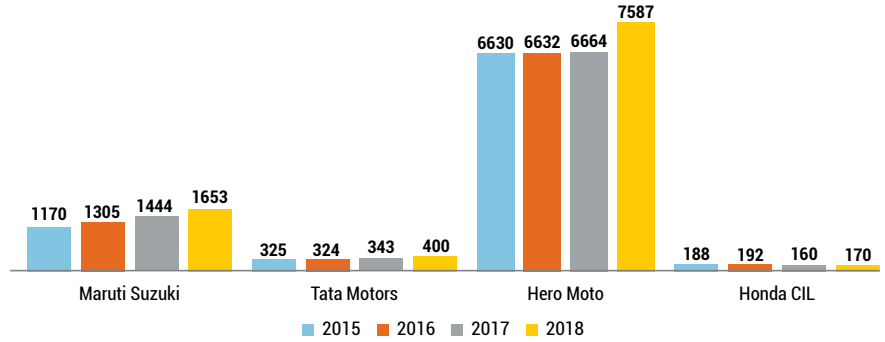
- Over 80 percent of the people surveyed expect a surge in general prices and higher rate of inflation.
- Households' sentiments on the general economic situation for the current period worsened from the previous round as 48 percent of the respondents felt that the situation had deteriorated.
- Respondents' perceptions regarding their current income turned positive with an improvement of around 5 percentage points.
- The proportion of households expecting their spending to increase in the next one year remained almost unchanged from the previous round.
- As regards spending on non-essential (or discretionary) items, households' responses shifted towards similar or lower levels of expenditure, possibly reflecting pessimism on the perception and outlook on prices.

It seems surprising that the consumers have been pessimistic about the current general economic conditions despite the strong 7.7% growth in the real GDP in Q4 2018-19. However the good news is that consumer expectations in terms of spending on essential as well as non-essential items remained unchanged for this quarter as compared to last quarter.

The twin impact of note ban and GST cut the liquidity flow to the markets and consumers were initially seen in no mood to splurge even in the festive season. However, as the year progressed, consumer demand which was held up for a few quarters, unleashed once again and converted into higher sales across segments. After a stagnant or negative 2016-17, the year 2017-18 turned positive for most companies as can be seen in the graphs below.

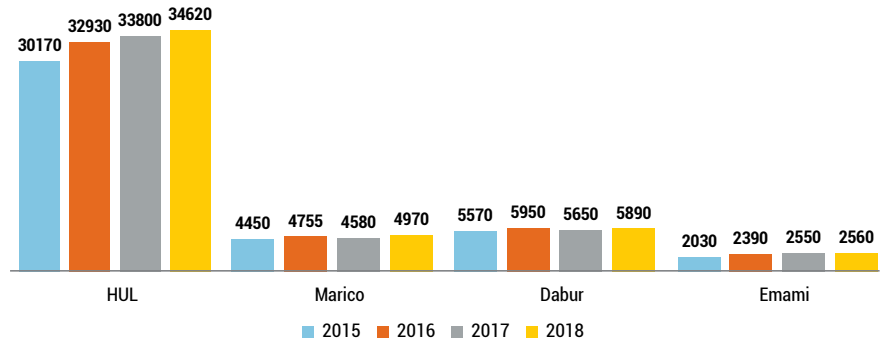
Overall for the next one year, the consumer spending is expected to be good, given the positive zone in which the Future Expectations Index is, and this will help retail and consumer sector companies to grow.

### Volume sales of Automobiles (in '000 Units)



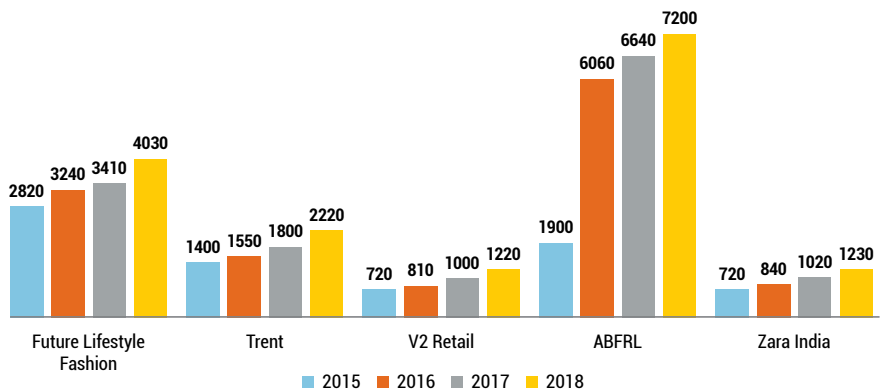
YoY Growth%	Maruti Suzuki	Tata Motors	Hero Moto	Honda CIL
2016	12%	-0.4%	0.01%	2%
2017	11%	6%	0.5%	-18%
2018	15%	16%	13.8%	8%

### Retail Sales of FMCG Companies (in Rs. Crore)



YoY Growth%	HUL	Marico	Dabur	Emami
2016	9.1%	6.9%	6.8%	18%
2017	2.6%	-3.7%	-5.0%	6.7%
2018	2.4%	8.5%	4.2%	0.4%

### Revenue of Fashion & Lifestyle Companies (in Rs. Crore)



YoY Growth%	FLF	Trent	V2 Retail	ABFRL	Zara India
2016	14.7%	10.7%	12.5%	219%	16.7%
2017	5.4%	16%	23.5%	9.6%	21.4%
2018	18%	22%	22%	8.4%	21%

\*the high growth for ABFRL in 2016 is due to taking over pantaloons business and merging with other fashion & lifestyle business of the group (Madura fashion)

## 2. Indian Retail Real Estate Sector On A Road To Recovery

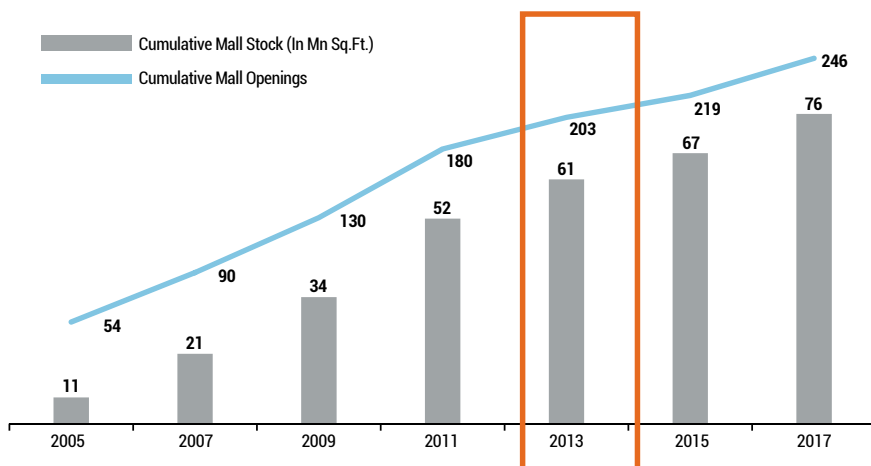
Organized retail which is currently estimated at 8 - 9% of total market, is projected to grow at 19 to 20% CAGR to reach 10 - 12% by 2022.

Driven by the culture of organized retailing, India has witnessed 246 mall openings with 76 mnsq.ft. built up area till 2017. This will further increase as ~90 new malls with ~34 mnsq.ft. are to come up in next 5 years (2018 - 2022).

Overall, the market is recovering to healthy supply pipeline due to improved investor interest. The situation is further complemented by ever improving consumer sentiment,



Mall Scenario in India

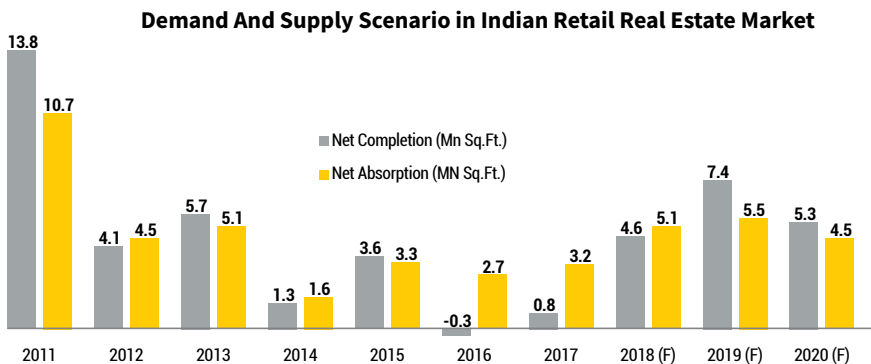


Source: Wazir Analysis Based on Published Data

resulting in robust absorption rates.

In tier 1 cities, the future demand and supply for malls seems steady with inferior malls being either withdrawn or converted to new ones. Out of 90, only 34 new malls with 14 mnsq.ft. built up area are coming up across tier 1 cities.

Like tier 1 cities, select tier 2 cities are also emerging as new retail destinations. Currently, tier 2 cities account for small proportion of total organised operational retail space. The trends indicate that brands / retailers are venturing into newer destinations in search of organised mall space leading to the development of malls in tier 2 cities. The key emerging retail destinations and factors driving the same are as follows:



Note: In 2016, net completion is negative due to rationalisation of mall space in Delhi-NCR and Mumbai Region

Source: Wazir Analysis Based On Published Data

Key Emerging Retail Destinations	
Chandigarh	Ludhiana
Patna	Coimbatore
Jaipur	Ahmedabad
Nagpur	Kochi
Lucknow	Vadodara
Bhopal	Thiruvananthapuram
Kanpur	Indore
Bhubaneshwar	Vishakhapatnam
Amritsar	Guwahati
Ranchi	Raipur

### Retail Real Estate Demand And Supply Scenario In Tier 1 Cities

4Q17 - 21 (mnsq.ft.)	Delhi-NCR	Mumbai	Bengaluru	Hyderabad	Kolkata	Chennai	Pune
Upcoming Supply	6.9	3.6	2.8	7.1	0.1	2.7	0.9
Future Net Absorptions	6.9	3	2.5	5.2	1	2.9	1.3

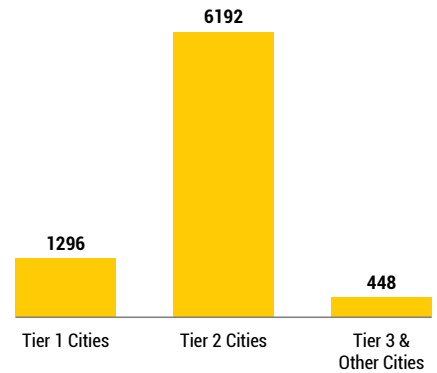
Source: Wazir Analysis Based On Published Data

**Factors Dictating Retail Development Across Key Emerging Retail Destinations**

<p><b>Lack of available space in retail malls in metro cities:</b> Chennai (8.3%), Bengaluru (11.1%), Hyderabad (11.7%) recorded lowest mall vacancy rates in 3Q17</p>	<p><b>Increasing lease rentals in metro malls:</b> 2Q16 – 3Q17 (Y-o-Y) Delhi-NCR (2.03%), Bengaluru (0.84%) and Mumbai (2.28%)</p>
<p><b>High land prices in tier 1 cities:</b> High prices makes it difficult for retailers to own real estate, even expansion seems non-viable at times</p>	<p><b>Shifting demographic patterns:</b> Urbanisation to add maximum population in mid-tier cities over the next decade</p>
<p><b>Overcrowding of retailers / brands in tier 1 cities</b> For next level of growth, brand / retailers like Max, Levis etc. are expanding to tier 2 cities</p>	<p><b>International airport connectivity:</b> Many tier 2 cities namely Lucknow, Kochi, Nagpur etc. have connectivity across regions now</p>
<p><b>Consumption trends replicating tier 1 cities:</b> Increased disposable incomes resulting in increased spend on first level aspiration categories like fashion</p>	

Source: Wazir Analysis Based On Published Data

**Retail Investments From 2006-17 (In USD Mn)**



These emerging retail destinations will not only help retail real estate sector in recovering but also drive future growth. The current total stock and upcoming stock by 2021 across some of these cities is a further testimony to same.

The PE Funds activity over the past 2 years also indicate that retail real estate market opportunity lie in tier 2 cities. The investors are continuously choosing tier 2 cities over tier 1 cities for investments. They are adopting multi-fold approach by investing in portfolio of assets – Greenfield and brownfield projects.

**Key PE Deals Tier I cities**

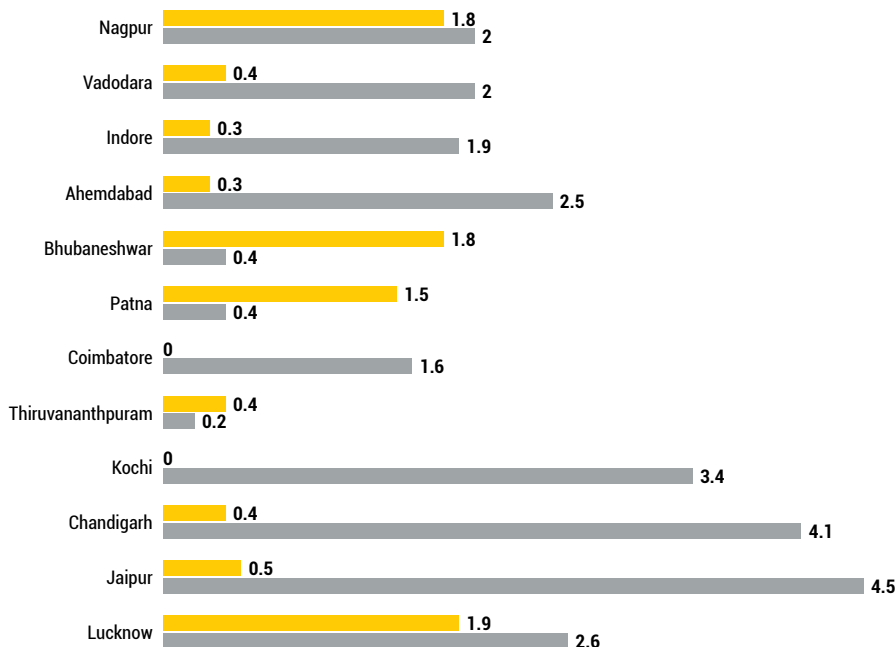
Year	Project Name	Amount (USD mn)	Buyer
2016	Seawoods Mall, Mumbai	215	Blackstone
2016	Westend Mall, Pune	92	Blackstone
2016	Viviana Mall Thane (50% stake)	154	Singapore GIC
2017	DLF Commercial Portfolio (33% stake)	1370	Singapore GIC
2018	Nitesh Mall, Pune	46	Blackstone
2018	L&T Land, Bengaluru	100	Phoenix CPPIB

**Key PE Deals Tier II Cities**

Year	Project Name	Amount (USD mn)	Buyer
2015	Elante Mall, Chandigarh	275	Carnival Group
2015	Ahmedabad One	246	Blackstone
2015	Mall of Amritsar	246	Blackstone
2017	Treasure Island (50% stake)	185	Blackstone
2017	Treasure Island next Indore (70% stake)	185	Blackstone
2017	Elante Mall, Chandigarh	340	Blackstone
2017	North Country Mall Chandigarh	108	Virtual Retail South Asia

Source: Wazir Analysis Based On Published Data

**Retail Real Estate Scenario In Select Emerging Retail Destinations**



Source: Wazir Analysis Based On Published Data

**Finally, the market will witness the following in coming days:**

**Superior Quality Malls:** More than 60% upcoming malls will belong to superior quality. The superior quality will be attributed to high impact design, diverse tenant mix, good catchment quality, easy accessibility and excellent visibility. Further, these malls are expected to have low vacancy rates (7 - 14%) given the strong consumer preference for such malls.

**Bigger Malls:** Due to ever evolving Indian consumer, the malls will

continue to add “leisure” to “shopping”. The thrust of malls will be on “services and experiences” by positioning themselves as “social destination” rather than “shopping destination” having just collection of brands. In order to incorporate “service and experience” component via FEC (Food-Entertainment-Cinema) categories, the average mall size is expected to remain between 4 - 5 lacs sq.ft. which is almost twice if compared to average mall size in 2012 - 2017.

**Fashion To Remain Epicentre For Malls:** Due to the “social destination”

positioning, the new malls will have 20 - 40% space allocated to FEC (Food-Entertainment-Cinema) categories. However, the anchor for any mall like it has been in past will always be fashion categories. The space allocated to fashion categories is expected to remain between 50 - 60%.

**PE Funds Activity:** The availability of many trophy assets across tier 2 cities and the scope of converting many tier 1 assets into brownfield projects will maintain the PE Funds interest in the sector.

### 3. FDI in Retail - Policy Decisions Making Way For Growth

Increasing participation from foreign and private players has given a boost to the Indian retail industry. While there have been multiple rounds of discussions on FDI in retail and policy changes, in light of the ongoing demand from the foreign retailers and realizing the need for substantial capital, the government is formulating new regulations to attract investment and increase consumption. The current policy framework on FDI can be summarized as follows:

- **Single brand retail** - 100% FDI allowed under automatic route.

Earlier, foreign players could own up to 49 per cent in a local single-brand retail chain but had to approach the department of industrial policy and promotion (DIPP) for a go-ahead to acquire the remaining 51 per cent. Now they can fully own their Indian operations without applying for permission.

This rule stated that to qualify for FDI, without attracting conditionalities must also source 30 per cent of its purchases for the business from India. This rule was slightly relaxed to allow to set off any local sourcing for its global business, against this 30 per cent quota during initial 5 years beginning from April 1, 2018.

Also Single brand retail of products having ‘state-of-art’ and ‘cutting-edge’ technology and where local sourcing is not possible, have so far been exempt from the mandatory requirement of 30 percent local sourcing. But this exemption is only for the first three years.

- **Multi - brand retail** - A foreign investor is permitted only a 51 per cent stake in the Indian multi-brand retailing company under approval route with a minimum investment of \$100 million, a 50 per cent investment in backend infrastructure, and a 30 per cent mandatory procurement of products sourced from small industries. Further only cities with a population of one million or more allowed to have FDI-infused multi-brand retail formats.

Retail trading, in any form, by means of e - commerce, would not be permissible, for companies with FDI,



engaged in the activity of multi-brand retail trading.

- **Online Retail** - 100% FDI in online retail of goods and services under the “marketplace model” through the automatic route. FDI is not permitted in inventory-based model of e-commerce. The main condition that an e-commerce entity will not permit more than 25% of the sales value on financial year basis affected through its marketplace from one vendor or their group companies still remains.



- **Wholesale/Cash & Carry** - 100% FDI allowed under automatic route in retail trading by way of both single brand retail trading as well as multi brand retail trading, through the same entity, subject to prescribed conditions.
- **Food Retail** - 100% FDI permitted under the government approval route for trading, including through e-commerce in the case of food products manufactured or produced in India. DIPP recently approved American e-commerce major Amazon’s proposed USD 500 million investment in retailing of food products in India.

Continuous liberalization of the Retail FDI regime has resulted in significant increase in the FDI inflows in the sector. The Indian retail trade has received FDI equity inflows totaling US\$ 1212 million during April 2000–March 2018 with more than 55% (US\$ 675) coming in the last 24 months alone. Further, to provide a level -playing field to stakeholders, and to increase FDI inflow, the government is planning to synchronize policies of retail, FMCG and e -commerce within a single policy framework.

### New Entrants setting up shops in India

The Indian retail industry has emerged as one of the fast-growing industries due to the entry of several new players in the recent times along with rising income levels, growing aspirations, favorable demographics and easy credit availability.

Globally, India is fifth-largest global destination in the retail space and is growing at a rate of 12% per annum. Over the last two decades, the size, scope and complexity of retailing has undergone considerable change.

Although largely unorganized, the Indian retail sector witnessed significant growth over the past few years. Many prominent players in the country like Tata, Reliance Industries, Aditya Birla and many others are investing significantly in the Indian Retail market due to which there has been a tremendous growth in the organized segment.

Many new players are also stepped into the Indian retail territory to expand their business. Some of them are as follows:



- IKEA, the Swedish furniture giant inaugurated its first Indian store in July 2018 in Hi tech city, Hyderabad.
- The store has 400,000 square foot of built up area, along with the biggest restaurant in IKEA’s worldwide chain with a 1,000 seats with the total

investment of INR 1,000 crore. There will be a gender parity with 50 per cent of the 1,000 employees across all departments being women.

- The company will offer a wide range of 7,500 products and source up to 20 per cent of the products from local manufacturers.
- IKEA is targeting 49 large cities for setting up big format stores going forward and also exploring viability of smaller stores and increasing local sourcing to 50 per cent.
- Bangalore, Chennai, Noida and Gurgaon are next on Radar.



- Celekt, a new mobile retail firm, is planning a pan-India chain by opening 200 stores in 2018 and 300 more stores in subsequent two years. The firm expects investments of 300-500 crore on the 500 stores with each store costing about 60 lakh to 1 crore.

All the stores with a built-up area 1,000 sqft and above will have a touch-screen display that lets customers to compare different products on pricing and features.

### Bath&BodyWorks®

- Major Brands has added Bath & Body Works to its portfolio of retail licenses and will be bringing the brand to India.
- First store was launched in New Delhi at Select City Walk in June 2018 and another one will be opening soon in DLF Mall of India in Noida. They are also planning to expand Mumbai by early 2019



- British luxury clothing brand Ted Baker opened their first store in Indian in New Delhi’s Chanakya Mall in March 2018. Ted Baker’s entry into India is a joint venture with Aditya Birla Fashion & Retail (ABFRL).

The 1,600 sq.ft. store will house menswear, womenswear and accessory collections from Ted Baker.



- Abu Dhabi-based LuLu Group has launched the global retail toy brand Toys“R”Us in India, with the first store opened in Bengaluru in October 2017.



- Japan-based luxury fashion brand Onitsuka Tiger, has recently opened its first store in Mumbai in September 2017. The company is looking to open 12 brand stores in tier-I cities by 2020.



- Low-cost retail chain Miniso, opened its first store in Delhi in April 2017

and has already opened 25 stores in India. It has plans to open 200 stores by the year end.



- British menswear brand Simon Carter has opened its first India store in Mumbai in September 2017. The brand plans to open 10 Simon Carter EBOs across the country in fiscal 2017-18. The brand has entered Indian market through an exclusive partnership with ABFRL in 2016.

women'ssecret

- Tablez India has opened its first store of Spanish fashion brands - Springfield and women' secret in India at Bengaluru in July 2017.



- Premium menswear Scandinavian brand Selected Homme recently launched its standalone store at Palladium in May 2017. The exclusive brand outlet is spread over 1200 sq. ft. India's fast growing retail market is attracting many other global players. Famous Japanese fashion brand “Uniqlo” is planning to open its first

store in South Asia in New Delhi next year. In addition to this more than 80 global retail brands across verticals looking forward to enter India in 2018. Combined, they are expected to open 500-600 outlets in the country in the next few years.

In addition to the bigger retailer and brands, the mid-size brands from across the world are also looking to cash in on the relaxed retail policy in India. More than 50 mid-rung global retailers are planning to enter India within the next six months with their eye mostly on smaller, untapped markets within the country triggered by the country's expanding economy, booming consumption, urbanizing population and growing middle class.

The government has given clear signals that it is serious in recognizing the problems faced by retail sector in India and is taking gradual but progressive steps to relax the investment guidelines, albeit in a phased manner. With several legislations and policies in implementation mode, there is an increase in consumer and investor confidence, which will have a cascading effect on the retail segment. With more global participation in Indian retail, the sector will further evolve and become more organized and competitive, at the same time providing better assortment to the consumer.

4. Tailwinds for the Indian E-Commerce Market

Despite facing a major setback in 2016, the Indian e-commerce market is growing and consolidating in 2017-18 due to many reasons such as growing internet penetration, aggressive marketing and e-commerce penetrating in new categories such as food and grocery. Indian e-commerce market is expected to climb 31% to reach value of \$25 billion by the end of 2018. The shift in e-commerce sector is focusing towards business consolidation, better customer retention & better products and service

differentiation. The battle for occupying the top position in the most dynamic e-commerce market of India is pretty much fierce as Flipkart and Amazon are trying to adopt different strategies

to lure consumers and with Alibaba backing PayTm mall.

At this point in time, Indian consumers are not just becoming dependent on e-commerce market for apparel or electronic needs but also for their daily essentials such as grocery and personal care. With emerging markets, players specifically in the field of online grocery, are expected to be the fastest growing segment with CAGR of about 65-70% in the fiscals 2018-2020. E-tailing of grocery products is challenging, but it also has the advantage of a high percentage of







35%. Thus, this factor acted as a major tailwind for the growth of e-commerce in India because, with access to smartphone and internet, people shifted towards these online retail markets for various essentials.



● **Technological Advancements:** Technologies such as Augmented reality (AR) and virtual reality (VR) are redefining the retail landscape by improving customer experience both in-store and online. VR and AR are dramatically changing how retailers do business, and how their customers' shop, browse and buy. The barrier between physical and online stores are merging to form a pure-play, integrated retail environment. Indian e-commerce retailers are embracing this change with concepts such as 3D trial rooms, which let users provide their measurements via sites, thus creating their digital avatars. With this kind of digitalization, shopping is evolving into highly efficient and personalized experiences. Reliance's

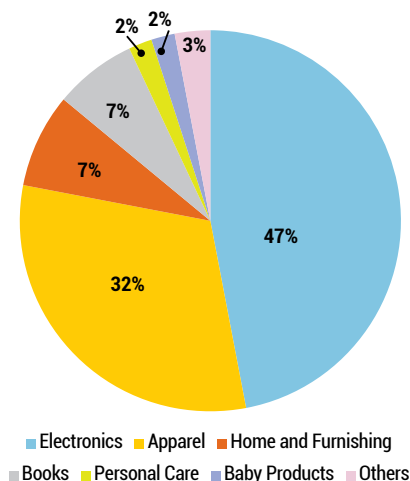
repeat orders. The focus of large players like Amazon and BigBasket are thus to capture grocery market by services like:

- Big Basket's launch of Express delivery service with the help of which it can deliver an order within 90 minutes. Also, it is planning to launch milk-driven subscription in near future.
- Services such as Amazon Now and Amazon Pantry are launched by Amazon in the grocery sector with the service of one-day delivery.

**The key growth drivers for the sector include:**

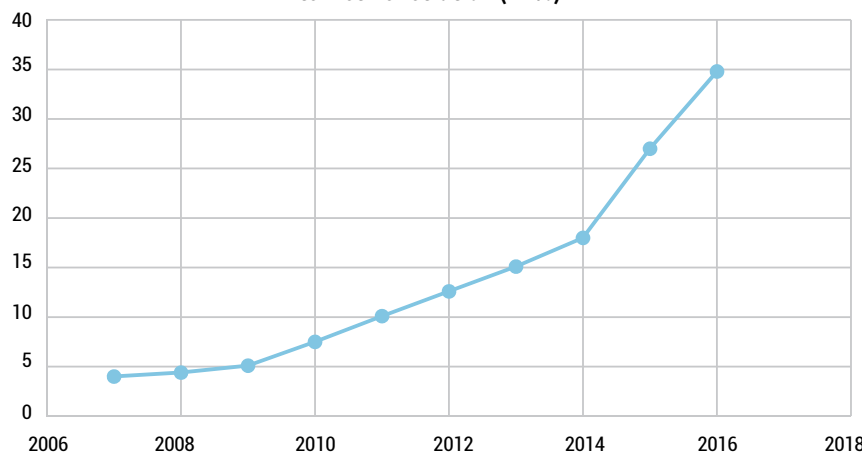
- **Digital Trigger:** There is no doubt that demonetization and the "Jio Effect" acted as a trigger for digital India movement. The long-term effect on people moving to digital transactions is still debatable but there was a significant increase in the number of the transaction just after demonetization. With just 10% of the total population in India using the internet in the year 2011, the number has increased magnanimously to

**E-commerce Market (2017-18)**



Source: Wazir Analysis

**Internet Penetration (in %)**



Source: www.ibef.org

new e-commerce platform will enable customers to have a personalized immersive shopping experience by using AR, VR and holographic devices. Through its app to help its customers stay up-to-date with the latest fashion trends, Myntra is also working on the addition of an augmented reality (AR) feature. The feature will be able to use the camera on the customer's phone and critique their fashion choices.

- **Effect of Voice Controlled Devices:**

Chatbots, digital voice assistants like Siri, Alexa, Google Now and native language recognition in AI is empowering a new shift towards a conversation based e-commerce development. Smart-homes devices with voice-controlled personal assistants like Apple's Siri, Amazon's

both businesses and customers to have more control over how they conduct business.

- ▶ Microsoft, Google and Apple have announced their plans to introduce "in-browser" payment options, while Facebook is expected to follow suit by offering more e-commerce platforms, international payment options, and global money transfers in their apps.
- ▶ A digital payments solution app, BHIM, based on the Unified Payments Interface (UPI) from the National Payments Corporation of India (NPCI), the umbrella organisation for all retail payments systems in India. If a consumer have signed up for UPI-based payments on his/

online players, the potential market has shifted to Tier 2, 3 and 4 towns, with over 50 percent of sales coming from these areas. The overall growth in Tier II markets has been about 600% from FY'2012 to FY'2016. The most common products bought in Tier 2 and 3 cities are fashion items including apparels, footwear, and bags.

- **Private Labellisation:** Battle between e-commerce players has made them push into entering the field of private labels. Private labels are created to create product differentiation and to lure customers who are price sensitive thereby creating loyalty and improving margins.
  - ▶ Launch of a private brand Billion by Flipkart which sells everything



Echo powered by Alexa, Google Home and Ali Baba's Tmall Genie are waiting to unleash the next generation e-commerce. Amazon is clearly leading player of the disruptive voice-commerce wave. At this point of time, the best example of a voice commerce example is to ask Alexa to place an order to be shipped from Amazon. Amazon Echo Dot smart home assistant was the highest selling item on Amazon Prime Day Sales.

- **Improving payment infrastructure:**

The last few years have heralded the creation and widespread adoption of alternative payment methods such as e-wallets and gift cards. Paying through blockchain removes the intermediate middlemen, allowing

her bank account, which is also linked to mobile phone number, that consumer will be able to use the BHIM app to carry out digital transactions.

- An incredible payment option for ecommerce is PayPal because it doesn't require that your store record any of the credit card data.
- **Penetration in tier 2/3 cities:** With the exposure empowered by television, social media, deeper internet penetration and migrant population, the consumers of tier 2 and tier 3 cities are increasingly following and trying to imitate lifestyles of their equivalents in metros and tier 1 cities. For many

from T-shirts to air conditioners. It also owns electronics brand MarQ and furniture label Perfect Homes.

- ▶ Myntra currently has 14 in-house brands including names like Roadster, ModaRapid, Dressberry, Invictus, Yellow Kite and Mast & Harbour.
  - Revenue of Roadster- Rs.650 crore
  - Revenue of Mast & Harbour- Rs.190 crore
  - Revenue of HRX- Rs.170 crore

Amazon too is coming into a battle of private labels with its brand Amazon Basics that sells everything ranging from stationary products to a low-cost smartphone, Symbol in menswear, Myx in women's ethnic wear and Solimo in kitchen gear.

## 5. Fund Raising Activity And M&A's In Retail

Merger and acquisition (M&A) activity in the consumer and retail sector were slow in 2017 with deals worth USD 392 billion announced in 2017, a decline of 16 per cent as compared to 2016. However, a lot of strategic and cross industry investments happened this year. As we entered into early 2018, the funding activity started to look up with a lot of deals across brands and retail being announced. Summarized below, are the major investments that took place after April 2017 in Consumer and Fashion retail space.



### E-COMMERCE:

- Noida-based online lingerie brand Clovia raised INR 26 crore from Ivy Cap ventures and new investors including Singularity Ventures and Ravi Dhariwal, former CEO of media house Bennett, Coleman & Co. (April 2017)
- Mumbai based O2O fashion ecommerce platform Fynd raised INR 15 crore in a funding round led by IIFL Seed Ventures. (June 2017)
- The Label Life, an e-commerce lifestyle brand, raised INR 20 Cr from Kalpavriksh, a PE fund under Centrum Alternatives. The Lable Life provides contemporary fashion accessories and home décor styled by Bollywood celebrities Sussanne Khan, Malaika Arora and Bipasha Basu. (December, 2017)
- Bangalore based online lingerie seller Buttercup Clothing Private Limited received angel funding from Rajan Anandan and US based angle investor Chandra Chappadi. (January 2018)
- Chennai based Go Colours which sells legwear for women raised INR 100 crore from ICICI Venture for store expansion. (January 2018)
- Online grocer BigBasket has raised approximately INR 1920 crore in a round led by the Alibaba Group (Feb 2018)
- Online furniture brand Urban Ladder has raised approximately INR 76 crore (\$12 million) from Kalaari Capital, SAIF Partners, Sequoia Capital and Steadview Capital (March 2018)
- Online retail firm Paytm Mall has raised approx. INR 2,900 crore from Japan's Softbank and Chinese online commerce giant Alibaba (April 2018)
- American retail giant Walmart picked up 77% stake for INR 1.12 lakh crore in India's largest e commerce retailer Flipkart. This is said to be the biggest e-commerce deal ever happened in the world. (May 2018)



### RETAILERS:



- Reliance Brands has bought L Catterton Asia's 40% stake in Genesis Luxury for an estimated INR 250-300 crore(September 2017)
- V2 Retail Ltd, formerly Vishal Retail raised Rs 76 crore (\$12 million) from Lighthouse Advisors (October 2017)
- 1-India Family Mart, which operates 38 value retail stores across UP, Bihar and Jharkhand raised INR 41.5 crore from Carpediem Capital (January 2018)
- Chennai Based manufacturer and retailer of custom clothing for women, eShakti has received INR 75 Crore from Paragon Partners. Earlier Blacksoil Capital invested INR 15 Cr. in December 2017. The company also runs an Indian e-commerce unit under the brand name Zapelle. (June 2018)

### BRANDS:

- Delhi Based footwear brand Campus received first institutional round of funding from TPG Growth and Havells group. The investors bought approximately 20% stake by valuing the company ~INR 1,500 crore. (August 2017)
- Kedaara Capital acquired 10% stake in ethnic menswear brand Manyavar for INR 450 crore. (August 2017)
- Jaipur based premium menswear brand Mr. Button has received its pre-series A funding led by Jetty Ventures and Sandeep Daga. (November 2017)



- Sanjay Lalbhai-led Arvind Ltd, the country's largest textile and branded apparel manufacturer, demerged the branded apparel business Arvind Fashion into a separate entity (Nov

2017)

- The promoters of Donear Group acquired OCM Woolen Mills. This acquisition makes the Donear Group India's largest branded menswear fabric manufacturer. (November 2017)
- Fashion start-up Universal Sportsbiz received over INR 100 crore for 15% stake from existing investor Accel Partners. The transaction valued the company at INR 650 crore post money. USPL's portfolio of the brands include WROGN, a men's casual wear brand endorsed by Virat Kohli. (November 2017)
- Reliance brands piped Firstcry to acquire Mothercare India rights from DLF brands. Mothercare is the latest



brand after Mango, Forever 21 and Sephora, among other global labels, to change hands from DLF Brands (Feb 2018)

- Italian luxury group Ermenegildo Zegna and Reliance Brands have collectively acquired 25% equity stake in homegrown fashion designer Raghavendra Rathore for INR 19 crores. (July 2018)



- TCNS Clothing, manufacturer of famous women's apparel brand "W", made initial public offering to raise about INR 1,125 crore. (July 2018)
- Wildcraft, a Bangalore based manufactures of clothing, equipment, and footwear for men and women, received an undisclosed amount from FidelisWorld. (July 2018)

### FOOD FMCG & OTHERS SECTORS:

- Chennai Based health food maker Manna Foods managed to raise INR 152 Crore from Morgan Stanley Private Equity Asia (January 2018).



- Vadodara-based frozen foods supplier, Saraf Foods raised an amount of INR 30 crore from DSG Consumer Partners and Danish

Investment Fund. (Feb 2018)

- Bangalore based Kottaram Agro Foods that produces and sells packaged breakfast cereals and



instant mix under the brand "Soulfull" has received INR 35 crore from Aavishkaar Venture. (March 2018)

- Chai Point, a PAN India chain of tea and snacks stores raised approximately INR 130 crore from Paragon Partners and Saama Capital (April 2018)
- Grocery and milk delivery startup MilkBasket has raised INR 50 crore of funding from Kalaari Capital, along with BeeNext, Unilever Ventures and Blume Ventures. (May 2018)
- Mumbai Based leading disposable hygiene manufacturer Nobel Hygiene has acquired India's first home grown diaper brand Snuggly from Godrej Consumer Products for an undisclosed amount. (July 2018)
- Guwahati-based manufacturer of chips and biscuit Kishlay Foods has raised Rs 100 crore from Norwest Venture Partners. (July 2018)