

Daily Economic News Summary: 24 August 2016

1. RBL offering subscribed 70 times

Source: **Business Standard** ([Link](#))

The Rs 1,200-crore initial public offering (IPO) of RBL Bank the first by a private sector lender in a decade was subscribed around 70 times. The IPO generated demand worth over Rs 59,000 crore, among the highest in recent times, as it attracted bids from all three categories of investors. The institutional investor segment was subscribed 85 times, while the high networth individual (HNI) segment saw around 198 times demand. The retail quota was subscribed 5.4 times and saw around a million applications. Market players said [investors](#) were attracted to RBL Bank's track record and growth opportunities in the small and medium enterprises lending and retail space, where it operates.

2. Piramal Enterprises announces stressed asset investment fund with Bain Capital

Source: **Live Mint** ([Link](#))

Billionaire Ajay Piramal-led Piramal Enterprises Ltd on Tuesday said it is launching a \$1 billion distressed asset investment platform in association with private equity fund Bain Capital Credit. "Once finalized, the platform will invest capital directly into businesses and/or acquire debt of such businesses to drive sensible restructurings. The sponsors believe that there is an over \$1 billion investing opportunity in this space over the next few years," Piramal Enterprises said in a statement. The platform will look at restructuring cases in all sectors other than real estate. Within these, the platform's preference will be to invest in businesses that require restructuring and have fundamentally strong growth prospects linked to infrastructure and consumption, the statement said.

"Shantanu Nalavadi, an experienced investing professional with 25 years of experience in India and currently managing partner of Piramal Capital, will lead this strategic partnership," the statement said. While international stressed asset funds have been trying to locate the right kind of stressed assets in India to invest in, domestic funds are expected to perform better due to their familiarity with the country and its processes. Bain Capital has been actively investing in stressed assets across the world, including Asia. "Given our strong relationships and credibility with bankers, entrepreneurs and regulators, we are well-positioned to restructure these assets and play a meaningful role in resolving over-levered capital structures in the country, which in turn would eventually fuel the growth in the economy," Ajay Piramal was quoted as saying in the statement.

3. Biba to open first stand-alone kidswear store in Bengaluru next month

Source: **Live Mint** ([Link](#))

Buoyed by the success of its kidswear collection, women's ethnic wear brand Biba Apparels Ltd is planning to open stores that will exclusively sell children's apparel. The retailer will open its first stand-alone kidswear store in Bengaluru by mid-September and plans to open five such outlets by the end of 2016-17. Garments will be priced between Rs.499 and Rs.5,999 and will cater to girls in the age group of 2-13 years. We launched our kidswear line in 2010 that has driven good revenues. That's why we decided to open stores which will exclusively sell kids' apparel," said Siddharath Bindra, managing director at Biba Apparels, adding that the company has not yet decided the target cities. Biba Apparels, which expects to close 2016-17 with a turnover of Rs.700-750 crore, is hoping to earn around 10% of its revenue from the kids segment. "We earned about 5-7% of our revenue from kidswear collection in 2015-16 and hope to achieve 10% this year," Bindra added.

Currently, Biba sells apparel (including kidswear) through 220 stand-alone stores and 304 multi-brand outlets. The company also sells through online marketplaces Myntra, Jabong and Amazon. Overall, Biba plans to open a total of 60 stores this year and is expecting to add around 200 new outlets in the next three years. In the process, the company will invest Rs.200 crore on store expansion over a period of three years.

4. Shopclues to disburse loans worth Rs5,000 crore to sellers

Source: **Live Mint** ([Link](#))

ShopClues(CluesNetwork Pvt. Ltd) on Tuesday said it plans to disburse Rs.5, 000 crore worth of loans to merchants selling on its platform under its financing initiative Capital Wings.Of this, Rs.200 crore will be disbursed ahead of this year's Diwali festival. Shopclues launched Capital Wings last year and has partnered with lenders including State Bank of India, ICICI Bank Ltd, Capital Float, Indifi Technologies and FlexiLoans to facilitate these loans.

Under this initiative, sellers are offered working capital loans at low interest rates and customized solutions for repayment and prepayment of loans. ShopClues claims to have half a million merchants on its platform selling 50 million products. In the past one year, Capital Wings has disbursed Rs.100 crore worth of loans to more than 1,200 merchants, ShopClues said in a note.

5. Unacademy bags \$1 mn in funding from Flipkart, Paytm founders and others

Source: **Business Standard** ([Link](#))

Online learning platform Unacademy has raised \$1 million in funding led by Blume Ventures, while entrepreneurs such as Flipkart co-founders Sachin and Binny Bansal, Paytm's Vijay Shekhar Sharma and Freecharge's Kunal Shah also participated in the round. This is the second round of institutional funding bagged by Unacademy, with a previous \$500,000 investment coming just four months earlier in April. Existing investors such as Stanford Angels along with Tracxn Labs and a few other individuals also participated in the round. Since its launch in January this year, Unacademy says it has grown to over 1 million video views a month, with 100 teachers having created over 200 courses on its platform. Moreover, it says that in the past eight months, over 300,000 students have benefitted from its online tutorials.

“Within two months, the Unacademy Create [app](#) will be made available to all, so anyone across the world can create lessons in any language they like. After a thorough screening process, we will make the relevant lessons available on our platform that will be free for all to see,” said Gaurav Munjal, co-founder and CEO at Unacademy, in a statement.

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