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# Fabindia calls off share sale amid mkt uncertainty

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**F**abindia Ltd, a retailer of Indian ethnic wear, has withdrawn its initial share sale documents for its proposed ₹4,000 crore initial public offering amid market uncertainty.

The decision to withdraw was taken as the current market conditions were not conducive for listing, a company spokesperson said, adding that Fabindia will now explore other liquidity options, including filing for an IPO in the future, depending on its need for growth capital and market

conditions.

“Several leading global ESG (environmental, social and governance)-focused funds have expressed keenness in investing in us. They appreciate our strong ESG track record of more than six decades and believe in our business model, which is based on ESG values,” the company said.

The clothing company filed its IPO draft papers in January last year and got the market regulator’s approval in April. Since the Securities and Exchange Board of India’s (Sebi’s) approval is valid for a year, Fabindia will need to file

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fresh documents if the approval lapses. “We are meeting a lot of investors in the market. But there is a disconnect between the company’s valuation expectations and what investors are willing to pay. So the IPO will be launched once these issues converge,” said an investment banker with a state-owned bank.

Key stakeholders in Fabindia include Bimla Nanda Bissell and Madhukar Khera, Premji Invest, Bajaj Holdings and Kotak India Advantage.

Several companies have opted to withdraw draft IPO papers in recent months as valuation expectations failed to match investor perceptions, analysts said. Some companies are expected to delay their public offerings until April-June to avoid market volatility.

According to Fabindia’s IPO papers, it planned to sell ₹500 crore of fresh stock and offer up to 25 million shares for sale by its shareholders. The net proceeds from the IPO were to be used for voluntary redemption of the company’s non-convertible debentures and interest accrued thereon, as well as scheduled repayment of a portion of outstanding borrowings.

Founded in 1960, Fabindia specializes in ethnic clothing for men, women, and kids, as well as home and living, furniture, food, and gift products.



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Fabindia and Organic India are two of the company’s most recognized brands.

Meanwhile, last week jewelry brand Joyalukkas withdrew its draft papers, citing poor market conditions.

According to researcher Prime Database, nearly 57 companies with plans to sell shares worth ₹85,754 crore have received Sebi’s approval for their IPO, while nearly ₹55,620 crore worth of public offers is yet to receive Sebi clearance.

On the other hand, some experts said this fiscal may see a slew of IPOs lining up due to a trend witnessed in the IPO market.

Credit Suisse, JP Morgan, Nomura, SBI Capital Markets, and ICICI Securities were hired to manage the share sale.