

AB Fashion Buys Forever 21's India Rights

Our Bureau

New Delhi: Aditya Birla Fashion & Retail has acquired the online and offline rights of Forever 21 as the US fast fashion brand changed its India partner for the third time.

Aditya Birla Fashion & Retail (ABFRL) on Wednesday said its board of directors "in-principally approved a proposal to enter into a binding memorandum of understanding (MoU) with Forever 21 to acquire its exclusive online and offline rights to the global brand Forever 21 for the Indian market and its existing store network in India from the current franchisee."

Currently, the joint venture between DLF Brands and Forever 21 operates 10 brick-and-mortar (stores) and the company sells online through fashion portal Myntra. It is unclear what happens to the Myntra online partnership once Aditya Birla Fashion signs the deal.

Forever 21, targeted at teens and young adults, entered India half-a-decade ago and had changed a partner already before tying up with DLF Brands. But it could not scale up its business like global rivals such as Spanish brand Zara, analysts said.

"With the acquisition of Forever 21 India business, we aim to create a strong foothold in the women's wear business in the western wear segment. Currently, the western women's wear segment is growing at more than 20%. The proposed acquisition will further strengthen leadership position of ABFRL in the branded fashion space," said Pranab Barua, managing director at ABFRL.

Flipkart-owned Myntra was also in talks to manage the local retail chain of Forever 21, ET had reported earlier.