

GHCL buys hospitality textile division of Best

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NEW DELHI: GHCL has struck yet another international acquisition in the textile space. Dan River, US-based textile company which was acquired by GHCL last year, is acquiring the \$80-million hospitality textile division of New Jersey-based Best Manufacturing Group.

This would be the fourth merger & acquisition deal closed by the Sanjay Dalmia group over the last one year. The hospitality division of Best Manufacturing primarily constitutes of HW Baker Linen which was acquired by the company in 2002.

Founded more than a century back, Baker was one of pioneers in the field of textile for hospitality sector. The division provides each sector of the hospitality industry with bed, bath and dining linens as well as front and back-of-the-house apparel.

As a part of the transaction Dan River would acquire the assets of Best Manufacturing division, which includes the manufacturing unit of the company located at New Jersey. The size of the deal is learnt to be modest. It would be financed through debt raised by Dan River in the US.

This would mark a full circle for Dan River, a Chapter 11 case which was snapped by GHCL last year and turned around soon after. When contacted by ET, a GHCL spokesperson declined to comment on the transaction. However, sources say this is just one among a string of deals which are currently under process.

GHCL is expected to retain the marketing and sales management of the division while bringing it under its umbrella. The acquisition would strengthen GHCL's presence in the home and hospitality textile segment in the US.

Apart from HW Baker Linen, Best Manufacturing- a Chapter 11 case itself- had earlier acquired another US based supplier of textiles and garment - Artex International, in 2004 which brought additional business related to textile and apparels for textile rental and hospitality markets.

Last year in a master branding exercise Best Manufacturing had decided to put Best as the master brand for the hospitality division after the integration of the two acquired units of HW Baker and Artex with the parent. It is learnt that Dan River has also got the right to use the Best brand for the acquired business.