

GHCL eyes French textile retail chain

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GUJARAT Heavy Chemicals (GHCL) is on a global push again. After acquiring the UK-based retail chain Rosebys last month, the Ahmedabad-based textile to chemical major is now learnt to be in advanced stage of negotiations with a French home textile retail chain.

The retail chain, which currently has about 150 stores, has presence in the US and Eastern Europe besides France. Sources said GHCL has held several rounds of negotiations but the crucial price negotiations are expected to be held next month, after the holiday season in the West. GHCL chairman Sanjay Dalmia admitted that the company was in talks with the France-based retail chain but said no agreement has been arrived as yet. "We are currently negotiating with a couple of overseas retail chains and at this point it is very difficult to say which one will come through," he said.

If the French deal comes through, it would be the third overseas acquisition by GHCL in the retail space, the first two being the US-based Dan River and UK's Rosebys. The French retail is said to have a revenue in the range of €150m.

Mr Dalmia said the acquisition is aimed at reducing the manufacturing cost and thus increasing the margins. "We have a strong manufacturing base in India and with further expansion of global marketing platform, our production costs would go down, improving margins," he said.