

# GHCL in talks to acquire French retail chain



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GUJARAT Heavy Chemicals (GHCL) is on the prowl 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 about 150 stores, has presence in the US and Eastern Europe besides France. Sources familiar with the development said GHCL has already held several rounds of negotiations with the French retail venture but the crucial price negotiations are expected to be held next month. The name of the retail chain could not be known.

When contacted, GHCL chairman Sanjay Dalmia admitted that the company was in talks with a France-based retail chain specialising in home textile 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 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 Inc and UK's Rosebys. The French retail is said to have a revenue in the range of 150 million euro.

Mr Dalmia said the proposed acquisition plans are aimed at further reducing the manufacturing cost and thus increasing the margins. "We have a strong manufacturing base in India and with further expansion in our global marketing platform, our production costs would go down further, resulting in improved margins," he said. GHCL is fast evolving as one of the leading integrated home textile companies with a presence across spinning, weaving, product design and development, sourcing and distribution to retail stores at a global level. While Rosebys, which has a strong presence in bedding, curtains and kids garments, has more than 300 retail outlets across the UK, Dan River also has a wide sales and distribution network within the US, catering to some of the largest retailers.