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## Gujarat Heavy scouting for more acquisitions

**Virendra Pandit**

*Ahmedabad, Sept. 30*

Encouraged by the successful acquisitions and turnarounds abroad, the Sanjay Dalmia-led Gujarat Heavy Chemicals Ltd (GHCL) is now planning to acquire more retail chains and soda ash plants in the US, UK, Romania and, of course, China.

Some of these deals would be clinched as early as December this year, Mr Dalmia told *Business Line* over telephone from New Delhi.

Confirming the company's

new acquisition plans, he said that some of the deals are likely to be clinched in the next few weeks.

In any case, all these deals would be sorted out early next year, as "we have identified the companies and are closely working with and on them." He did not elaborate further.

GHCL is reported to be eyeing the second and only soda ash unit left in Romania for \$25 million.

Earlier, it had acquired SC Bega Upsom, which increased

GHCL's global capacity to 18 lakh tonnes per annum in India and Romania, including its Vervaval plant's six lakh tonnes.

### US CO TURNAROUND

On how he managed to turn around US textile company Dan River Inc within eight months after acquiring it in January this year, Mr Dalmia said that under its turnaround action plan, GHCL closed all the high-cost manufacturing facilities of the US company and increased outsourcing from India, China and

Pakistan. "We knew that only by taking two steps could Dan River be turned around. One, by closing down its remaining two or three manufacturing units in the US and two, by migrating jobs to India. Thus, we saved \$5 million, without any significant outsourcing."

By January this year, Dan River – the third largest American home textile company – had posted enough losses in five consecutive years till GHCL came to its rescue with a \$17.50-million acquisition plan.

By August, the company's monthly sales began to touch \$17 million with a positive EBIDTA.

After the turnaround, Dan River is expected to make an annual turnover of more than \$200 million by December 2006 when the financial year ends, he said.

With the Dan River takeover, GHCL has entered the \$40-billion home textile sector. The US and UK markets account for 60 per cent of the global home textile trade.