

# Raheja vs Raheja duels to spice up retail market

## GL Raheja's Magnet Buy To Pit Him Against Brother C

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MUMBAI

CONSTRUCTION baron GL Raheja is about to launch his retail compass by taking over Home-Mart, a chain of hypermarket stores established by the slowdown, pitting himself against brother CL Raheja's Shoppers Stop and Hypercity.

The GL Raheja group is buying other high net worth investors in the Mumbai-based company for an undisclosed amount, said two retail insiders familiar with the development.

The group has been a minority partner in the privately-held Magnet stores since its formation in 2007. The struggling company, which shut five stores in Maharashtra and Gujarat because shoppers pinched pennies during the slowdown, is seen as a perfect retail launch pad for a group whose mainstay is property development and hotels.

Buying Magnet will provide a strategic entry for the Raheja group into the retail sector," said Susil Dugarwal, a real estate and oil consultant, adding that it must synchronise back-end and front-end operations to

benefit from the move.

A questionnaire sent to the Mumbai office of GL Raheja's son Sandeep Raheja remained unanswered. Repeated calls to the office went unmet with the response that he is travelling.

Magnet now has only one hypermarket store in central Mumbai's Mahalaxmi but the Rahejas plan to launch stores in suburbs such as Malad and Thane. "The expansion will focus on Mumbai for the time being," said one person, a Homecare associate.

The group, known for its high rises in urban India, will first focus on streamlining operations, however. Sandeep Raheja has already waded into the operations. Also, a battery of chartered accountants from the Raheja group is working with Magnet's management.

On expansion, the Rahejas are likely to follow big retailers such as Reliance Retail, Aditya Birla Group, Big Bazaar and Shoppers Stop, which are cautious despite the prospect of shoppers turning on the back of a growing economy. The slowdown is still fresh in their minds.



## SIBLING RIVALRY

**GL Raheja's retail plans will eventually set him against his brother's established cos Shoppers Stop and Hypercity**

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