

Industry

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India Auto and Consumer Daily

 Equity

23 June 2010

- **Spicejet promoter's Daewoo plant may make Chinese CVs** — China-based Beiqi Foton Motor Company, one of Asia's largest automotive companies, is exploring ways to make a foray into India. A tie-up with SpiceJet promoter Ajay Singh's company, Argentum Motors, is possible, for now. Beiqi Foton (also known as Foton) is the largest light truck manufacturer in China, with interests in heavy trucks and buses as well. The company is eager to launch its bus range first in India, followed by the truck variety later. **(Business Standard)**
- **GM India announces Cashless Ownership offer** — General Motors (GM) India has announced a Cashless Ownership Offer for its customers on all Chevrolet cars. As part of the scheme, customers will only have to pay one-time subsidised amount to avail themselves of free maintenance and service of the car for the next three years or 45,000 km, whichever comes earlier. This offer will cover all the periodic maintenance services and running repairs. The Cashless Ownership Offer will also be applicable on the new Chevrolet Beat at a cost of Rs 13,499. **(Business Line)**
- **Nissan's 'small' Micra to hit roads in July** — Nissan has said it will launch its much-anticipated small car Micra in India on July 14, 2010. The new Micra will roll out from Nissan's recently inaugurated facility at Oragadam near Chennai. Nissan started bookings of Micra in May and has so far received 1,049 orders. The company has announced to produce 80,000 units, for both domestic and export markets, in its first year. Nissan will export Micra to over 100 countries, including Europe, Middle-East and Africa, by 2HCY10. **(Economic Times)**
- **Shoppers Stop to raise Rs 3bn through QIP** — In a bid to fuel its growth, Shoppers Stop has proposed to raise Rs 3bn through a qualified institutional placement over the next two quarters, as per mgmt. It is also planning to invest Rs 1-1.2bn to open 12 more Shoppers Stop outlets and four Hypercity stores in this fiscal. The Hypercity stores would be coming up at Bhopal, Ahmedabad, Ludhiana and Mumbai. The company plans to increase number of Hypercity stores from 7 to 25 in the next 3 years and expects them to break-even in FY13. **(Business Standard)**
- **Godrej TVs may hit market in 2011** — Fast moving consumer goods major Godrej may commercially launch television (TV) sets next year. Following a successful test run of its TV sets in Andhra Pradesh, Godrej Appliances has extended the pilot project to three more states — Kerala, West Bengal and parts of Maharashtra. The products will be priced more or less in line with the industry, according to mgmt. While the price of colour TVs will start from below Rs 10,000, LCDs and LEDs will be priced Rs 17,000-18,000 and over Rs 40,000, respectively. **(Business Standard)**

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Company News

Local assembly for Land Rover?

Tata Motors Ltd is considering a plan to assemble a few of the Land Rover models in India. According to newspaper reports, Tata Motors will commence assembly of Land Rover's Freelander in India by the end of calendar 2010 and launch the locally assembled models by the first half of the next calendar year. The company is expected to use its facility at Pimpri near Pune, earlier used by Mercedes Benz India Pvt. Ltd, to assemble its cars, to put together the Freelanders. The factory has been idle since Mercedes shifted its production base to a new, larger facility at Chakan, also near Pune. Tata Motors has drawn up a budget of Rs1.5bn to set up assembly for the Freelander. **(Livemint)**

JLR to double sales outlet in India

Tata group firm Jaguar Land Rover (JLR) will more than double its dealerships in India within this fiscal to increase sales as part of the British marque's plan to focus more on emerging markets. JLR, which currently has three dealerships at two cities in India, will add four more outlets in 2010-11. Jaguar Land Rover believes that India is a high potential market. **(Livemint)**

Tata steady; regards world truck sales

Tata Motors is moving steadily on marketing its high horse power world truck developed with south Korean subsidiary Tata Daewoo, as per mgmt. As a policy the company sells the world truck along with the trailer. The company has said that it will ensure that the prospect has two drivers for this high horse power (HP) truck as it is for long haul. **(Economic Times)**

Proton in talks with Indian firm to manufacture cars

Malaysian carmaker Proton has said that it was in talks with an Indian automaker to manufacture Proton cars in a bid to break into the sub-continent's booming small-car market. Proton also said it will partner Lotus, the UK high-end sports and racing car maker, to manufacture a small, five-door car for Asia and the Middle East. Proton has been searching for a collaborator in a bid to penetrate foreign markets and develop attractive models to compete with growing competition from Japanese, European and Korean carmakers in its domestic market. **(Economic Times)**

MTR Foods eyes Rs 5bnr revenue by 2012

Bangalore-based MTR Foods, a wholly-owned subsidiary of European conglomerate Orkla Brands International, aims to double its revenue to Rs 5bn by 2012 on the back of expanding its brand presence in northern and western parts of the country with focus on 'instant mix' product of the company. The current turnover of the company is pegged at Rs 2.5bn with an EBIDTA margin of ~10%. The mgmt said that the company had invested close to Rs 1bn in last two years to fuel its expansion plan **(Business Standard)**

Amway scales up India biz on lower fee, mass media - FE

Direct selling FMCG company, Amway India, has grown in India by tweaking its business model to match the needs of the Indian market. It reduced the joining fee from Rs 4,400 to Rs 999. The move led to a surge in the number of distributors, with the company registering 24% growth in turnover last year. The company expects to grow 22% this year. The company also took the mass

media route to build the brand, which direct selling companies do not do, to increase its brand reach. *(Financial Express)*

Industry News

Summer heats up durables retail sales

Consumer durables retailers are reporting brisk sales owing to healthy summer sales and consumer finance companies renewing their offerings. Retailers in the category are also moving ahead with private labels to improve on the margins. Chennai-based durables retailer, Vivek's Ltd., has seen its sales pendulum swing towards a positive growth. While Bajaj Finance and Shriram Finance offer consumer finance, the company by itself is also looking to attract footfalls with various schemes like extended warranty and after sales network. According to Mr Nitish Tipnis, President, eZone, the durable arm of Future Group, Energy-efficient products and consumer finance have helped boost consumption. *(Business Line)*

Appendix A-1

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