

Industry

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India Auto and Consumer Daily

 Equity

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- **Renault, Nissan to prevent hatch cannibalisation** — As the proposed hatchback from Renault is slated to hit the Indian roads by 2012, the company has started discussions with Nissan—with whom it has a global alliance for developing engine platforms—to ensure that there is no duplicity in design and feel of the new car with the recently launched Micra. As the two companies are currently sharing the V-platform rolled out from Nissan's Chennai plant, mgmt of both the companies are trying to prevent any possible cannibalisation of their two smart hatchbacks, especially in the backdrop of cut-throat competition. *(Financial Express)*
- **Dabur acquires Turkish co for Rs 3.24bn** — FMCG player Dabur has acquired Turkish personal care firm Hobi Kozmetik Group for \$69 million (about Rs 3.24bn), the company's first-ever overseas acquisition, to strengthen its presence in West Asia and North Africa. The company said it has fully acquired three Hobi Group firms— Hobi Kozmetik, Zeki Plastik and Ra Pazarlama—through its overseas subsidiary Dabur International. Set up in 1974, Hobi Kozmetik is a personal care brand in Turkey and sells a range of hair and skin care products under 'Hobby' and 'New Era' brands across 35 countries. *(Financial Express)*
- **HUL shareholders okay buyback** — The shareholders of Hindustan Unilever have approved buyback of equity shares of the company. This is the company's second buy back in less than three years. HUL had announced a buy back in July 2007, eventually buying 30.2 mn shares for Rs 6.26bn at an average price of Rs 207.13. It had announced a cap of Rs 230 per share for the buyback. *(Financial Express)*
- **ITC to close Chennai plant of Wimco** — ITC Ltd plans to stop operations at the Chennai plant of Wimco, which is engaged in manufacturing matches, to restructure its matchbox business. Wimco Ltd was acquired by Russell Credit Ltd, a 100% subsidiary of ITC in 2005. Chennai unit's matchbox business would be outsourced to the small-scale sector as the production of matchboxes had become unviable due to the excise-duty disadvantage, mgmt said. *(Business Line)*
- **Vishal lenders likely to support Future Group's proposal** — Lenders to Vishal Retail (VRL) are likely to support a debt restructuring proposal from Kishore Biyani's Future Group, disregarding a rival offer from private equity firm TPG. Future Group had written to the Corporate Debt Restructuring (CDR) Cell—a body comprising banks to resolve bad loan situations—expressing its interest in acquiring assets of Vishal Retail. Future Group has suggested that it will retain Rs 1.75bn as debt on its book instead of converting it into equity. A sum of Rs 2.56bn of debt from secured lenders would be transferred into the books of the Future Group subsidiary. In case of unsecured lenders, who have an exposure of Rs 2.6bn in Vishal Retail, Future Group has indicated that it will provide financial support to the promoter to repay the loan. *(Economic Times)*

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Company News

Tata Motors accelerates Nano marketing plans

With the opening of the Sanand plant which produces the Nano, a confident Tata Motors has started putting its long overdue marketing plans for the 'mini-car' in action. The company is offering a free 15-day trial of its mini-car Nano to prospective customers who can keep the car with themselves and drive around to get a feel of the car. **(Business Line)**.

Iffco to form dairy JV with foreign co

The Indian Farmers Fertiliser Cooperative (Iffco) is close to setting up a dairy project jointly with an overseas partner to cash in on the growing demand of milk, mgmt said. The company is likely to finalise a JV partner, either an American company or a New Zealand firm, within a couple of months. The foreign firm will be an equity partner in the project that will require an investment of 10bn and will be set up in the forthcoming SEZ in Andhra Pradesh. **(Economic Times)**.

Views / Insights

Interview: Michael Boneham, MD — Ford India

Mr Boneham informs Ford's plant at Maraimalai Nagar plant in Tamil Nadu has around 3,000 workers and has seen its production capacity go up from 100,000 units to 140,000 units per annum with the addition of a second shift. The factory can manufacture up to 200,000 units in three shifts per annum. The company has invested \$1 billion so far in India, half of which came during the last two years. Mr Boneham admits the company had been slow in getting its act together in India (Ford is the fifth-largest car maker in India) but after the success of small car Figo, he is very optimistic for the company's performance in the Indian market. **(Business Standard)**

Appendix A-1

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