



IN BRIEF

SriLankan Airlines to fly to 3 more Indian cities

HYDERABAD
SriLankan Airlines will from July fly to three more Indian cities and increase the frequency of its services from Delhi and Mumbai. Hyderabad, Coimbatore and Visakhapatnam are the new destinations the national carrier of Sri Lanka will connect from July 8, with four flights a week to each of the three cities. The airline will also introduce four additional frequencies to its daily services from Delhi and Mumbai.

Rane Brake Q4 profit drops 52% to ₹4.74 cr.

CHENNAI
Rane Brake Lining Ltd. standalone net profit (after extraordinary items) declined by 52% to ₹4.74 crore for the fourth quarter ended March 31, 2017. During the period under review, it disbursed ₹14.7 crore under voluntary retirement scheme to 107 staff. It posted a net profit of ₹13.1 crore in the year-earlier period. Total revenue stood at ₹135.4 crore (₹125.7 crore), according to a company release.

Dr. Reddy's gets USFDA nod for cancer drug

HYDERABAD
Dr. Reddy's Laboratories has received USFDA approval to introduce Doxorubicin Hydrochloride Liposome injection in the U.S. It is a therapeutic equivalent generic version of Doxil, a product used in treating certain types of cancer, including ovarian. The U.S. drug regulator's approval is an outcome of collaboration with Natco Pharma Ltd. on research and development and manufacturing, Dr.Reddy's Laboratories said on Wednesday.

Mercedes India aims to retain pole position

Focusses on 'Indianisation of products,' customer initiatives

LALATENDU MISHRA
MUMBAI
Mercedes Benz India said it was confident of maintaining its leadership position in the luxury car segment in the country despite intensified competition.

"We are always checking where we stand," said Roland S Folger, MD and CEO, Mercedes Benz India responding to a question on the aggressive plans of its competitors to take the top slot in the market.

"Frankly speaking, we can keep the pace with our existing customers and, why should we be afraid of competition?" he said.

Mercedes Benz India has been holding on to its market leadership position for the last two years despite its German competitors BMW and Audi upping the ante.

"It does not mean that I don't respect their efforts. It keeps us on our toes. It keeps us getting better each day as an organisation. We have certainly learned our lessons from the past that we will never let our customers down to such a degree that they might be inclined to look at somebody else," said Mr. Folger.

Mercedes Benz, which enjoyed a monopoly in the luxury car segment till the entry of BMW and Audi in India, started losing ground to both from 2009 onwards till it regained the leadership position in 2015 in which year it recorded a growth of 32%. In between, BMW was market leader for four years from 2009 till 2012 followed by Audi which held the number one position for two years viz in 2013 and 2014.

In 2016, while Mercedes Benz sold 13,231 units, others did not reveal their numbers. But according to industry officials, BMW and Audi sold under 8,000 units each in that year.



Driver's seat: Competitors help keep Mercedes on its toes in India and are making the company better, says Roland Folger.

Now having learned a lesson and fine-tuned its strategy, Mercedes Benz, which sold most luxury cars last year despite diesel ban and demonetisation said it has now got right its formula to remain at the top.

'Future planning'

"We are making massive investment in customer focus initiatives, at dealerships and we have brought in more relevant products to the Indian market..for example the E Class, the AMG. We are doing future planning and we are focusing on Indianisation (making India relevant products)," he said.

He said there had been a massive change in the product and customer focus from earlier times. "We knew the same things but we did not make use of it because we had a monopoly situation. Now, with comparative products in place, we are always on our toes and are fighting harder for our customers than before," he added.

Mercedes Benz, which has been positioned as a rich and elderly gentleman's car has changed its strategy.

Currently, with new products in the offering, the average age of its customers is down to 37 in India as compared with 60 in South Africa and 56 in Germany. After it has introduced AMG, a sub-brand, the performance luxury car brand in India in an appropriate engine package, the average age of the customers is down to 30.

"AMG, as a solitary brand, is the most attractive performance luxury brand we have in the market place. This year the focus will be on AMG. We already have a market share of 50% and expect more," he said.

For this year, he said the first quarter had been encouraging. But still, concerns remained on GST as no one was clear on the tax structure on luxury cars. He said he had better hopes for the second half of the year.

He said the government, by bringing down the taxation levels in GST or by not adding anything to the 28% taxes, can help double the sales of luxury cars. He said unless the company reached a volume of 50,000 to 60,000 vehicles a year, exports would not be feasible.

Apple to ship India-made iPhone soon

STAFF REPORTER
BENGALURU
Technology major Apple on Wednesday said the company will soon ship its India-made Apple iPhone SE in the domestic market.

According to a source, the U.S.-major plans to do a trial assembling before the full-fledged production starts. The source also said the number of phones assembled at present will be a few and can be increased based on the trials.

Wistron, a Taiwanese original-design manufacturer (ODM) company, will assemble the iPhone SE phones out of its facility in Peenya, in Bengaluru.

Confirming the development, Apple said in a statement, "We are beginning initial production of a small number of iPhone SE in Bengaluru. iPhone SE is the most popular and powerful phone with a four-inch display in the world and we'll begin shipping to domestic customers this month."

In December, *The Hindu* had reported that Apple's contract manufacturing partner Wistron would set up a plant for exclusive assembly of iPhones in Bengaluru. In February this year, the Karnataka government had issued a press release welcoming Apple's proposal to commence initial manufacturing operations in the State.

With the India-made iPhone hitting the market, the smartphone major expects to increase its market share in the country. Sources also anticipate a fall in prices, given that local manufacturing has begun.

Apple had also announced the setting up of a design and development accelerator in Bengaluru to support engineering talent and accelerate growth in the developer community dedicated to iOS, Apple's mobile operating system.

HUL posts 6.2% increase in Q4 profit to ₹1,183 crore

Growth in the quarter was volume-driven, says chairman

SPECIAL CORRESPONDENT
MUMBAI

FMCG major Hindustan Unilever Limited (HUL) reported a 6.2% increase in fourth-quarter net profit to ₹1,183 crore, led by robust sales across business segments.

The profit was in line with a 6.39% growth in revenue to ₹8,969 crore in the quarter. The company's domestic consumer business grew at 8% with underlying volume growth at 4% even as the EBITDA margin expanded by 90 basis points.

'Challenging year'

"This has been a strong quarter with profitable volume-driven growth," said Harish Manwani, chairman. "In a challenging year, we delivered a resilient performance by managing our business dynamically and responding with agility to the changing external environment. With gradual improvement in market condi-



Home turf: HUL's domestic consumer business grew 8% in value, with underlying volume growth at 4%. • REUTERS

tions, we remain optimistic about the medium-term outlook for our sector."

In the fabric wash category growth was driven by the premium segment as Surf sustained its robust volume-led growth momentum, while in household care, Vim liquid continued its strong performance, the company said.

Welcoming the introduction of Goods & Services Tax (GST), Mr. Manwani said, "It will be a win-win for all stakeholders. Our strategic agenda of delivering consistent, competitive, profitable and responsible growth remains unchanged."

HUL shares rose 0.8% to ₹1,006.35 on the BSE on Wednesday.

JSW Steel's sales spur threefold surge in net

Firm may spend ₹26,800 cr. on capex

SPECIAL CORRESPONDENT
MUMBAI

JSW Steel reported a more than threefold growth in fourth-quarter consolidated net profit to ₹1,009 crore as it recorded its highest-ever sales volume and production in a quarter. The net profit was ₹300 crore in the year-earlier period.

Revenues rose 53% to ₹17,917 crore as the company ramped up the capacity of its flagship Vijaynagar Plant in Karnataka. The company recorded its highest-ever crude steel production for the quarter at

4.10 million tonnes (MT), up 28% Y-o-Y and 6% Q-o-Q. It achieved the highest-ever quarterly sales volume of 3.96 million tones, growing by 20% Y-o-Y and 9% Q-o-Q.

Steel demand

"Steel demand is expected to benefit from rising infrastructure spend and improving consumer demand in FY'2018," said a company statement. JSW has lined up capital expenditure of ₹26,800 crore in the next three years, said JSW Joint MD and Group CFO Shagiri Rao.

Tea Board mulls taking delegation to U.S., Chile

India eyes larger slice of the U.S. market with speciality teas

INDRANI DUTTA
KOLKATA

The Tea Board is planning to take a delegation to the U.S. to participate in the 63rd Summer Fancy Food Show next month. The delegation would then go to Chile.

The New York food show is a major food and beverage exposition which is held for three days from June 25 to 27. Buyer-seller meets and tea-tasting sessions would be the major highlights of these promotional events.

'Health drink'

The U.S. is beginning to emerge as an important market amid a Tea Board of India campaign to highlight the beverage as a health-drink. Exports to U.S. increased to 14.3 million kgs in 2016-17 against 14 million kgs a year ago, with an increase in unit price.

Sources said that U.S. was a 130-million-kg market mainly serviced by Argentin-



Bigger cuppa: The U.S. is emerging as an important market amid a campaign to highlight the beverage as a health drink.

tina. India was now aiming for a bigger slice of this market with its offerings of speciality teas like orthodox, Darjeeling and green tea. Majority of the tea is consumed in that country as iced beverage using tea bags. Chile on the other hand is a virgin market for India where tea exporters are seeking an entry lever-

aging the friendly relations between the two countries. India closed 2016-17 with exports of 222.9 million kgs, which was nearly 5 % lower than the 232.9 million kgs exported in 2015-16. Tea Board deputy chairman S. S. Sarangi said the lacklustre international demand for tea had also contributed to the lower exports.

Allahabad Bank Q4 net at ₹111.15 cr.

SPECIAL CORRESPONDENT
KOLKATA

State-run lender Allahabad Bank reported a net profit of ₹111.15 crore for the quarter ended March 31 as compared with a loss of ₹581 crore in the year-earlier period mainly due to higher trading profits.

The bank's trading profit increased to ₹173crore from about ₹95 crore during the period under review.

Provision for bad loans almost halved to ₹1,490 crore during the quarter. For financial year 2016-17, the bank reduced its losses to ₹314 crore from ₹743 crore in the year-earlier period.

Asset quality further deteriorated with gross NPA ratio rising to 13.09% compared with 12.51% in December while net NPA ratio was 8.92% compared with 8.65% sequentially.

The net interest margin improved to 2.54% in Q4 from 2.21% in Q4 of FY15 and 2.26% in Q3.

AAI eyes land pooling for future airports

Under current law, cost of acquiring land has shot up significantly

SOMESH JHA
NEW DELHI

The Airports Authority of India (AAI) may adopt the land pooling approach followed in States such as Gujarat, and Maharashtra for land acquisition for building airports, its chairman Guruprasad Mohapatra said.

"With the tightening of the Land Acquisition Act, it has become almost impossible to acquire land for States," Mr. Mohapatra said.

"Land pooling has been effective in Gujarat and has also been tried in Amaravati and in Mumbai for slum development work. So, we called [for] a meeting of experts from these States to discuss the viability of land pooling," he said.

AAI has asked the Centre



Economy class: With its strategy, AAI hopes to smoothen the process of buying land for building airports.

for Environmental Planning and Technology to study the model followed by these States on land pooling. Under the model, land owned by different people is pooled together and the land owners get back a certain portion of the land in the developed

area whose value is much higher than the value of the original land holding.

Land requirement

Mr. Mohapatra said airports required huge area of land for both airside and cityside development for setting up

hotels and and other amenities around the airport.

"You need to acquire at least 10-15% land for commercial use from cityside besides acquiring land for constructing terminal building," Mr. Mohapatra said.

At present, AAI follows a policy where State Governments provide the land free of cost. However, under the Land Acquisition Rehabilitation and Resettlement Act, the cost of acquiring land for State governments had shot up significantly as the compensation was higher. This had a direct bearing on the overall project cost. Citing Navi Mumbai, Minister of State for Civil Aviation Jayant Sinha said the land acquisition cost was more than the airport's construction cost.

The Hindu invites submissions from publishers for *The Hindu Prize 2017* instituted to recognise the best in Indian literary fiction in English every year.

How to Enter:

- Publishers can submit Indian fiction in English published between July 2016 and June 2017 • Only works of literary merit will be considered • Publishers can send eight (8) books of their best titles for the award • Publishers with more than one imprint can submit eight (8) books from each imprint • Publishers should also send a list of their published titles (fiction) to enable the judges call in for books that have not been entered • Publishers must send in eight (8) copies of each book.
- Only hard copies will be accepted. Electronic copies will not be accepted.
- All entries must reach *The Hindu* on or before May 31, 2017.
- All entries must be marked to *The Hindu Prize 2017* and sent to Shalini Arun, Associate Editor, The Hindu, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

Eligibility Criteria:

- The author must be an Indian citizen, an NRI holding a valid Indian passport or a domiciled resident of India. It is the publisher's responsibility to verify this before submitting the book for consideration • Authors who hold the Overseas Citizen of India card are NOT eligible • Only original works in English will be eligible • Works in Indian languages or translations are not eligible • Entries must be in prose and can be full-length novels or a collection of short stories by a single author • Self-published or electronically published books will not be accepted • Children's fiction or Young Adult fiction will not be eligible • Books of authors who are on the panel of judges will not be considered • Books submitted for *The Hindu Prize 2016* will not be considered • Employees of *The Hindu* and their family are not eligible to participate.

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