

# Samsung glamour days over as it struggles in mobile market

Seoul, August 4

FOR four years Samsung has basked in the success of its Galaxy smartphones, making billions of dollars competing with Apple in the premium mobile market.

The coming years are set to be more sombre for the South Korean tech giant, as it is forced to slash prices and accept lower margins at its mobile division in order to see off competition from rivals including China's Huawei and Xiaomi in the mid-to-low end of the market.

Behind Samsung's reality-check is the fact it is stuck with the same Android operating system used by its low-cost competitors, who are producing increasingly-capable phones of their own.

"The writing has long been on the wall for any premium Android maker: as soon as low end hardware became good enough, there would be no reason to buy a premium brand," said Ben Thompson, an analyst at Strategy.com



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Margins at Samsung's mobile division fell to 10.8% from 16.5% a year earlier during the second quarter of 2015, despite the April launch of its critically acclaimed Galaxy S6 range.

It remains the world's biggest smartphone maker but it is Apple that is reaping most of the rewards.

While the US giant's smartphone sales in its last finan-

cial quarter fell short of market expectations, it is still estimated by some analysts to earn 90% or more of the industry's profits.

Samsung said last week that it will continue trying to maximise profitability and market share, disclosing plans to launch new large-screen premium phones as well as more bargain-priced handsets.

Investors and analysts say

the group is right to dig its heels in for a business that continues to generate piles of cash and drives sales for its components divisions.

But they say Samsung will not be able to compete with Apple in the premium market based on hardware and will continue to trail the US firm in the absence of a major technological breakthrough.

"Some still seem to think that a well-made product will sell well, but the Galaxy S6 showed that assumption is wrong," said EIK Securities analyst Lee Seung-woo, who predicts Samsung's mobile division margins will fall to 9.3% this year - the lowest since before the first Galaxy S phone launched in 2010.

Acknowledging the headwinds, the South Korean firm said last week it will "flexibly adjust" prices of its flagship Galaxy S6 and S6 edge models to boost third quarter sales. Samsung cut the retail price of S6 edge smartphones in South Korea by around 100,000 won (\$85.40) during July.

The company also plans to

launch more price-competitive products in the mid-to-low end of the market.

Nomura analyst C W Chung says Samsung still has the economies of scale to outlast rivals, adding the smartphone industry will face a consolidation similar to the one in the memory chip industry that the South Korean firm now dominates.

"The ones that ultimately survive will then have plenty to be happy about," said Chung. Nomura forecasts the smartphone market will grow from \$276 billion last year to \$315 billion by 2017, far larger than the DRAM and NAND memory chip markets where Samsung competes.

Further, the mobile division will remain an important client for Samsung's computer businesses. Use of its own Exynos mobile processors and organic light-emitting diode displays in premium devices like the Galaxy S6 boosts its chip and display sales and serves as an advertising billboard for potential customers.

## Rajat Gupta should end challenge to insider trading verdict: Bharara

New York, August 4: The US has opposed India-born former Goldman Sachs director Rajat Gupta's fresh appeal to overturn his insider trading conviction, saying he should now end his challenge to the jury's "well-founded" verdict that he gained from his illegal tips to hedge fund founder Raj Rajaratanam.

"Three years after being convicted at trial, Rajat Gupta seeks to continue litigating a question that is not now answerable, but has never been debatable," said Preet Bharara, US Attorney for the Southern District of New York.

able him to appeal the ruling made by US District Judge Jed Rakoff on July 2.

In the ruling, Rakoff had disagreed with Gupta's claim that there was "insufficient" evidence of a trial of him receiving "personal benefits" in exchange for the insider tips he allegedly passed on to now-jailed billionaire hedge fund founder Raj Rajaratanam.



Rajat Gupta

"Whether he violated these securities laws by repeatedly tipping his longstanding business associate, Raj Rajaratanam with material non-public information that Rajaratanam used to reap millions of dollars in profits and avoid millions of dollars in losses," Bharara said in the opposition filed in federal court here on July 31.

In opposing Gupta's motion for issuance of a Certificate of Appealability, Bharara said Gupta cannot seek to overturn his conviction and two-year prison term, citing the federal Appeals Court's recent decision in which it had reversed the insider conviction of hedge-fund manager Todd Newman and Anthony Chison. In the landmark ruling, the court had ruled that for an insider trading conviction prosecutors must show that a defendant received personal benefit for passing illegal tips.

Gupta, 66, is currently serving his prison term in a federal prison in Massachusetts along with Rajaratanam.

Bharara said when it comes to Gupta's guilt, Newman "changes nothing".

"Because no reasonable jurist would find this court's assessment debatable or wrong, Gupta is not entitled to a certificate of appealability," Bharara said. Asking the court to deny Gupta's motion for the issuance of a certificate of appealability, the government said it respectfully submits

**SHRISTI**

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**NOTICE**

The meeting of the Board of Directors of the Company will be held on 12th August, 2015 (Wednesday), intervals to consider, approve and take on record the Unaudited Financial Results of the Company for the quarter ended 30th June 2015, pursuant to Clause 41 of the Listing Agreement.

For Shrishi Infrastructure Development Corporation Ltd. Manoj Agarwal, Company Secretary

Place: Kolkata, Dated: 04.08.2015

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## MEP INFRASTRUCTURE DEVELOPERS LIMITED

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### STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2015

Sl. No.	Particulars	Year Ended		Year Ended	
		31st Mar 2015		31st Mar 2014	
		(Audited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Income from Operations</b>	90,719.94	198,426.03	48,666.98	119,791.55
	(a) Gross Sales / Income from Operations				
	Less : Excl. Duty & Sales Tax				
	(b) Net Sales / Income from Operations (Net Of Excl. Duty & Sales Tax)	90,719.94	198,426.03	48,666.98	119,791.55
<b>2</b>	<b>Total Income from operations (net)</b>	90,719.94	198,426.03	48,666.98	119,791.55
<b>3</b>	<b>Expenditure</b>				
	(a) Operating and maintenance expenses	82,907.46	145,702.59	43,154.75	80,153.30
	(b) Purchase of stock-in-trade				
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade				
	(d) Employee benefits expense	2,817.75	7,155.90	1,785.34	4,985.88
	(e) Depreciation and Amortisation Expense	622.97	17,993.76	262.55	13,031.13
	(f) Other expenses (refer note 5)	1,658.26	3,662.20	1,637.36	3,598.45
	<b>Total expenses</b>	<b>87,406.44</b>	<b>174,511.45</b>	<b>48,400.00</b>	<b>101,768.76</b>
<b>4</b>	<b>Profit from Operations before Other Income, finance costs and exceptional items (1-2)</b>	3,313.50	23,914.58	1,826.98	10,022.79
<b>5</b>	<b>Other Income</b>	2,567.63	5,703.62	1,271.69	4,329.26
<b>6</b>	<b>Profit from ordinary activities before finance cost and exceptional items (3-4)</b>	5,881.14	29,618.20	3,098.67	22,351.05
<b>7</b>	<b>Finance costs (interest)</b>	3,376.13	40,361.32	2,670.10	37,970.84
<b>8</b>	<b>Profit from ordinary activities after finance cost but before Exceptional Items (5-6)</b>	2,505.00	(10,746.12)	419.57	(15,619.79)
<b>9</b>	<b>Exceptional Items</b>				
<b>10</b>	<b>Profit from Ordinary Activities before Tax (7-8)</b>	2,505.00	(10,746.12)	419.57	(15,619.79)
<b>11</b>	<b>Tax Expenses</b>	895.86	786.70	174.71	2,358.98
<b>11</b>	<b>Net Profit / (Loss) from Ordinary Activities after Tax (9-10)</b>	1,615.12	(11,532.82)	244.86	(13,260.81)
<b>12</b>	<b>Add: (profit) / loss attributable to Minority Shareholders</b>				(86.80)
<b>13</b>	<b>Add: Pre-acquisition Profit/Loss adjustment</b>				429.46
<b>13</b>	<b>Net Profit / (Loss) for the Period (11+12+13)</b>	1,615.12	(11,532.82)	244.86	(12,918.15)
<b>14</b>	<b>Paid-up Equity Share Capital of Rs. 10/- each</b>	11,149.43	11,149.43	10,000.00	10,000.00
<b>15</b>	<b>Reserves &amp; Surplus (excluding revaluation reserves)</b>	14,716.27	(33,793.90)	11,750.56	(18,782.90)
<b>16</b>	<b>Earning per share</b>				
	Diluted EPS (in Rs.)				
	(a) Basic & Diluted (before extraordinary items)	1.47	(10.51)	0.24	(12.92)
	(b) Basic & Diluted (after extraordinary items)	1.47	(10.51)	0.24	(12.92)

**PART II**

**A PARTICULARS OF SHAREHOLDING**

**1 Public shareholding**

- Number of Shares	Nil	Nil
- Percentage of Total Shareholding	Nil	Nil

**2 Promoters & Promoter Group shareholding**

(a) Pledged/Encumbered

- Number of Shares	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil
- Percentage of shares (as a % of the total Share Capital of the company)	Nil	Nil

(b) Non-encumbered

- Number of Shares	111,494,250	100,000,000
- Percentage of shares (as a % of the total Shareholding of promoter and promoter group)	100%	100%
- Percentage of shares (as a % of the total Share Capital of the company)	100%	100%

**B INVESTOR COMPLAINTS #**

	31ST MARCH 2015
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed of during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

# The Company was listed on exchanges on 08th May, 2015. Hence there were no Investor Complaints for the said period.

**Notes:**

- The above consolidated results, reviewed by the Audit Committee, were approved by the Board of Directors at its meeting held on August 4, 2015.
- The Consolidated Financial Results include the financial results of MEP Infrastructure Developers Limited, its other subsidiaries and a jointly controlled entity.
- Fresh Equity Shares of Rs. 10/- each were allotted on April 30, 2015 and were listed in The National Stock Exchange Ltd and in BSE Ltd on May 8, 2015.
- Depreciation on fixed assets up to 31st March 2015 was provided on written down value method as per the rates prescribed under Schedule XIV of the Companies Act, 1956. Pursuant to the notification of Schedule I of the Companies Act, 2013 by Ministry of Corporate Affairs effective, 01 April 2014, the Management has reassessed the useful lives and accordingly depreciation on fixed assets for the year ended 31st March 2015 is provided on the written down value method, at useful lives prescribed in Schedule I of the Companies Act 2013. As a result of the said change, the depreciation charge for the year is higher by Rs. 746.82 lakhs, with a corresponding decrease in the written down value of fixed assets and an increase in loss before tax for the year ended 31st March 2015.
- Other expenses include prior period expenses (net) aggregating to Rs 29.24 lakhs on stand-alone basis (2014: Rs. 98.75 lakhs) and Rs. 196.34 lakhs on consolidated basis (2014: Rs. 98.75 lakhs).
- During the Financial year ended 31st March 2015, the Company has preferred claims with National Highways Authority of India (herein after referred as "NHAI") aggregating Rs. 956.13 lakhs (Previous year Rs. 434.00 lakhs) on account of Toll Evasion and force majeure issues arising from non-compliance of the Concession Agreement by NHAI. The Company has not recognised the claims as income as/ or reduced the liability in the financial statements pending final approval from NHAI. However, in the 30th Committee meeting held on 26 August 2014, NHAI has agreed that loss of revenue as assessed by Independent Engineer shall be adjusted to the extent of outstanding concession fees payable to NHAI. The Independent Engineer ("IE") vide his report dated 10th May 2015, has quantified the toll evasion of Rs. 22,723.70 lakhs. Pursuant to the report of IE, the Company has not recognised the liability towards net Concession fees payable to NHAI to the extent of Rs. 3,846.50 lakhs for the period subsequent to the last audited accounts i.e. from 1 November 2014 to 31 March 2015.
- Previous years figures have been reclassified wherever necessary to conform to the current year's presentation.

For and on behalf of Board of Directors  
**For MEP INFRASTRUCTURE DEVELOPERS LIMITED**  
 Sd/-  
 Jayant Mishra  
 Vice Chairman & Managing Director

Place: Mumbai  
 Date: August 4, 2015

**STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2015** (Rs. in lakhs)

Sl. No.	Particulars	Year Ended		Year Ended	
		31st Mar 2015		31st Mar 2014	
		(Audited)	(Audited)	(Audited)	(Audited)
<b>A EQUITY AND LIABILITIES</b>					
<b>1 Shareholder's funds</b>					
(a) Share Capital	11,149.43	11,149.43	10,000.00	10,000.00	
(b) Reserves and surplus	14,716.25	(33,793.90)	11,750.56	(18,782.90)	
<b>Total - Shareholder's funds</b>	<b>25,865.68</b>	<b>(22,644.47)</b>	<b>21,750.56</b>	<b>(8,782.90)</b>	
<b>2 Minority Interest</b>				87.89	
<b>3 Non-current liabilities</b>					
(a) Long-term borrowings	16,603.56	295,676.18	2,835.75	286,626.29	
(b) Deferred tax liabilities					
(c) Other long-term liabilities	12,001.18	10,440.00		15,660.00	
(d) Long-term provisions	140.68	227.38	96.66	145.77	
<b>Total - Non-current liabilities</b>	<b>28,745.42</b>	<b>306,343.56</b>	<b>2,932.41</b>	<b>302,432.06</b>	
<b>4 Current liabilities</b>					
(a) Short-term borrowings	17,843.85	20,716.37	10,637.61	13,867.73	
(b) Trade payables	5,128.20	26,627.57	2,932.29	14,635.86	
(c) Other current liabilities	8,501.23	32,469.97	9,352.65	31,153.77	
(d) Short-term provisions	32.74	48.23	25.47	34.10	
<b>Total - current liabilities</b>	<b>31,506.02</b>	<b>79,862.14</b>	<b>22,948.02</b>	<b>59,691.46</b>	
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>86,117.12</b>	<b>363,561.23</b>	<b>47,631.19</b>	<b>353,428.51</b>	
<b>B ASSETS</b>					
<b>1 Non-current assets</b>					
(a) Fixed assets (including DWIP)	1,129.29	217,220.20	1,487.78	236,947.11	
(b) Non-current investments	20,963.85	2,161.22	7,067.40	62.67	
(c) Deferred Tax assets (Net)	239.32	8,419.88	99.20	7,558.96	
(d) Long-term loans and advances	31,025.95	89,342.97	16,108.56	57,857.82	
(e) Other non-current assets	1,237.06	3,872.62	389.60	2,194.55	
<b>Total - Non-current assets</b>	<b>54,595.47</b>	<b>322,016.89</b>	<b>25,172.51</b>	<b>321,964.11</b>	