SE Asia to have a brush with Colgate's herbal toothpastes

The Vedshakti brand, launched by Colgate in India, has now been taken to Thailand

VIVEAT SUSAN PINTO
Mumbai, 27 October

Colgate-Palmolive, which is enhancing its naturals' portfolio in India, is now exporting some of its herbal products to Southeast Asia, the company's global chairman, president and chief executive officer, Ian Cook, said during an investor call.

The move comes as India emerges a key hub for naturals-based products for the company.

Speaking to analysts on Saturday, Cook said the company's Vedshakti brand, first launched in India two years ago under the Cibaca umbrella, is now being exported to Thailand. "We are calling it Colgate Naturals Panjaved in that market (Thailand) and further expanding our portfolio in the higher price naturals segment there," he said.

Besides Cibaca Vedshakti, Colgate had launched Swarna Vedshakti last year in a bid to counter Patanjali, which has been giving it stiff competition in the naturals space. Colgate also launched variants of its Active Salt toothpaste, pushing brands such as Colgate Herbal, Colgate Total (charcoal variant) and Colgate Sensitive (with clove oil) aggressively in the market.

"We are encouraged by the improvement in performance of our India business. We continue to deliver volume growth with positive pricing despite high levels of competitive activity," Cook said about the India market while speaking about the company's July-September quarterly numbers at the global level.

Colgate posted revenue of $3.85 billion in the July-September period, missing analysts' estimates who expected $3.88 billion for the quarter. Profit for the period stood at $523 million, the company said, even as Asian markets showed signs of recovery.

"We are also encouraged with the market share of our Swarna and Cibaca Vedshakti toothpaste lines. As we see further distribution gains and continue to invest in advertising, we expect our share in the ayurvedic segment of toothpastes to grow in India," Cook said.

In previous conversation with analysts, Cook had said the company would rapidly roll out naturals-based products across markets such as China, Russia, the US, Middle East and all principal markets in the Asia-Pacific region.

In more recent updates, Cook said that naturals products from the company were now available in 44 markets and would be rolled out in an additional 32 places by the end of the 2018.

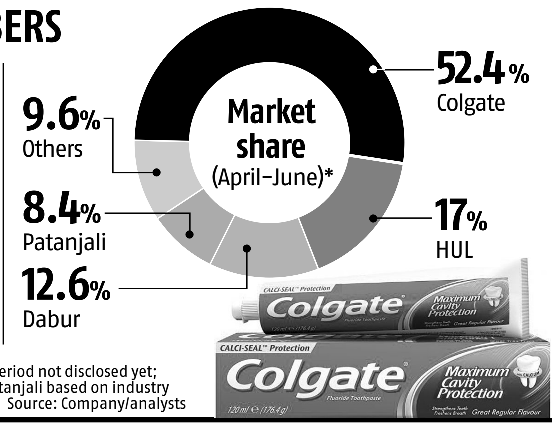
"In toothpastes, we have launched naturals in every hub in Asia and across Europe, broadly. We will launch naturals in Latin America and Africa-Eurasia soon as the trend grows across the world," he said.

INDIA NUMBERS

₹80 bn
Size of the overall toothpaste market

₹16 bn
Size of the naturals market (current)

₹20 bn
Future size of the naturals market



*Market share for July–Sept period not disclosed yet; figures for HUL, Dabur and Patanjali based on industry estimates Source: Company/analysts

Punj Lloyd Q2 net loss widens to ₹14.65 billion

PRESS TRUST OF INDIA
New Delhi, 27 October

Infrastructure company Punj Lloyd on Saturday said its net loss has widened to ₹14.65 billion for the July-September quarter of the current fiscal.

The company had logged a net loss of ₹2.48 billion in the year ago period.

Total income from operations declined to ₹7.66 billion in the second quarter, from ₹1.086 billion earlier, Punj Lloyd said in a BSE filing.

The company said there are delays/defaults in repayments of substantial dues to lender. Its current liabilities exceeded its current assets and its net worth has also been eroded as at September 30, 2018.

"The present conditions indicate that a material uncertainty exists that cast significant doubt on the company's ability to continue as a going concern," Punj Lloyd said.

It said majority of the Indian lenders have categorised the company as nonperforming asset and some of them have filed applications before the National Company Law Tribunal (NCLT) and Debt Recovery Tribunal (DRT) for recovery of dues.

"The company had submitted a proposal to its lenders for restructuring of its debt. Restructuring is essential for the company's ability to continue as a going concern and ability to realise its assets and discharge the liabilities... The restructuring proposal is under consideration by the lenders," it said.

"The management is confident and hopeful that restructuring proposal of the company shall be approved," it added.

Punj Lloyd said to improve operational efficiencies, it is taking various measures, including monetising its assets.

"... the management is confident with the above measures, the company would be able to generate sustainable cash flow, discharge its short term and long term liabilities and improve its net worth through profitable operations and continue as a going concern. Hence, financial results have been prepared on a going concern basis," Punj Lloyd said.

It also said Atul Punj has been re-designated as chairman and director and group chief executive officer.

Boeing opens new facility in the UK

The new Sheffield plant has 52 employees in its 6,200 square metre factory BLOOMBERG

PRESS TRUST OF INDIA
London, 27 October

The world's largest plane maker, Boeing, has opened its first European manufacturing facility in south UK's Sheffield city.

The £40-million Boeing Sheffield plant near Rotherham has 52 employees in its 6,200 square-metre factory.

The company will make components for 737 and 767 passenger jets at the new UK operation, with plans to produce thousands of parts each month which will be shipped to the US for assembly.

"We appreciate all the community support for Boeing's new advanced manufacturing factory in the UK. This is a fabulous example of how we are engaging global talent to provide greater value to our customers," said Jenette Ramos, Boeing senior vice-president of manufacturing, supply chain and operations.

"In Boeing Sheffield, we are building on longstanding relationships and the region's manufacturing expertise to enhance our production system and continue to connect, protect, explore and inspire aerospace innovation," Ramos said.

The new facility is situated alongside the University of Sheffield's Factory 2050, and is part of its Advanced Manufacturing Research Centre (AMRC).

The company has also initiated a major new research programme with the AMRC to develop new manufacturing techniques that can be applied to the new Boeing Sheffield facility.

"We are leading the world in UK aerospace manufacturing and through our modern Industrial Strategy, we, along with industry have committed to invest 3.9 billion pounds in aerospace," said secretary of state for business, energy and industrial strategy Greg Clark.

"This has been a dream day for all of us. Twenty years ago we went knocking on the doors of Boeing in St Louis believing that if we kissed enough frogs one day we would find a prince. Boeing is that prince," said AMRC executive director and founder Adrian Allen.

"It's excellent news that Boeing has opened its first European factory here in the Sheffield City Region," said Dan Jarvis, mayor of the Sheffield City Region.

'InMobi wants to create the largest advertising and marketing firm'

For InMobi, the Bengaluru–headquartered mobile marketing and advertising platform, 2018 is proving to be a landmark year with two acquisitions and a much–hyped partnership with Microsoft. Backed by artificial intelligence–enabled software, data and insights, the company — one of the first few unicorns in the country in the software product space — is positioning itself as a mega software firm, challenging the dominance of global majors. **NAVEEN TEWARI**, founder and chief executive officer of InMobi, tells **Bibhu Ranjan Mishra** how the deals will shape the company's future. Edited excerpts:

Q&A
NAVEEN TEWARI
Founder & chief executive officer, InMobi

Why is the acquisition of Pinsight Media, the company you acquired from US telecom Sprint, so important for you?

Any company in the world that has a lot of data can create a massive advertising business. Facebook and Amazon are good examples of it. One of our biggest strategies at InMobi was to go and get that data, which is very pristine. Our alliance with Sprint is exactly that. Sprint's biggest asset is its data, which was handled by its data and advertising unit, Pinsight. The use of this data makes advertising more intelligent. In fact, voice and data revenues are hitting the rock bottom for world telecom companies. The biggest reserves telecos have today is "data" to which everyone is trying to leverage to create a massive advertising business.

Mobile ad business is getting crowded with telecos such as AT&T, Verizon and even Amazon positioning as big competition to Google and Facebook. Where will InMobi fit in?

With this (acquisition of Pinsight), we are part of this big boys' club of companies who own their data and run the advertising. If you look at the way we run our business today, while on one hand we work with the app developers, on the other, we have the advertisers who come to us seeking the real estate to run their advertising. While doing this (running the advertising), we also collect data from every app because our software are running inside those. But the scale at which we do is somewhat okay while the Pinsight acquisition will give us the real boost with the software as well as data.

How scalable is the platform?

Since Pinsight was managing Sprint's users data, they have their own proprietary software, which understands the telecom data and get insights. Now, we can take this software out and work with any other telecom company. We are in talks with around five (telecos) and will announce those as they fructify. That is the big multiplier that this deal gives us, and that changes the play for us. We can play alongside the likes of Google, Facebook, Amazon, Verizon, and AT&T. This is going to create billions of dollars of business.

Is 2018 kind of becoming a milestone year for you in terms of shaping the future?

This year, we have done two acquisitions. The first one is AerServ, which we acquired in January for $90 million, and then Pinsight which we are doing now. The acquisition of AerServ gave us the ability to bring the app developers closer to us. We have also done two partnerships — one with Microsoft and another with Sprint. The ties with Microsoft are extremely important for us because that gave us the capability to offer advertising and marketing software on Cloud, a space where companies such as Adobe and Salesforce were traditionally dominant. On top of that, Microsoft also offered to sell our software through its vast sales network.

Did this proposal come from Microsoft or it was your idea?

I met (Microsoft CEO) Satya Nadella in February 2017 over lunch when he was in Bengaluru. I had no idea about what's in his mind. The meeting was just for half an hour, but the preliminary discussion happened there. We agreed on the concept and moved it forward fast.

Are you already seeing this (Microsoft) partnership yielding results?

It has been massively successful. The partnership was announced in June. I travel to Seattle at least once a month to personally look into it. The partnership is very important not only for us, even for Microsoft as well. They have allocated dedicated people to look after this partnership in every country. We have around 100 people who are working in this business unit.

There is a belief that Microsoft may look at investing in In-Mobi? Is there a scope for that?

They are a strategic partner. Capital is secondary for us. If the capital comes as part of any strategic partnership, it's okay. But, we are not forging partnerships for the sake of raising fund as I don't want to showcase my valuation to anyone.

What is the current valuation of InMobi?

We don't have any new valuation numbers to share since we have not gone for any fresh funding. There is valuation attached to it (the Pinsight acquisition) but we don't want to talk about it. Only thing I can tell you is that it's very large. We don't care about it as the potential of the business that we are talking about is of billions of dollars.

Are you looking for any fresh funding?

We are generating cash. So, I don't need fresh funding just for running the business. But if I decide to do a large acquisition – may be half a billion dollars kind of acquisition — maybe we will go for it. Having said that, we are not a B2C company to do such large acquisitions. We will expand through partnerships. We will announce many more partnerships over the next three months. We are taking country-by-country approach, and looking at countries like the UK, India and Asia Pacific region for partnerships like this (Sprint).

Where do you see InMobi in the next five years?

In 2-3 years, we will share with you many things. The second half of this story will come in the next couple of months which is very massive. Those are the things we focus on. Our vision is very simple: to be the largest advertising and marketing company across media, software and data. We have built the whole business strategically all the way down. So what I can tell you that we will be a mega large software company. We are sure to double our scale and growth over the next two years.

Capgemini gives a fillip to automation adoption

ROMITA MAJUMDAR
Mumbai, 27 October

IT services and consulting firm Capgemini, which has half its global employee base in India, is training its staff here in automation technologies, as it sees huge opportunity in the field.

The company said the reason for the move is that majority of the automation projects, in which Capgemini's role was primarily to provide advisory and consultancy services, were getting converted into deployments. With India being the significant offshore base for employees, the company is driving the training initiative in the country on a large scale.

"About 2-3 years back, most of their automation-based projects were in advisory or in the consulting phase only. However, of late, almost 70 per cent of these automation projects are in the deployment phase, while advisory consists of a smaller base (around 20 per cent)," said Ashwin Yardi, Chief Operating Officer (India) and Head (group industrialisation), Capgemini, told *Business Standard*.

"The scale of the projects is also quite wide, from anywhere between $10 million and $50 million of deals in automation and more than 650 clients."

Capgemini has introduced an extensive skilling program 'Automation Academy' in this area, which has been participation by over 25,000 employees. Yardi said given there are fewer skilled resources in such technologies, anyone with the right skill becomes a premium resource which, in turn, tends to push services cost as well. As the resource (skilled employee) base expands and matures, these services will drive high margins.

With India being the significant offshore base for employees, the company is driving the skilling initiative in the country on a large scale

"More than 60 per cent of Capgemini's work is done in India and almost every project involves automation, even if in different stages of maturity. Similarly, more than 20,000 of these employees skilled in automation are based in India."

In its third quarter results announced this week, Capgemini reported that Digital and Cloud activities (including automation services), which account for around 45 per cent of the group's overall revenues, grew over 20 per cent at constant exchange rates.

The company said while its offshore headcount will remain stable, the focus will be on improving productivity and driving more operations offshore.

A new report by the Capgemini Research Institute shows that less than a fifth (16 per cent) of global businesses are adopting multiple automation use cases at scale, while they are focusing on operational gains versus strategic long-term growth.

The report showed that of those organisations already implementing automation, around 25 per cent are using it at scale in the automotive sector, followed by industrial manufacturing and retail (about 15 per cent each). Among countries, the US and France lead with over 20 per cent organisations using automation at scale, with India ranking fifth (15 per cent).

Right now, automation service providers and clients are looking more at the return on investment in automation-based projects, rather than the cost itself, noted Yardi.

A large number of these projects are fixed price projects. However, the company is starting to get projects where customers are ready to work on a gain-share model, based on the project expectations.

Tea Board invites bids for report on park

One of the objectives behind setting up the integrated facility is turning India into a manufacturing hub for tea

PRESS TRUST OF INDIA
Kolkata, 27 October

The Tea Board has invited bids for a detailed project report (DPR) of its proposed integrated tea park near Dhamra Port in Odisha.

The board said the eligible bidder shall be an Indian firm having experience and understanding of the Indian tea sector, feasibility studies and projects across the tea value chain.

"India being the world's second largest tea producer after China, accounting for 23 per cent of the global production, an integrated infrastructure such as tea parks can help tap the under-utilised, value-added segments," it said.

Given the strategic location and connectivity, it wants to prepare a DPR for setting up the tea park near Odisha, the board said on its website. "The proposed facility would have state-of-the-art facilities for warehousing, packaging, blending, testing and allied activities which can be leveraged by global and Indian brands."

The main objectives behind setting up the integrated facility are turning India into a manufacturing hub for tea, promoting the country as an investment destination for global brands, boosting consumption and exports, and encouraging value-addition in the industry for higher realisation.

Exports of value-added products like packet tea, tea bags and instant tea contribute to a relatively smaller percentage of the overall exports, but account for higher revenue share, it said.

India also happens to be the largest consumer of tea globally, with around 80 per cent of production being consumed within the country. Exports account for around 11 per cent share in global shipments, the Tea Board said.