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Board of Directors

	<i>Chairman</i>	J. Skala
	<i>Vice-Chairman</i>	R. A. Shah
	<i>Deputy Chairman</i>	P. K. Ghosh
	<i>Managing Director</i>	R. D. Calmeyer
	<i>Whole-time Director</i>	M. A. Elias
	<i>Whole-time Director</i>	K. V. Vaidyanathan
		J. K. Setna
		V. S. Mehta
	<i>Company Secretary</i>	K. V. Vaidyanathan
Management Committee	<i>Managing Director</i>	R. D. Calmeyer
	<i>Finance</i>	M. A. Elias
	<i>Legal</i>	K. V. Vaidyanathan
	<i>Marketing</i>	P. Parameswaran (Ms.)
	<i>Sales</i>	S. Bharatwaj
	<i>R&D</i>	S. Manek
	<i>Manufacturing & Supply Chain</i>	L. Wheeler
	<i>Human Resources</i>	A. Singh
Audit Committee	<i>Chairperson</i>	R. A. Shah
		P. K. Ghosh
		J. K. Setna
		V. S. Mehta
	<i>Secretary</i>	K. V. Vaidyanathan
Shareholders'/Investors' Grievance Committee	<i>Chairperson</i>	P. K. Ghosh
		R. D. Calmeyer
		J. K. Setna
		K. V. Vaidyanathan
	<i>Solicitors</i>	Crawford Bayley & Co.
	<i>Auditors</i>	Price Waterhouse Chartered Accountants
	<i>Registered Office</i>	Colgate Research Centre, Main Street, Hiranandani Gardens, Powai, Mumbai 400 076.
	<i>Factories</i>	Plot No. B 14/10 MIDC, Waluj Industrial Area, Aurangabad 431 136.
		Plot No. 78, EPIP Phase I, Jharmajri, Baddi, District Solan, [H.P.] 174 103.
	<i>Registrars & Share Transfer Agents</i>	Sharepro Services (India) Private Limited

Ten-year Highlights

Rs. Lacs

	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
A. Operating Results :										
Sales	1,089,58#	1,176,88	1,160,89	1,056,89	1,042,08	1,072,53	1,217,50	1,385,38	1,553,21	1,758,16
Other Income	22,89#	29,51	30,95	35,76	29,92	34,23	46,09#	67,00	84,78	107,76
Net Profit After Tax	51,79	62,50	69,79	88,66	108,00	113,29	137,60	160,17	231,71	290,22
Cash Profits	75,00	82,72	91,94	108,13	132,26	135,66	169,03	175,42	251,56	313,17
B. Financial Position :										
Fixed Assets (Net)	215,58	196,93#	172,31	158,02	93,95	147,21	169,12	192,03	198,99	178,59
Current Assets (Net)	80,31	31,26#	56,86	29,52	36,77	(62,83)	(49,64)	(66,23)	(132,51)	(13,63)
Others (Net)	11,08	23,97#	27,72	89,62	115,76	169,37	155,95	159,00	100,41	56,02
TOTAL ASSETS	306,97	252,16	256,89	277,16	246,48	253,75	275,43	284,80	166,89	220,98
Share Capital	135,99	135,99	135,99	135,99	135,99	135,99	135,99	135,99	13,60	13,60
Reserves and Surplus	164,26	103,12	111,65	139,03	108,32	113,78	135,08	144,53	148,61	202,70
SHAREHOLDERS' FUNDS	300,25	239,11	247,64	275,02	244,31	249,77	271,07	280,52	162,21	216,30
Loan Funds	6,72	13,05	9,25	2,14	2,17	3,98	4,36	4,28	4,68	4,68
TOTAL CAPITAL EMPLOYED	306,97	252,16	256,89	277,16	246,48	253,75	275,43	284,80	166,89	220,98
C. Equity Share Data :										
Earnings Per Share (Rs.)	3.81	4.60	5.13	6.52	7.94	8.33	10.12	11.78	17.04	21.34
Dividend Per Share (Rs.)	3.00	8.25*	4.25	4.25	6.00**	7.00	7.50	9.50***	13.00	15.00
Number of Shares (in Lacs)	13,60	13,60	13,60	13,60	13,60	13,60	13,60	13,60	13,60	13,60
Number of Shareholders (in '000s)	2,30	2,22	2,15	2,07	1,85	1,59	1,41	1,40	1,33	1,26

Re-grouped

* Including one-time special dividend of Rs. 4.75 per share.

 ** Including one-time special 25th Anniversary Dividend (since becoming public in 1978) of Rs.1.25 per share.

 *** Including one-time special 70th Anniversary Dividend of Rs. 2.00 per share.

Previous year's figures have been re-classified to conform with current year's presentation, where applicable.

Notice

NOTICE is hereby given that the Sixty-eighth Annual General Meeting of COLGATE-PALMOLIVE (INDIA) LIMITED will be held at Shri Bhaidas Maganlal Sabhagriha, Swami Bhaktivedanta Marg, J.V.P.D. Scheme, Vile-Parle (West), Mumbai 400 056 on Friday, July 17, 2009 at 3.30 p.m. to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr. R. A. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. K. V. Vaidyanathan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modifications, the following resolution, as a Special Resolution :

“RESOLVED that pursuant to Section 163 of the Companies Act, 1956 (hereinafter called ‘the Act’) and in supersession of the Special Resolution passed at the Fifty-second Annual General Meeting of the Company held on September 23, 1993, the Company hereby approves that the Registers of Members, Indices of Members, copies of all Annual Returns prepared by the Company under Section 159 of the Act together with copies of Certificates and Documents required to be annexed thereto under Section 161 of the Act or any one or more of them and other related books shall, with effect from August 1, 2009, be kept at the offices of Messrs. Sharepro Services (India) Private Limited, the Registrars and Share Transfer Agents, at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021 and/or at 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri - East, Mumbai 400 072 instead of at the Registered Office of the Company.

RESOLVED further that the Registers, Indices, Returns, Books, Certificates and Documents of the Company required to be maintained and kept

open for inspection by the Members and/or any persons entitled thereto under the Act, be kept open for such inspection, at the place where they are kept, to the extent, in the manner and on payment of the fees, if any, specified in the Act between the hours of 11.00 a.m. and 1.00 p.m. on any working day (excluding Saturday) and except when the registers and books are closed under the provisions of the Act or the Articles of Association of the Company.”

5. To appoint Auditors and to fix their remuneration.

By Order of the Board

K. V. Vaidyanathan
Whole-time Director &
Company Secretary

Date: May 29, 2009

Registered Office :
Colgate Research Centre,
Main Street, Hiranandani Gardens,
Powai, Mumbai 400 076.

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An explanatory statement under Section 173 of the Companies Act, 1956 in respect of Item No. 4 to be transacted at the Meeting is appended hereto.
3. The Registers of Members and Share Transfer Books of the Company will remain closed from Friday, July 10, 2009 to Friday, July 17, 2009 (both days inclusive).
4. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company, Messrs. Sharepro Services (India)

Private Limited at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021.

5. Members who hold shares in physical form are requested to notify immediately any change in their addresses to the Registrars and Share Transfer Agents of the Company at the above address and to their respective Depository Participants, in case shares are held in electronic mode.
6. The Company, consequent upon the introduction of the Depository System (DS), entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL.
7. The DS envisages elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, mutilation of share certificates, etc. Simultaneously, DS offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.
8. To prevent fraudulent transactions, we urge the Members to exercise due diligence and notify the Company of any change in address/stay in abroad or demise of any shareholder as soon as possible. Members are requested not to leave their demat account dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
9. Electronic Clearing Service (ECS) helps in quick remittance of dividend without possible loss/delay in postal transit. Members are requested to fill-in the form which is available on the Company's website or can obtain it from the Company's Registrars and Share Transfer Agents and forward the same to the Company's Registrars and Share Transfer Agents if the shares are held in physical form and to the Depository Participant in case the shares are held in dematerialised form.
10. All unclaimed dividends upto the First Interim Dividend for 1995-96 paid by the Company on September 29, 1995 have been transferred to the General Revenue Account of the Central Government. The Members, who have not encashed the dividend warrants up to the said period are requested to claim the amount from

The Registrar of Companies, CGO Building, II Floor, A Wing, Belapur, Navi Mumbai.

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are transferred to the 'Investor Education and Protection Fund', constituted by the Central Government. Accordingly, unclaimed dividends from the Second Interim Dividend for 1995-96 have been transferred to the said Fund. During the Financial Year 2008-09, unclaimed amount of dividend (Rs. 50,71,951/-) declared for the year 2000-2001 has been transferred to the Investor Education and Protection Fund on October 22, 2008.

11. The Company has designated an exclusive e-mail ID called **investor_grievance@colpal.com** for redressal of shareholders' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at **investor_grievance@colpal.com**.
12. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
13. At the ensuing Annual General Meeting, Mr. R. A. Shah and Mr. K. V. Vaidyanathan shall retire by rotation and being eligible, offer themselves for re-appointment. Pursuant to Clause 49 of the Listing Agreement, the particulars of Mr. R. A. Shah and Mr. K. V. Vaidyanathan are given below :

Mr. R. A. Shah :

Mr. R. A. Shah is a leading Solicitor and a Senior Partner of M/s. Crawford Bayley & Company, a firm of Solicitors and Advocates. He specialises in a broad spectrum of corporate laws in general with special focus on foreign investments, joint ventures, technology and licence agreements, mergers and acquisitions, etc.

Mr. Shah does not hold any shares in the Company.

Mr. Shah is a Director and Member of Board's Committee of the following other companies :

Chairman of: Procter & Gamble Hygiene and Healthcare Ltd., Clariant Chemicals (India) Ltd., Godfrey Phillips India Ltd., Pfizer Ltd. and Roche Scientific Co. (I) Pvt. Ltd.

Director of: Abbott India Ltd., Asian Paints Ltd., ACC Ltd., The Bombay Dyeing & Mfg.

Co. Ltd., BASF India Ltd., Deepak Fertilisers & Petrochemicals Corporation Ltd., Jumbo World Holdings Ltd., Lupin Ltd., Piramal Healthcare Ltd. and Wockhardt Ltd.

Alternate Director of: Atul Ltd., BASF Polyurethanes India Ltd., Modicare Ltd., RPG Life Sciences Ltd., Schrader Duncan Ltd., Century Enka Ltd. and Uhde India Ltd.

Committee Memberships :

Chairman of the Audit Committee of the Boards of: Pfizer Ltd., Nicholas Piramal India Ltd. and Clariant Chemicals (India) Ltd.

Member of Audit Committee of: The Bombay Dyeing & Mfg. Co. Ltd., BASF India Ltd., Abbott India Ltd., Procter & Gamble Hygiene and Healthcare Ltd., Century Enka Ltd. and Wockhardt Ltd.

Member of the Remuneration Committee of: The Bombay Dyeing & Mfg. Co. Ltd. and Lupin Ltd.

Mr. K. V. Vaidyanathan :

Mr. K. V. Vaidyanathan is a lawyer with varied professional experience and expertise in a broad spectrum of corporate laws, economic laws and intellectual property rights and is also a Member of the Institute of Company Secretaries of India. He joined the Company as Company Secretary in 1991. He was appointed a Whole-time Director of the Company for an initial period of five years from April 1, 1997 and continued as such till March 31, 2007. He was thereafter re-appointed as a Whole-time Director for a further term of five years effective April 1, 2007. He has made several significant contributions to the Company's growth and implementation of investment plans and business strategies. His contributions have been invaluable.

Mr. Vaidyanathan is a Director of: Advanced Oral Care Products Pvt. Ltd., Professional Oral Care Products Pvt. Ltd. and CC Healthcare Products Pvt. Ltd.

Annexure to the Notice

Explanatory Statement under Section 173 of the Companies Act, 1956.

Item 4

Pursuant to a Special Resolution passed at the Annual General Meeting of the Company held on September 23, 1993, the Members had approved keeping of the

Registers of Members, Indices of Members, copies of all Annual Returns prepared by the Company under Section 159 of the Companies Act, 1956 ("the Act") together with copies of Certificates and Documents required to be annexed thereto with Messrs. Sharepro Services (India) Private Limited, the Registrars and Share Transfer Agents at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021 and/or at Satam Industrial Estate, Cardinal Gracious Road, Above Bank of Baroda, Chakala, Andheri-East, Mumbai 400 099. Since the entire Satam Estate property at Chakala is going for re-development, the Registrars and Share Transfer Agents have decided to vacate their office at Chakala and shift their share operations to a bigger office at 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri - East, Mumbai 400 072. It is, therefore, proposed that the Registers of Members, Indices of Members, copies of Annual Returns together with the copies of the Certificates and Documents requiring to be annexed thereto and other related books be kept at their offices at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021 and/or at 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri - East, Mumbai 400 072. The approval of shareholders by Special Resolution is sought to the proposed arrangement under Section 163 of the Act.

The Special Resolution also specifies the time of inspection of the books and documents of the Company by its Members and others, namely, between the hours 11.00 a.m. and 1.00 p.m. on any working day excluding Saturday and except when the registers and the books are closed under the provisions of the Act or Articles of Association of the Company.

The Directors of the Company may be considered to be concerned or interested in the resolution at Item No. 4 to the extent of the shares, if any, held by them respectively.

By Order of the Board

K. V. Vaidyanathan
Whole-time Director &
Company Secretary

Date: May 29, 2009

Registered Office :

Colgate Research Centre,
Main Street, Hiranandani Gardens,
Powai, Mumbai 400 076.

Report of the Directors

To
The Members
Colgate-Palmolive (India) Limited

Your Directors have pleasure in presenting their Report and Audited Accounts of the Company for the year ended March 31, 2009.

Financial Results

(Rs: Crore)

	2008-09	2007-08
Total Revenue	1,802.57	1,558.16
Sales (Excluding Excise Duty)	1,694.81	1,473.38
Other Income	107.76	84.78
Profit before Taxation	345.31	292.05
Provision for Taxation	55.09	60.34
Profit after Taxation	290.22	231.71
Balance brought forward	5.77	24.87
Profit available for appropriation	295.99	256.58
Appropriation :		
Dividend	203.99	176.79
Dividend Tax [includes Rs. Nil (previous year : Rs. 20.80 crore) on reduction of share capital]	34.14	50.85
General Reserve	29.02	23.17
Balance carried forward	28.84	5.77
	295.99	256.58

Business Performance

In the face of an intense competitive scenario and despite difficult economic conditions, your Company's business during the year grew in double digits. Your Company had to cope with the challenges of severe cost pressures and these were successfully tackled through active cost reduction programs across the entire organization, developing alternate sources for raw materials and vendor partnerships. Sales for the year increased by 15 per cent at Rs. 1,694.81 crore as against Rs. 1,473.38 crore. During the year, toothpaste registered an impressive volume growth of 13 per cent.

The profit after tax for the financial year 2008-09 grew by 25 per cent at Rs. 290.22 crore as against Rs. 231.71 crore in the previous year.

The underlying performance can be gauged from the following ratios :

	2008-09	2007-08
Earnings per share (Rs.)	21.3	17.0
Dividend per share (Rs.)	15.0	13.0
Return on Capital Employed (%)	155.0	110.9
Return on Networth (%)	153.4	104.7

Your Company continued to lay emphasis on cash generation and delivered strong operating cash flow during the year. Your Company is pleased with the continued strength of its Balance Sheet and Cash Flow. This was driven by strong business performance, efficiencies and cost savings across the organization and a continued efficient collection system. Your Company managed investments prudently by deployment of surplus funds in a balanced portfolio of safe and liquid debt market instruments after ensuring

that such investments satisfy the Company's criteria of security and liquidity.

Another factor instrumental for growing the Company's business was its sharp focus on the four clearly defined strategic initiatives, namely, getting closer to consumers, the profession and customers; driving innovation throughout all areas of business; increasing effectiveness and efficiency everywhere and strengthening the leadership. The benefits of this focus are not only reflected in the Company's business results during the year but also on the market shares of its Oral Care products – the volume market share during January 2008 – March 2009 of toothpaste significantly increased by 3 per cent to 52.2 per cent; toothpowder by 1.2 per cent to 48.9 per cent and maintained a high of 37.6 per cent in toothbrush.

Looking to the future, your Board is confident that the Company's positive business momentum will continue and enable your Company to deliver better results.

Dividend

The Company's strong cash generation and positive growth momentum led your Board to declare two interim dividends of Rs. 9 and Rs. 6 per share aggregating Rs. 15 per share for the financial year 2008-09. These dividends were paid on December 30, 2008 and April 23, 2009. Having declared two interim dividends, your Board has not recommended a final dividend for the financial year 2008-09.

Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors based on the representations received from the Operating Management, confirm :

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have, in selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
- c) that to the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) that they have prepared the annual accounts on a going concern basis.

Subsidiary Companies

Nepal Subsidiary :

Considering the state of political instability, the economic hardships and the deteriorating law and order situations in Nepal, your Company sold its entire shareholding in its wholly-owned subsidiary, Colgate-Palmolive (Nepal) Private Limited to Everest Hygiene Products Private Limited as a going concern for a consideration of Rs.1,06.25 lacs on November 19, 2008. Accordingly, your Company ceased its manufacturing operations at Nepal although it continues to export its products to service the Nepal market.

Indian Subsidiaries :

During the year, your Company acquired 75 per cent of the shareholding in CC Health Care Products Private Limited at Hyderabad for a total consideration of Rs. 1,93.83 lacs. This Company has been engaged in the manufacture of toothpowder and they have been supplying the same to your Company as its contract manufacturer.

Last year your Company acquired 75 per cent of the shareholding in SS Oral Hygiene Products Private Limited which was engaged in the manufacture of toothpaste at Hyderabad till November, 2008. During the year, the Company acquired the remaining 25 per cent of the shareholding at a total consideration of Rs. 77.70 lacs and proposed a tax efficient amalgamation of SS Oral Hygiene Products Private Limited with your Company. This proposal was sanctioned by the Andhra Pradesh High Court vide its order dated February 24, 2009 and accordingly the amalgamation of SS Oral Hygiene Products Private Limited with your Company became finally effective March 26, 2009.

The two subsidiaries of your Company at Goa, namely, Advanced Oral Care Products Private Limited and Professional Oral Care Products Private Limited filed petitions before the Bombay High Court at Goa for amalgamation and the High Court was pleased to sanction the same. The amalgamation will become finally effective on the High Court Order being filed with the Registrar of Companies at Goa as stipulated by the High Court in its Order. This amalgamation will help the amalgamated company avail of synergies to significantly improve its operational efficiencies.

The toothpaste undertakings at Goa have substantially expanded their productive capacities during the year. Your Company's entire toothpaste requirement will be met by the Goa and Baddi facilities.

The Audited Statements of Accounts and the Auditors' Reports thereon for the year ended March 31, 2009 along with the Reports of the Board of Directors of Company's three subsidiaries, namely, Advanced Oral

Care Products Private Limited, Professional Oral Care Products Private Limited and CC Health Care Products Private Limited have not been annexed. The Company will make available these documents upon request by any member of the Company interested in obtaining the same. However, the financial data of the said three subsidiaries for the year ended March 31, 2009 have been furnished under 'Subsidiary Companies Particulars' forming part of the Annual Report. Further, the Consolidated Financial Statements prepared pursuant to the applicable Accounting Standard issued by the Institute of Chartered Accountants of India and the Listing Agreement prescribed by SEBI includes the financial information of its subsidiaries.

Oral Health Month

Your Company in partnership with the Indian Dental Association, once again, organized a month-long program during the year covering a wide spectrum of activities designed to spread oral health awareness and good oral hygiene practice. The mission of this activity continued to be "Zero Tooth Decay" involving 10,000 dentists spread across 200 towns and covered 1.5 lac children from 190 schools across seven cities.

Corporate Governance

A separate report on Corporate Governance along with the Auditors' Certificate on its compliance is attached as Annexure 1 to this Report.

Employee Relations

Relations between the employees and the management continued to be cordial during the year.

Information as per Section 217(2A) of the Companies Act, 1956 ("the Act") read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. As per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders of the Company excluding the statement on particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Secretarial Department at the Registered Office of the Company.

Trade Relations

Your Directors wish to record appreciation of the continued unstinted support and co-operation from its retailers, stockists, suppliers of goods/services, clearing and forwarding agents and all others associated with it. Your Company will continue to build and maintain strong links with its business partners.

Energy, Technology Absorption and Foreign Exchange

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is appended hereto as Annexure 2 and forms part of this Report.

Directors

Under Article 124 of the Company's Articles of Association, Mr. R. A. Shah and Mr. K. V. Vaidyanathan retire by rotation at the 68th Annual General Meeting and, being eligible, offer themselves for re-appointment.

Auditors

Messrs. Price Waterhouse, Chartered Accountants, retire and are eligible for re-appointment as Auditors.

Acknowledgements

Your Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees at all levels. The Directors also wish to place on record their gratitude to the Members for their continued support and confidence.

On behalf of the Board

R. D. Calmeyer
Managing Director

P. K. Ghosh
Deputy Chairman

May 29, 2009

Persons constituting "Group" for inter se transfer of shares under Clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 include :

Colgate-Palmolive Company, New York, U.S.A.
Colgate-Palmolive (Asia) Pte. Ltd., Singapore
Colgate-Palmolive (Malaysia) Mktg. SDN BHD, Malaysia
Colgate-Palmolive (Thailand) Ltd., Thailand
Colgate-Palmolive (Guangzhou) Co. Ltd., China
Colgate-Palmolive (H.K.) Ltd., Hong Kong
Colgate-Palmolive (PNG) Limited, PNG
Colgate-Palmolive Philippines Inc., Philippines
Colgate-Palmolive Son Hai Ltd., Vietnam
Norwood International Incorporated, U.S.A.

Corporate Governance Report

The Board of Directors of the Company continues to lay great emphasis on the broad principles of Corporate Governance. Our pursuit towards achieving good governance is an ongoing process. In so far as compliance with the requirements under Clause 49 of the Stock Exchange Listing Agreement is concerned, the Company is in full compliance with the norms and disclosures that have to be made in corporate governance format.

1. Company's philosophy on Code of Governance

Colgate-Palmolive (India) Limited believes that good Corporate Governance is essential to achieving long term corporate goals and to enhancing stakeholders' value. In this pursuit, your Company's philosophy on Corporate Governance is led by a strong emphasis on transparency, accountability and integrity and your Company has been practicing the principles of Corporate Governance over the years. All

directors and employees are bound by a Code of Conduct that sets forth the Company's policies on important issues, including its relationship with consumers, shareholders and Government.

2. Composition of Board

The Board of Directors has a mix of Executive and Non-executive Directors. The Board comprises of three Whole-time Directors (the Managing Director and two Executive Directors) and five Non-executive Directors including the Chairman of the Board. Four of the five Non-executive Directors are Independent Directors. Accordingly, the composition of the Board is in conformity with the stock exchange listing agreement.

Except the Chairman and the Managing Director, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

The composition of the Board and other relevant details relating to Directors are given below :

Name of Director	Category	No. of other Directorships - excluding Private Ltd. Companies and Alternate Directorships	No. of Memberships of other Board Committees	No. of other Board Committees of which the Director is a Chairperson
Mr. J. Skala	Non-executive	—	—	—
Mr. R. A. Shah	Non-executive	15 [®]	9	3
Mr. P. K. Ghosh	Non-executive	—	—	—
Mr. R. D. Calmeyer	Executive	3	—	—
Mr. M. A. Elias	Executive	3	—	—
Mr. K. V. Vaidyanathan	Executive	3	—	—
Mr. J. K. Setna	Non-executive	1	—	—
Mr. V. S. Mehta	Non-executive	—	—	—

[®] Includes Foreign bodies corporate

Note : None of the Directors is related to one another

Attendance of each Director at Board Meetings and last Annual General Meeting :

During the year 2008-09, eight Board Meetings were held on May 30, July 17, September 26, October 24, December 5, December 16, 2008; January 30 and March 30, 2009. The last Annual General Meeting of the Company was held on July 17, 2008.

The attendance details of each Director are given below :

Name of Director	No. of Board Meetings attended	Attendance at last AGM
Mr. J. Skala	1	Present
Mr. R. A. Shah	7	Present
Mr. P. K. Ghosh	5	Absent
Mr. R. D. Calmeyer	8	Present
Mr. M. A. Elias	8	Present
Mr. K. V. Vaidyanathan	8	Present
Mr. J. K. Setna	6	Present
Mr. V. S. Mehta	7	Present

3. Audit Committee

The Audit Committee was constituted in April, 2000. It now consists of four independent Non-executive Directors. The Members of the Committee are well versed in finance matters, accounts, company law and general business practices.

The composition of the Audit Committee is as under :

- A) Mr. R. A. Shah, Chairperson
- B) Mr. P. K. Ghosh
- C) Mr. J. K. Setna
- D) Mr. V. S. Mehta

The terms of reference of the Audit Committee include :

- a) To review financial statements and pre-publication announcements before submission to the Board.

- b) To ensure compliance of internal control systems and action taken on internal audit reports.
- c) To apprise the Board on the impact of accounting policies, accounting standards and legislation.
- d) To hold periodical discussion with statutory auditors on the scope and content of the audit.
- e) To review the Company's financial and risk management policies.

During the financial year 2008-09, six Audit Committee Meetings were held on May 30, July 17, September 26, October 24, December 16, 2008 and January 30, 2009.

The attendance details of each Member are given below :

Name of Director	Status	No. of Audit Committee Meetings attended
Mr. R. A. Shah	Chairperson	5
Mr. P. K. Ghosh	Member	4
Mr. J. K. Setna	Member	4
Mr. V. S. Mehta	Member	5

4. Remuneration of Directors

The Company has no pecuniary relationship or transaction with its Non-executive Directors other than payment of sitting fees to them for attending Board and Committee meetings. The Company pays fees for professional services rendered by a firm of Solicitors and Advocates of which a Non-executive Director is a partner. The same are, however, not material in nature.

The remuneration policy is directed towards rewarding performance. It is aimed at attracting

and retaining high caliber talent. The Company does have an incentive plan which is linked to performance and achievement of the Company's objectives. The Company has no stock option scheme. The Company has not constituted a Remuneration Committee.

Details of remuneration paid to Directors of the Company during the year ended March 31, 2009 are given below :

	Rs. Lacs
a) Salary	5,75.34
b) Benefits	2,69.54
c) Performance linked Incentive/Commission/Bonus	1,91.54
d) Sitting fees	10.35
Total	<u>10,46.77</u>

Note: The appointment of each of the three Executive Directors is for a period of five years. Either party shall be entitled to determine the appointment at any time by giving ninety days' advance notice in writing in that behalf to the other party without the necessity of showing any cause, or in the case of the Company, by payment of ninety days' salary as compensation in lieu of such notice.

Other than Mr. P. K. Ghosh, who holds 7,338 shares (including joint holdings) no other Non-executive Director holds any shares in the Company.

5. Shareholders'/Investors' Grievance Committee

The Board constituted a Shareholders'/Investors' Grievance Committee in April, 2000. The Committee consists of four Directors, viz. Messrs. P. K. Ghosh, R. D. Calmeyer, J. K. Setna and K. V. Vaidyanathan. Mr. P. K. Ghosh,

Deputy Chairman and a Non-executive Director heads this Committee. The Committee meets every fortnight or at frequent intervals to consider, *inter-alia*, share transfers, investor complaints etc. Mr. K. V. Vaidyanathan, Whole-time Director and Company Secretary, is the Compliance Officer.

During the year 2008-09, complaints were received from shareholders/investors regarding transfer of shares, non-receipt of declared dividends etc. Details of complaints are given below :

Nature of complaints	Number of complaints received	Number of complaints redressed
Non-receipt of dividends	13	13
Non-receipt of shares lodged for transfer/transmission and on account of capital reduction	1	1
Others	4	4
Total	18	18

All complaints have generally been solved to the satisfaction of the complainants except for dispute cases and sub-judice matters, which would be solved on final disposal by the Courts.

6. General Body Meetings

Location and time where last three Annual General Meetings were held are given below :

Financial Year	Date	Location of the Meeting	Time
2005-06	August 8, 2006	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.
2006-07	July 27, 2007	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.
2007-08	July 17, 2008	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.

In the Annual General Meeting held on July 27, 2007, the shareholders of the Company passed two special resolutions approving the reduction of share capital of the Company and necessary amendments to the Articles of Association consequent upon such reduction of share capital. No Special Resolution requiring a postal ballot was passed last year or being proposed at the ensuing Annual General Meeting.

7. Disclosures

- a) Disclosures on materially significant related party transactions :

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large. Attention is drawn to Schedule 20 to the Accounts.

- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with the requirements of regulatory authorities on

capital markets and no penalty/stricture was imposed on the Company during the last three years.

- c) The Company has adopted a Code of Conduct for its Directors and employees. This Code of Conduct has been communicated to each of them. The Code of Conduct has also been put on the Company's website www.colgate.co.in.

The Code of Conduct also provides for hotline which can be reached by telephone, facsimile, e-mail or letter. The caller may provide his/her name or other identifying information or may contact the hotline anonymously. In all circumstances, it is ensured that no one will be retaliated against for reporting an

incident, filing a claim, or for participating in an investigation. None of the personnel has been denied access to the Audit Committee.

- d) Adoption of non-mandatory requirements under Clause 49 of the listing agreement is being reviewed by the Board from time to time.

8. Means of Communication

The quarterly results are published in Financial Express, Free Press Journal and Navshakti. The Company results and official news releases are displayed on the Company's website www.colgate.co.in.

Presentations are made from time to time to analysts and institutional investors.

9. Management Discussion and Analysis Report (within the limits set by the Company's competitive position)

The Company is engaged in the Personal Care business which includes Oral Care. The Oral Care business continues to account for over 90 per cent of the Company's sales turnover.

During the year 2008-09, the toothpaste market grew by about 15 per cent and the toothpowder market by about 9 per cent. The overall market environment continues to be very competitive. In the face of an intense competitive scenario and despite difficult economic conditions, the Company reinforced its leadership in the Oral Care market and achieved a commendable business performance.

Almost half of the Indian population does not have access to modern dental care. The per capita consumption of toothpaste is about 108 gms - one of the lowest in the world. The national epidemiological study on the status of oral health in the country showed that dental caries [tooth decay] is prevalent in 63% of 15 year olds and as much as 80% amongst adults in the age group of 35-44 years and periodontal diseases [gum diseases] are prevalent in 68% of 15 year olds and as much as 90% amongst adults in the age group of 35-44 years. To address this situation, the Company in partnership with Indian Dental Association launched, once again, an intensive month-long awareness campaign in October, 2008 under the banner Oral Health Month. The aim of this campaign was to create oral health awareness and motivate people to adopt preventive self-care habits to improve their oral health.

This was one more step in the Company's long-standing endeavour to spread the message of good oral health and encourage the use of modern and efficacious dentifrice products.

To help achieve its objective of expanding the dentifrice market, the Company has designed its product portfolio in such a manner that its products are available at different price points to cater to the requirements of consumers across all segments.

While the predominant business of the Company has been confined to the Oral Care category where it faced intense competition, the outlook for industry is positive given the size of the opportunity. The Company is hopeful that through a combination of powerful marketing strategies, innovative new products and market development and expansion activities, the dentifrice market in India would continue to grow strongly over the next several years.

The Company has good internal control systems, the adequacy of which has been reported by its auditors in their report. The discussion on financial performance of the Company is covered in the Directors' Report. There has been no material development on the human resources and industrial relations continue to be cordial. The number of people employed as on March 31, 2009 was 1,287.

It may please be noted that the statements in the Management Discussion and Analysis Report describing the Company's objectives and predictions may be forward looking within the meaning of applicable rules and regulations. Actual results may differ materially from those either expressed or implied in the statement depending on circumstances.

10. General Shareholder Information

Annual General Meeting

Date and Time: July 17, 2009 at 3.30 p.m.

Venue : Shri Bhaidas Maganlal Sabhagriha,
Swami Bhaktivedanta Marg,
J.V.P.D. Scheme,
Vile-Parle (West), Mumbai 400 056.

Financial Calendar

The Company follows April – March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter except for the last quarter, for which the results are declared by June as permitted under the listing agreement.

Dates of Book Closure

July 10, 2009 to July 17, 2009
(both days inclusive)

Dividend Payment Date
Dividend

First Interim 2008-09

Second Interim 2008-09

Payment Date

December 30, 2008

April 23, 2009

Listing on Stock Exchanges

The Company's shares are listed on the Bombay

Stock Exchange Limited and the National Stock Exchange of India Ltd.

Stock Code

Bombay Stock Exchange

Limited, Mumbai
(physical & demat)

- Code : 500 830

National Stock Exchange

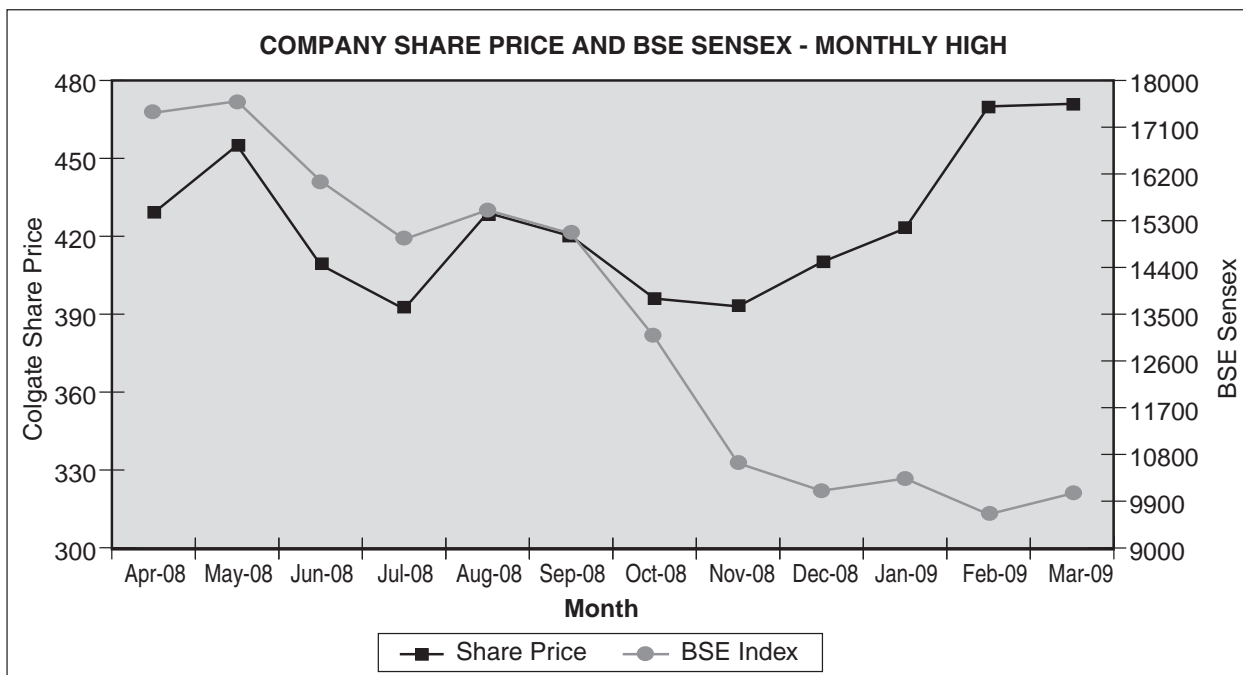
of India Limited, Mumbai
(physical & demat)

- Code : COLPAL

Market Price Data

The monthly high and low quotations of shares traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Mumbai are as follows :

Month	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April 2008	429.25	389.30	437.00	380.05
May 2008	454.50	416.00	459.80	401.00
June 2008	408.95	355.25	421.75	350.00
July 2008	392.00	347.90	457.10	342.30
August 2008	429.05	400.40	447.70	390.00
September 2008	420.40	364.65	424.90	352.35
October 2008	396.45	368.95	445.00	350.00
November 2008	393.00	374.10	401.00	356.35
December 2008	410.40	383.75	413.60	378.00
January 2009	423.25	383.20	433.70	380.00
February 2009	470.00	415.00	472.00	413.00
March 2009	470.75	429.85	482.00	419.90

Performance in comparison to BSE Sensex


Registrars and Share Transfer Agents

Sharepro Services (India) Private Limited,
912, Raheja Centre,
Free Press Journal Road,
Nariman Point, Mumbai 400 021.
Tel : 022 - 6613 4700
Fax : 022 - 2282 5484
Email : sharepro@shareproservices.com

Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. All valid transfers are processed and effected within 15 days from the date of receipt.

Shareholding Pattern (as at March 31, 2009)

Category	Number of shares	%
Foreign Collaborators	69356336	51.00
Resident Individuals	30462037	22.40
Foreign Institutional Investors	13726944	10.09
NRIs/OCBs	340397	0.25
Domestic Companies	7449534	5.48
Non-domestic Companies	—	—
Banks and Mutual Funds	6485511	4.77
Financial Institutions	8172058	6.01
Total	135992817	100.00

Distribution of Shareholding (as at March 31, 2009)

Description	Holder(s)		Holder(s)	
	Folios	%	Shares	%
1 - 500	111232	88.22	10771377	7.92
501 - 1000	7101	5.63	5137514	3.78
1001 - 2000	5142	4.08	7040390	5.18
2001 - 3000	1847	1.46	4771042	3.51
3001 - 4000	212	0.17	738610	0.54
4001 - 5000	140	0.11	623704	0.46
5001 - 10000	219	0.17	1441381	1.06
10001 & above	199	0.16	105468799	77.55
Total	126092	100.00	135992817	100.00

Dematerialisation of shares and liquidity

As on March 31, 2009, 43.57% of the shares were held in dematerialised form and the rest in physical form. It may be noted that the Promoters, Colgate-Palmolive Group owns 51% of the Company's shares and the same are held in physical form. If these shares were to be excluded from the total number of shares, then dematerialised shares account for 88.91% of the remainder.

Shares held in the dematerialised form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

Physical shares received for dematerialisation are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

The equity shares of the Company are permitted to be traded only in dematerialised form with effect from April 5, 1999.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as at end March 2009.

Plant Locations**Aurangabad**

Plot No. B 14/10 MIDC,
Waluj Industrial Area,
Aurangabad 431 136.

Baddi, Himachal Pradesh

Plot No. 78, EPIP Phase I,
Jharmajri, Baddi,
District Solan, [H.P.] 174 103.

Address for investor correspondence

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please write to :

Sharepro Services (India) Private Limited,
912, Raheja Centre, Free Press Journal Road,
Nariman Point, Mumbai 400 021.

Tel : 022 - 6613 4700

Fax : 022 - 2282 5484

Email : sharepro@shareproservices.com

An exclusive e-mail ID, **investor_grievance@colpal.com** for redressal of investor complaints has been created and the same is available on our website.

Declaration

As provided under Clause 49 of the Listing Agreement with Stock Exchanges, the Board Members and the Senior Management Team have confirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2009.

For Colgate-Palmolive (India) Limited

R. D. Calmeyer
Managing Director

Mumbai, May 29, 2009

Auditors' Certificate on Compliance with the conditions of Corporate Governance Under Clause 49 of the Listing Agreement

To

The Members of Colgate-Palmolive (India) Limited

1. We have examined the compliance of conditions of Corporate Governance by Colgate-Palmolive (India) Limited (the Company) for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Partha Ghosh

Partner

Membership No. F-55913

For and on behalf of

Price Waterhouse

Chartered Accountants

Mumbai, May 29, 2009

Information required under the Companies [Disclosure of Particulars in the Report of the Board of Directors] Rules, 1988.
A. Conservation of Energy :

The Company continues its endeavour to improve energy conservation and utilization.

B. Technology Absorption, Research & Development (R & D) :
1. Specific areas in which R & D carried out by the Company :

- * Development of new and innovative products to expand market and increase consumption.
- * All aspects of supply chain to reduce the cost of materials, to effect import substitution, process simplification and cycle time reduction.
- * Quality improvements and upgradation of raw materials suppliers.
- * Claim substantiation.

2. Benefits derived as a result of the above R & D :

Development of high quality, cost effective consumer preferred products. Generation of funds to grow the business through continuous improvement in our manufacturing processes, by reducing costs of raw and packaging materials, reduction in batch cycle time.

3. Future plan of action :

The Company continues to focus on developing new, innovative and high quality products to meet the ever changing consumer needs and drive growth. Continuous focus on reducing costs to fund the growth.

4. Expenditure on R & D :	2008-09
	[Rs. Lacs]
a) Capital	11.34
b) Recurring	2,01.56
c) Total	2,12.90
d) Total R & D expenditure as a percentage of total turnover...	0.13

Technology Absorption, adaptation and innovation :
1. Efforts, in brief, made towards technology absorption, adaptation and innovation :

- * The Company has developed clinically proven and highly efficacious dentifrice formulae.
- * The Company has developed and launched Colgate Sensitive Toothpaste.
- * The Company has developed cost effective formulations of Colgate Kids Toothpaste, Colgate Total Toothpaste and Plax Mouthrinse.

2. Benefits derived as a result of the above effects :

Market expansions through increase in market size and consumption. Benefits to consumers through quality enhancement and the reduction in costs of the products.

3. Imported Technology :

The Company continues to receive technological assistance from Colgate-Palmolive Company, USA, for development and manufacture of oral care products. The technology received by the Company is being absorbed and adapted to the demands of the local markets.

C. Foreign Exchange Earnings and Outgo :

During the year, the Company was able to generate export earnings of Rs. 74,57.11 Lacs. The particulars of foreign exchange earned/ utilized during the year are given in Schedule 25 to the Accounts.

Auditors' Report

To the Members of Colgate-Palmolive (India) Limited

1. We have audited the attached Balance Sheet of Colgate-Palmolive (India) Limited ("the Company") as at March 31, 2009, the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together, 'the Order') issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, of India (the Act), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the Directors as on March 31, 2009, and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement, together with the Notes thereon and annexed thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Partha Ghosh

Partner

Membership No. F-55913

For and on behalf of

Price Waterhouse

Chartered Accountants

Mumbai, May 29, 2009

Annexure to the Auditors' Report

(Referred to in Paragraph 3 of the Auditors' Report of even date to the members of Colgate-Palmolive (India) Limited on the financial statements for the year ended March 31, 2009)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets has not been disposed of by the Company during the year.
- (ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)(b) to (iii)(d) of the paragraph 4 of the Order are not applicable to the Company for the current year.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)(f) and (iii)(g) of the paragraph 4 of the Order are not applicable to the Company for the current year.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, for purchase of services made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lacs in respect of each party during the year, no comparison of prices could be made available as these services according to Management are of special nature.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of

Annexure to the Auditors' Report (Contd.)

(Referred to in Paragraph 3 of the Auditors' Report of even date to the members of Colgate-Palmolive (India) Limited on the financial statements for the year ended March 31, 2009)

products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including

provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, service tax, excise duty, cess and other material statutory dues as applicable with the appropriate authorities in India.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, customs duty and cess as at March 31, 2009, which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax and excise duty as at March 31, 2009 which have not been deposited on account of a dispute are as follows :

Sr. No.	Name of the Statute	Nature of the Dues	Amount under dispute not yet deposited (Rs. Lacs)	Forum where dispute is pending
1.	Excise Duty The Central Excise Act, 1944	Excise duty liability for the Financial Year 1999-2000 and 1994-1995. Excise duty liability for the Financial Years 2000-2001, 2001-2002, 2002-2003, 2003-2004 and 2004-2005 to 2007-2008	4.62 508.49	Customs, Excise and Service Tax Appellate Tribunal First Appellate Authorities
	Sub total		513.11	
2.	Sales Tax As per the Statutes applicable in the following states – New Delhi, Rajasthan, Maharashtra, Bihar, Orissa, Kerala, Andhra Pradesh, West Bengal, Uttar Pradesh, Madhya Pradesh, Punjab, Assam and Tripura.	Sales tax in dispute for the Financial Years 1995-1996, 1996-1997, 1997-1998, 2000-2001 to 2005-2006. Sales tax in dispute for the Financial Years 1988-1989, 1990-1991, 1993-1994, 1994-1995, 1997-1998, 1999-2000, 2001-2002, 2003-2004 and 2004-2005.	1,197.57 242.98	Assessing Authorities and First Appellate Authorities of various states Sales Tax Appellate Tribunal of various states.
	Sub total		1,440.55	
3.	Service Tax The Finance Act, 1994	Service tax in dispute for the Financial Years 2005-2006 and 2006-2007	2,032.78	Customs, Excise and Service Tax Appellate Tribunal

Annexure to the Auditors' Report (Contd.)

(Referred to in Paragraph 3 of the Auditors' Report of even date to the members of Colgate-Palmolive (India) Limited on the financial statements for the year ended March 31, 2009)

Sr. No.	Name of the Statute	Nature of the Dues	Amount under dispute not yet deposited (Rs. Lacs)	Forum where dispute is pending
		Service tax in dispute for the Financial Years 2001-2002, 2002-2003, 2003-2004, 2004-2005 and 2005-2006	489.95	First Appellate Authorities
	Sub total		2,522.73	
4.	Income Tax The Income Tax Act, 1961	Income tax in dispute for the Financial Year 2004-2005	76.76	First Appellate Authorities
	Sub total		76.76	
	Grand Total		4,553.15	

- (x) The Company has no accumulated losses as at March 31, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans.
- (xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

Partha Ghosh
Partner

Membership No. F-55913

For and on behalf of
Price Waterhouse
Chartered Accountants

Mumbai, May 29, 2009

Balance Sheet as at March 31, 2009

			As at March 31, 2008
	Schedule	Rs. Lacs	Rs. Lacs
Sources of Funds			
Shareholders' Funds			
Share Capital	1	13,59.93	13,59.93
Reserves and Surplus	2	<u>202,69.64</u>	148,60.69
			<u>162,20.62</u>
			216,29.57
Loan Funds			
Unsecured Loans	3		4,68.75
			<u>4,68.75</u>
Total			<u>220,98.32</u>
Application of Funds			
Fixed Assets			
	4		
Gross Block		425,25.56	449,59.43
Less : Depreciation/Amortisation/Impairment		<u>251,32.76</u>	258,18.85
Net Block		173,92.80	191,40.58
Capital Work-in-Progress and Advances for Capital Expenditure		<u>4,66.84</u>	7,58.84
			<u>198,99.42</u>
			178,59.64
Investments	5		38,32.89
Deferred Tax Asset (Net)	6		17,68.82
Current Assets, Loans and Advances			
Inventories	7	82,42.33	75,63.85
Sundry Debtors	8	11,13.45	9,18.55
Cash and Bank Balances	9	251,14.33	144,26.28
Interest Accrued on Investments/Deposits		7,18.76	2,64.20
Loans and Advances	10	<u>190,21.42</u>	169,95.67
		<u>542,10.29</u>	<u>401,68.55</u>
<i>Less :</i>			
Current Liabilities and Provisions			
Liabilities	11	394,54.14	346,93.43
Provisions	12	<u>161,19.18</u>	187,26.66
		<u>555,73.32</u>	<u>534,20.09</u>
Net Current Assets			(13,63.03)
Total			<u>220,98.32</u>
			<u>166,89.37</u>

The Schedules (1 to 25) referred to herein above form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Mumbai, May 29, 2009

For and on behalf of the Board

Deputy Chairman
Managing Director
Whole-time Director &
Chief Financial Officer
Whole-time Director &
Company Secretary

P. K. Ghosh
R. D. Calmeyer

M. A. Elias

K. V. Vaidyanathan

Mumbai, May 29, 2009

Cash Flow Statement for the year ended March 31, 2009

	2008-2009	2007-2008
	Rs. Lacs	Rs. Lacs
Cash flow from Operating Activities :		
Net Profit before Tax	345,30.65	292,04.91
Adjustment for :		
Unrealised Foreign Exchange Loss (Net)	8,75.44	23.19
Depreciation/Amortisation/Impairment	22,94.89	19,84.49
Reversal of diminution in Value of Investments	–	(7,50.00)
Interest Expense	1,10.01	1,43.51
Profit on Sale of Fixed Assets (Net)	(9,80.54)	(83.70)
Interest Income	(31,36.57)	(21,44.87)
Dividend from Subsidiaries (Net)	(3,97.56)	–
Gain on Maturity of Investments (Net)	(39.13)	–
Operating Profit before Working Capital Changes	<u>332,57.19</u>	<u>283,77.53</u>
Adjustment for (Increase)/Decrease in Working Capital :		
Inventories	(4,20.74)	4,68.78
Sundry Debtors	(1,94.90)	14.08
Loans and Advances	9,33.82	4,73.23
Current Liabilities and Provisions	31,86.50	31,46.23
Cash Generated from Operations	<u>367,61.87</u>	<u>324,79.85</u>
Direct Taxes Paid (Net)	(48,23.45)	(43,39.56)
Net Cash from/(used in) Operating Activities (A)	<u>319,38.42</u>	<u>281,40.29</u>
(Refer Note 2 below)		
Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(2,43.50)	(27,16.88)
Sale of Fixed Assets	11,07.27	1,19.45
(Purchase)/Sale of Investments in Subsidiaries (Net)	(1,65.28)	–
Sale of Other Investments	30,71.48	58,68.51
Capital Repatriation by Wholly-Owned Subsidiary	–	9,56.25
Inter Corporate Deposits (Placed)/Refunded (Net)	2,90.00	(38,85.00)
Loans to Subsidiaries	(33,35.00)	–
Interest Received	26,82.08	22,66.99
Dividend from Subsidiaries	7,75.61	–
Net Cash from/(used in) Investing Activities (B)	<u>41,82.66</u>	<u>26,09.32</u>
Cash Flow from Financing Activities :		
Long Term Loans Availed/(Paid) (Net)	–	41.25
Interest Paid	(1,10.01)	(1,43.51)
Dividend Paid	(217,46.08)	(113,33.41)
Repayment of Capital	–	(121,30.53)
Dividend Tax Paid	(36,57.04)	(39,29.04)
Net Cash from/(used in) Financing Activities (C)	<u>(255,13.13)</u>	<u>(274,95.24)</u>
Net increase in Cash and Cash Equivalents (A+B+C)	106,07.95	32,54.37
Cash and Cash Equivalents at the beginning of the year	144,26.28	111,71.91
Cash and Cash Equivalents taken over as per the Scheme of Amalgamation	80.10	–
Cash and Cash Equivalents at the end of the year	<u>251,14.33</u>	<u>144,26.28</u>

Cash Flow Statement for the year ended March 31, 2009 (Contd.)

	As at March 31, 2009	As at March 31, 2008
	Rs. Lacs	Rs. Lacs
Cash and Cash Equivalents comprise :		
Balances with Scheduled Banks in		
– Current Accounts	37,43.77	35,71.57
– Deposit Accounts	207,45.23	102,59.65
– Unpaid Dividend Accounts	6,25.33	5,95.06
Cash and Cash Equivalents as at the end of the year	<u>251,14.33</u>	<u>144,26.28</u>

Notes :

1. The Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Accounting Standard 3 “Cash Flow Statements”.
2. Net Cash from Operating Activities for the year is after cash outflow of **Rs. 4,86.21 Lacs** (Previous Year : Rs. 99.96 Lacs) for Voluntary Retirement Scheme.
3. In view of the matter stated in Note 13 on Schedule 25 to the Accounts, the figures of the current year are not directly comparable with those of the previous year.
4. Previous year figures have been re-grouped and re-arranged wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Mumbai, May 29, 2009

For and on behalf of the Board

Deputy Chairman
Managing Director
Whole-time Director &
Chief Financial Officer
Whole-time Director &
Company Secretary

Mumbai, May 29, 2009

P. K. Ghosh
R. D. Calmeyer

M. A. Elias

K. V. Vaidyanathan

Schedules forming part of the Balance Sheet as at March 31, 2009

	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs. Lacs
Schedule 1 : Share Capital		
Authorised		
1,37,00,00,000 Equity Shares of Re. 1 each	<u>137,00.00</u>	<u>137,00.00</u>
Issued, Subscribed and Paid-up		
13,59,92,817 Equity Shares of Re. 1 each fully paid	<u>13,59.93</u>	<u>13,59.93</u>
Of the above :		
(i) 5,44,76,910 Shares are held by Colgate-Palmolive Company, U.S.A., the Ultimate Holding Company.		
(ii) 1,48,79,426 Shares are held by Colgate-Palmolive (Asia) Pte. Ltd., Subsidiary of the Ultimate Holding Company.		
(iii) 11,18,85,735 Shares of Rs. 10 each (presently Re. 1 each) were allotted as fully paid Bonus Shares by capitalisation of General Reserves and Share Premium.		
Schedule 2 : Reserves and Surplus		
Capital Reserve		
Consideration for vacating rented godown	6.50	6.50
Special Capital Incentive from State Government	<u>20.00</u>	<u>20.00</u>
	26.50	26.50
Share Premium Account	12,79.93	12,79.93
General Reserve		
Balance, beginning of the year	129,77.09	106,59.99
Add : Adjustment as per the Scheme of Amalgamation (Refer Note 13 on Schedule 25)	1,99.95	-
Add : Transfer from Profit and Loss Account	<u>29,02.19</u>	<u>23,17.10</u>
	160,79.23	129,77.09
Profit and Loss Account Balance	<u>28,83.98</u>	<u>5,77.17</u>
	<u>202,69.64</u>	<u>148,60.69</u>
Schedule 3 : Unsecured Loans		
Loans [Repayable within one year Rs. 15.00 Lacs (Previous Year : Rs. Nil)]	4,68.75	4,68.75
	<u>4,68.75</u>	<u>4,68.75</u>

Schedules forming part of the Balance Sheet as at March 31, 2009

Schedule 4 : Fixed Assets

(Refer Note 2 on Schedule 17)

Rs. Lacs

Particulars	Gross Block		Depreciation/Amortisation/Impairment		Net Book Value		
	As at March 31, 2008	As at March 31, 2009	Up to March 31, 2008	For the Year	Up to March 31, 2009	As at March 31, 2009	As at March 31, 2008
	Cost Taken Over as per the Scheme of Amalgamation [Refer Note (iv) below]	Disposals/ Transfers	Up to March 31, 2008	Depreciation Taken Over as per the Scheme of Amalgamation [Refer Note (iv) below]	Disposals/ Transfers	Up to March 31, 2009	As at March 31, 2008
Intangible Assets							
Goodwill and Trademarks	27,29.81	-	27,29.81	-	-	27,29.81	-
Copyrights and Design	13,52.90	-	13,52.90	-	-	13,52.90	-
Technical Know-how	49,83.70	-	49,83.70	-	-	49,83.70	-
Tangible Assets							
Land - Leasehold (Refer Notes (i) and (iii) below)	4,29.45	-	27.93	4.47	6.37	26.03	4,01.52
Buildings (Refer Notes (ii) and (iii) below)	98,21.62	2.12	29,98.35	3,23.39	0.53	33,21.21	68,23.27
Plant and Machinery	216,68.56	4,84.14	103,74.75	4,03.20	25,96.64	99,15.27	112,93.81
Furniture and Equipment	39,69.59	49.24	33,47.61	84.11	8,64.75	28,00.04	6,21.98
Vehicles	3.80	11.92	3.80	11.92	-	3.80	-
Total	449,59.43	5,35.50	258,18.85	4,99.23	22,58.16	173,92.80	191,40.58
Total Previous Year	411,45.91	43,92.49	243,77.58	19,84.49	5,43.22	258,18.85	4,66.84
Add : Capital Work-in-Progress including advances on Capital Account Rs. Nil (Previous Year : Rs. 1,13.54 Lacs)							
Total						178,59.64	198,99.42

Notes :

- (i) Land - Leasehold comprises of lease rights in respect of the land in the possession of the Company under Lease/Agreements to Lease with Maharashtra Industrial Development Corporation (MIDC) at Aurangabad and Dombivli and Industrial Area Development Agency at Baddi.
- (ii) Buildings comprise of : (a) Factory Building at Sewri and leasehold rights in the land on which the building stands. While the ownership of the factory building is in the name of the Company, Mumbai Port Trust (MPT) has not yet effected formal transfer of lease rights in the said land, in favour of the Company. As regards the plot of land adjoining the factory building, MPT has revoked its offer of assignment. The Company has made a representation to MPT in this respect and the matter is pending. The amount of stamp duty and legal costs for such transfer will be capitalised when paid; (b) Factory buildings at Aurangabad, (c) Research Centre at Powai, Mumbai, (d) Building at MIDC Dombivli and (e) Factory Building at Baddi.
- (iii) Includes Land-Leasehold and Buildings having Gross block of **Rs. 89.50 Lacs** and **Rs. 2,22.24 Lacs** (Previous Year : Rs. 89.50 Lacs and Rs. 2,22.24 Lacs), and Net Book Value of **Rs. 83.90 Lacs** and **Rs. Nil** (Previous Year : Rs. 85.19 Lacs and Rs. Nil), respectively held for disposal.
- (iv) Cost and Depreciation taken over as per the Scheme of Amalgamation referred to in Note 13 on Schedule 25.
- (v) The Assets of the Company have been assessed for Impairment in accordance with Accounting Standard 28 "Impairment of Assets". Consequently, impairment of **Rs. 36.73 Lacs** (Previous Year : Rs. Nil) has been provided in the accounts during the year.

Schedules forming part of the Balance Sheet as at March 31, 2009

	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs. Lacs
Schedule 5 : Investments		
(Refer Note 3 on Schedule 17)		
(At Cost - Long Term, Unquoted, unless otherwise stated)		
A. In Subsidiary Companies (Trade)		
Nil (Previous Year : 1,70,000) Equity Shares of Nepalese Rs. 100 each fully paid in Colgate-Palmolive (Nepal) Private Limited (1,70,000 Equity Shares of Nepalese Rs. 100 each sold during the year) [Refer Note 12 on Schedule 25].	-	1,06.25
1,50,000 Equity Shares of Rs. 100 each fully paid in Advanced Oral Care Products Private Limited (Pre-acquisition dividend reduced from cost of Investment).*	1,38.26	3,10.76
9,00,600 Equity Shares of Rs. 10 each fully paid in Professional Oral Care Products Private Limited (Pre-acquisition dividend reduced from cost of Investment).*	1,32.12	2,17.67
Nil (Previous Year : 1,50,000) Equity Shares of Rs. 10 each fully paid in SS Oral Hygiene Products Private Limited (50,000 Equity Shares of Rs. 10 each invested during the current year aggregating Rs. 77.70 Lacs) (Equity Shares cancelled as per the Scheme of Amalgamation) [Refer Note 13 on Schedule 25].	-	1,03.06
1,50,000 (Previous Year : Nil) Equity Shares of Rs. 10 each fully paid in CC Healthcare Products Private Limited (Pre-acquisition dividend reduced from cost of Investment).	73.83	-
	3,44.21	7,37.74
* These companies have filed petitions before Bombay High Court of Goa for Amalgamation and the High Court was pleased to sanction the same. The amalgamation will be effective on the High Court order being filed with the Registrar of the Companies at Goa as stipulated by High Court in its order.		
B. Other Investments (Listed but not quoted) (Non-Trade)		
6.15% (Taxable) National Textile Corporation Bonds of the face value of Rs. 10,00 Lacs.	10,00.00	10,00.00
5.75% (Taxable) Unsecured, Redeemable, Non-Convertible Bonds of National Bank for Agriculture and Rural Development (Series 2) of the face value of Rs. 20,00 Lacs.	-	19,44.02
6.70% (Taxable) Unsecured, Redeemable, Non-Convertible, Non-Priority Sector Bonds of HUDCO-Bonds (Series - 13) of the face value of Rs. 10,00 Lacs.	9,98.17	9,98.17
9.25% (Tax Free) Secured, Redeemable, Non-Convertible Bonds of HUDCO-Gujarat Punarnirman (Series - 1C) of the face value of Rs. 9,50 Lacs.	9,59.00	9,59.00
	29,57.17	49,01.19

Schedules forming part of the Balance Sheet as at March 31, 2009

	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs. Lacs
C. Other Investments (Listed and quoted) (Non-Trade)		
6.75% Tax Free Bonds of Unit Trust of India of the face value of Rs. 10,71.48 Lacs [Market Value Rs. Nil (Previous Year : Rs. 10,65.59 Lacs)]	—	10,88.33
6.60% Tax Free Bonds of Unit Trust of India of the face value of Rs. 5,00 Lacs [Market Value Rs. 5,00.00 Lacs (Previous Year : Rs. 4,94.00 Lacs)]	5,31.51	5,31.51
	<u>5,31.51</u>	<u>16,19.84</u>
	<u>38,32.89</u>	<u>72,58.77</u>
 Aggregate book value of Investments :		
Unquoted	3,44.21	7,37.74
Listed but not quoted	29,57.17	49,01.19
Listed and quoted - Market Value Rs. 5,00.00 Lacs (Previous Year : Rs. 15,59.59 Lacs)	5,31.51	16,19.84
	<u>38,32.89</u>	<u>72,58.77</u>
 Schedule 6 : Deferred Tax Asset/(Liability) [Net] (Refer Note 9 on Schedule 17)		
Timing Difference between book and tax depreciation	(17,39.24)	(15,33.52)
Voluntary Retirement Scheme allowable over a period of five years in Income Tax	9,41.39	12,53.80
Accrual for expenses allowable only on payment	25,66.67	30,62.44
	<u>17,68.82</u>	<u>27,82.72</u>
 Schedule 7 : Inventories (Refer Note 4 on Schedule 17)		
Stores and Spares	3,68.85	3,89.74
Raw and Packing Materials	13,72.78	8,85.25
Work-in-Process	4,92.44	2,12.25
Finished Goods	60,08.26	60,76.61
	<u>82,42.33</u>	<u>75,63.85</u>
 Schedule 8 : Sundry Debtors		
Unsecured : Considered Good		
Over Six Months	—	—
Others	11,13.45	9,18.55
	<u>11,13.45</u>	<u>9,18.55</u>

Schedules forming part of the Balance Sheet as at March 31, 2009

	As at March 31, 2009	As at March 31, 2008
	Rs. Lacs	Rs. Lacs
Schedule 9 : Cash and Bank Balances		
Balances with Scheduled Banks in :		
– Current Accounts	37,43.77	35,71.57
– Deposit Accounts	207,45.23	102,59.65
– Unclaimed Dividend Accounts	6,25.33	5,95.06
	<u>251,14.33</u>	<u>144,26.28</u>
Schedule 10 : Loans and Advances		
Secured :		
Loans to Employees	3,58.20	3,47.42
[include amounts due from an officer of the Company Rs. 23.56 Lacs (Previous Year : Rs. 24.76 Lacs) - maximum amounts due during the year : Rs. 24.76 Lacs (Previous Year : Rs. 25.96 Lacs)]		
Unsecured : Considered Good		
Inter-Corporate Deposits	102,14.00	107,04.00
[include amounts due from Subsidiaries : Rs. 26,00.00 Lacs (Previous Year: Rs. 28,70.00 Lacs)]		
Loans to Subsidiaries (Refer Note 14 on Schedule 25)	33,35.00	–
Advances Recoverable in Cash or in Kind or for Value to be Received	15,03.91	21,77.29
[include amounts due from Subsidiaries : Rs. 1,52.01 Lacs (Previous Year : Rs. 2,24.99 Lacs)]		
Balances with Excise Authorities	8.04	8.99
Deposits - Others	36,02.27	37,57.97
	<u>190,21.42</u>	<u>169,95.67</u>
Schedule 11 : Liabilities		
Sundry Creditors		
– Micro and Small Enterprises (Refer Note 8 on Schedule 25)	3,38.88	81.86
– Others	338,33.89	303,90.55
[include amount due to Subsidiaries : Rs. 5,84.08 Lacs (Previous Year : Rs. 23,73.52 Lacs)]		
Unclaimed Dividends*	6,25.33	5,95.06
Other Liabilities	46,56.04	36,25.96
	<u>394,54.14</u>	<u>346,93.43</u>
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
Schedule 12 : Provisions		
Taxation (net of advance tax payments)	1,05.56	2,04.74
Fringe Benefit Taxation (net of advance tax payments)	5,53.97	4,43.39
Final Dividend - Proposed	–	95,19.50
Second Interim Dividend	81,59.57	–
Dividend Tax	13,86.72	16,17.84
Retirement Benefits (Refer Note 7 on Schedule 17 and Schedule 18)	12,93.84	10,99.07
Others/Contingencies (Refer Note 6 on Schedule 17 and Schedule 24)	46,19.52	58,42.12
	<u>161,19.18</u>	<u>187,26.66</u>
	<u>555,73.32</u>	<u>534,20.09</u>

Schedules forming part of the Profit and Loss Account for the year ended March 31, 2009

	2008-2009	2007-2008
Rs. Lacs	Rs. Lacs	Rs. Lacs
Schedule 13 : Other Income		
Interest		
– On Bank Deposits	12,51.45	5,95.53
– On Long Term Investments	3,76.05	7,42.76
– Others	15,09.07	8,06.58
[Tax Deducted at Source Rs. 5,44.14 Lacs (Previous Year : Rs. 3,21.98 Lacs)]		
Cash Discount	1,08.40	1,34.95
Gain on Maturity of Long Term Investments (Net)	39.13	–
Provisions no Longer Required Written Back	5,30.00	14,62.00
Bad Debts Recovered	98.41	–
Service Income	52,49.50	44,08.87
Profit on Sale of Assets (Net)	9,80.54	83.70
Dividend from Subsidiaries (Net)	3,97.56	–
Miscellaneous	2,35.61	2,43.73
	<u>107,75.72</u>	<u>84,78.12</u>
Schedule 14 : Cost of Goods Sold		
Opening Stock		
Work-in-Process	2,12.25	1,86.56
Finished Goods	60,76.61	60,26.74
Add : Stock taken over as per the Scheme of Amalgamation (Refer Note 13 on Schedule 25)	<u>1,07.41</u>	–
	63,96.27	<u>62,13.30</u>
Raw and Packing Materials Consumed		
Opening Stock	8,85.25	14,00.97
Add : Stock taken over as per the Scheme of Amalgamation (Refer Note 13 on Schedule 25)	1,38.34	–
Add : Purchases [Net of transfer of Rs. 6,57.12 Lacs (Previous Year : Rs. 5,52.69 Lacs)]	<u>399,11.38</u>	274,87.18
	409,34.97	<u>288,88.15</u>
Less : Closing Stock	<u>13,72.78</u>	8,85.25
	395,62.19	<u>280,02.90</u>
Purchased Finished Goods	459,58.46	342,16.20
Less : Closing Stock	350,19.02	354,91.88
Work-in-Process	4,92.44	2,12.25
Finished Goods	<u>60,08.26</u>	60,76.61
	65,00.70	<u>62,88.86</u>
Increase/(Decrease) in Excise Duty on Finished Goods (Refer Note 10 on Schedule 25)	(3,46.02)	(1,41.57)
	<u>741,30.76</u>	<u>632,77.65</u>
Schedule 15 : Employee Costs		
Salaries, Wages and Bonus	119,59.04	99,46.85
Voluntary Retirement Scheme Cost (Refer Note 7 on Schedule 17)	4,86.21	99.96
Contribution to Provident, Gratuity and Other Funds	13,73.76	11,93.35
Staff Welfare Expenses	5,21.64	5,87.52
	<u>143,40.65</u>	<u>118,27.68</u>

Schedules forming part of the Profit and Loss Account for the year ended March 31, 2009

	2008-2009	2007-2008
Rs. Lacs	Rs. Lacs	Rs. Lacs
Schedule 16 : Other Expenses		
Consumption of Stores and Spares	4,97.48	4,18.20
Processing Charges	1,39.52	77.31
Power and Fuel	11,09.75	7,74.26
Freight and Forwarding Charges	44,23.53	35,35.63
Rent	7,06.85	5,66.32
Rates and Taxes	10,00.91	7,31.38
Insurance	1,76.37	1,64.25
Repairs and Maintenance		
– Plant and Machinery	8,08.46	8,94.34
– Buildings	87.51	83.26
– Others	1,19.17	1,96.37
	<u>10,15.14</u>	<u>11,73.97</u>
Advertising and Sales Promotion	271,71.68	256,50.83
Directors' Fees	10.35	10.40
Auditors' Remuneration :		
– As Auditors	72.00	60.50
In other capacity in respect of		
– Other Matters	20.50	17.50
– Out-of-Pocket Expenses	1.58	1.53
	<u>94.08</u>	<u>79.53</u>
Sales Taxes absorbed	61.98	5,10.30
Royalty	59,66.66	42,65.19
Bad Debts Written Off	–	12.10
Exchange Loss (Net)	9,04.22	1,16.99
Interest [Includes Rs. 37.50 Lacs (Previous Year : Rs. 37.09 Lacs) on Fixed Loans]	1,10.01	1,43.51
Travel and Conference Expenses	19,60.65	21,99.14
Outside Services	28,68.54	23,78.70
Miscellaneous	67,42.40	67,13.28
	<u>549,60.12</u>	<u>495,21.29</u>

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Schedule 17 : Significant Accounting Policies

1. Basis of Accounting

The Financial Statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006.

2. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The Company capitalises all direct costs relating to the acquisition and installation of

fixed assets. Interest on borrowed funds, if any, used to finance the acquisition of fixed assets, is capitalised up to the date the assets are ready for commercial use. Under utilised/Idle assets are recorded at estimated realisable value.

Intangible Assets

Goodwill and other Intangible Assets are amortised over the useful life of the assets, not exceeding 10 years.

Tangible Assets

Lease-hold land is being amortised over the period of lease.

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Depreciation is provided pro-rata to the period of use on straight-line method based on the estimated useful lives of the assets, as stated below :

Assets	Useful Lives
Residential and Office Building *	40 Years
Factory Building *	20 Years
Plant and Machinery	7 Years to 21 Years
Dies and Moulds	3 Years
Furniture and Fixtures	5 Years
Office Equipment	5 Years
Computers	5 Years
Vehicles	5 Years

* In respect of buildings acquired, estimated useful life is considered from the date of completion of construction.

The useful lives of the assets are based on technical estimates approved by the Management, and are lower than the implied useful lives arrived on the basis of the rates prescribed under Schedule XIV to the Companies Act, 1956 of India. Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

Impairment

At each balance sheet date, the Company reviews the carrying value of tangible and intangible assets for any possible impairment. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or estimated future cash flows which are discounted to their present value based on appropriate discount rates. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (cash generating unit).

3. Investments

Long term investments are valued at cost. Current investments are valued at lower of cost and fair value as on the date of the Balance Sheet. The Company provides for diminution in value of investments, other than temporary in nature.

4. Inventories

Inventories of raw and packing materials, work-in-

process and finished goods are valued at lower of cost and net realisable value. Cost of work-in-process and finished goods includes materials, labour and manufacturing overheads and other costs incurred in bringing the inventories to their present location. Cost is determined using standard cost method that approximates actual cost. The Company accrues for customs duty liability in respect of stocks of raw material lying in bond, and excise duty liability in respect of stocks of finished goods lying in bond and warehouses.

5. Revenue Recognition

Sales are recognised upon delivery of goods and are recorded net of trade discounts, rebates, sales tax/value added tax and excise duty on own manufactured and outsourced products.

6. Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' is made.

7. Expenditure

Advertising expenses are consistently accrued and recognised in the year in which the related activities are carried out.

The Company has Defined Contribution Plan for its employees' retirement benefits comprising of Provident Fund and Superannuation Fund which are recognised by the Income Tax Authorities and administered through its trustees/appropriate authorities. The Company contributes to Provident Fund and Superannuation Fund for its employees. In respect of employees covered by Provident Fund trust, interest rates payable by the trust to the beneficiaries every year is being notified by the Government. The Company has an obligation

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate. The Company contributes to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme 1995.

The Company has Defined Benefit Plan comprising of Gratuity Fund and Pension Scheme. The Company contributes to the Gratuity Fund which is recognised by the Income Tax Authorities and administered through its trustees. The liability for the Gratuity Fund and the Pension Scheme is determined on the basis of an independent actuarial valuation done at the year end using Projected Unit Credit Method. The Company has Leave Encashment Entitlements which are provided on the basis of independent actuarial valuation done at the year end using Projected Unit Credit Method. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognised immediately in the Profit and Loss Account as income or expense.

Expenditure on Voluntary Retirement Scheme is charged to the Profit and Loss Account in the year in which it is incurred.

Schedule 18 : Employee Benefits

In accordance with Accounting Standard 15 "Employee Benefits", the Company has classified various benefits provided to employees as under :

I Defined Contribution Plans

- a. Provident Fund*
- b. Superannuation Fund
- c. State Defined Contribution Plans
 - i. Employers' Contribution to Employees' State Insurance
 - ii. Employers' Contribution to Employees' Pension Scheme 1995

During the year, the Company has recognised the following amounts in the Profit and Loss Account :

	2008-2009	2007-2008
	Rs. Lacs	Rs. Lacs
- Employers' Contribution to Provident Fund*	4,35.74	3,54.58
- Employers' Contribution to Superannuation Fund	1,95.00	2,04.92
- Employers' Contribution to Employees' State Insurance	12.83	7.68
- Employers' Contribution to Employees' Pension Scheme 1995	82.11	70.30

Included in Contribution to Provident and Other Funds (Refer Schedule 15)

* The Guidance on implementing AS 15, "Employee Benefits" issued by the Accounting Standards Board (ASB) states benefit involving employer established provident funds, which require interest shortfall to be recompensed are to be considered as defined benefit plans. Pending the issuance of the guidance note from the Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly, the Company is unable to exhibit the related information.

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Schedule 18 : Employee Benefits (Contd.)

II Defined Benefit Plans

Contribution to Gratuity Fund (Funded Scheme) and contribution to Pension Scheme (Non-Funded Scheme). In accordance with Accounting Standard 15, actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions :

	2008-2009	2007-2008
Discount Rate (per annum)	7.90%	8.50%
Rate of increase in Compensation levels	10% for first four years & 7% thereafter	10% for first five years & 7% thereafter
Rate of Return on Plan Assets (for Funded Scheme)	7.50%	7.50%
Expected Average remaining working lives of employees (years)	17.77	17.05
A) (i) Changes in the Present Value of Obligation (Funded Scheme)	Rs. Lacs	Rs. Lacs
Present Value of Obligation at the beginning of the year	17,59.37	14,73.19
Add : Balance taken over as per the Scheme of Amalgamation	42.09	–
Interest Cost	1,64.75	1,17.63
Current Service Cost	2,11.01	1,61.23
Benefits Paid	(1,98.15)	(3,39.39)
Actuarial (Gain)/Loss due to Curtailment	19.82	–
Actuarial (Gain)/Loss on Obligations	2,34.49	3,46.71
Present Value of Obligation as at the end of the year	<u>22,33.38</u>	<u>17,59.37</u>
A) (ii) Changes in the Present Value of Obligation (Non-Funded Scheme)		
Present Value of Obligation at the beginning of the year	81.23	64.34
Interest Cost	4.65	3.15
Current Service Cost	5.73	4.68
Actuarial (Gain)/Loss on Obligations	15.93	9.06
Present Value of Obligation as at the end of the year	<u>1,07.54</u>	<u>81.23</u>
B) (i) Changes in the Fair Value of Plan Assets (For Funded Scheme)		
Present Value of Plan Assets at the beginning of the year	14,05.16	15,07.21
Add : Balance taken over as per the Scheme of Amalgamation	21.32	–
Expected Return on Plan Assets	1,11.05	1,08.21
Actuarial Gain/(Loss)	(1,02.75)	(21.62)
Contributions	5,74.75	1,50.75
Benefits Paid	(1,98.15)	(3,39.39)
Fair Value of Plan Assets as at the end of the year	<u>18,11.38</u>	<u>14,05.16</u>

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Schedule 18 : Employee Benefits (Contd.)	2008-2009	2007-2008
B) (ii) Percentage of each category of Plan Assets to total Fair Value of Plan Assets		
Category of Assets (% Allocation)	%	%
Government of India Securities	12%	15%
Corporate Bonds	19%	39%
Special Deposit Scheme	–	21%
Insurer Managed Funds	57%	17%
Others	12%	8%
C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets		
	Rs. Lacs	Rs. Lacs
Present Value of Funded Obligation as at the end of the year	22,33.38	17,59.37
Fair Value of Plan Assets as at the end of the year	18,11.38	14,05.16
Funded Status	4,22.00	3,54.21
Present Value of Unfunded Obligation as at the end of the year	1,07.54	81.23
Unfunded Liability Recognised in Balance Sheet	<u>5,29.54</u>	<u>4,35.44</u>
Included in Provisions (Refer Schedule 12)		
D) (i) Amount recognised in the Balance Sheet (Funded Scheme)		
Present Value of Obligation as at the end of the year	22,33.38	17,59.37
Fair Value of Plan Assets as at the end of the year	18,11.38	14,05.16
Liability/(Asset) Recognised in the Balance Sheet	<u>4,22.00</u>	<u>3,54.21</u>
D) (ii) Amount recognised in the Balance Sheet (Non-Funded Scheme)		
Present Value of Obligation as at the end of the year	1,07.54	81.23
Liability/(Asset) Recognised in the Balance Sheet	<u>1,07.54</u>	<u>81.23</u>
E) (i) Expenses recognised in the Profit and Loss Account (Funded Scheme)		
Current Service Cost	2,11.01	1,61.23
Interest Cost	1,64.75	1,17.63
Expected Return on Plan Assets	(1,11.05)	(1,08.21)
Losses/(Gain) on Curtailments and Settlements	19.82	–
Net actuarial (Gain)/Loss recognised in the period	3,37.24	3,68.33
Total Expenses recognised in the Profit and Loss Account	<u>6,21.77</u>	<u>5,38.98</u>
Included in Contribution to Provident and Other Funds (Refer Schedule 15)		
E) (ii) Expenses recognised in the Profit and Loss Account (Non-Funded Scheme)		
Current Service Cost	5.73	4.68
Interest Cost	4.65	3.15
Net actuarial (Gain)/Loss recognised in the period	15.93	9.06
Total Expenses recognised in the Profit and Loss Account	<u>26.31</u>	<u>16.89</u>
Included in Contribution to Provident and Other Funds (Refer Schedule 15)		

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Schedule 18 : Employee Benefits (Contd.)	2008-2009	2007-2008	
	Rs. Lacs	Rs. Lacs	
F) Expected Contribution to be paid for next year			
Expected Contribution to be paid for next year			
– Funded	3,21.49	2,50.00	
– Unfunded	82.42	64.47	
G) Details of Present Value of Obligation, Plan Assets and Actuarial Gain/Loss	2008-2009	2007-2008	2006-2007
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Present Value of Obligation			
– Funded	22,33.38	17,59.37	14,73.19
– Unfunded	1,07.54	81.23	64.34
Fair Value of Plan Assets	18,11.38	14,05.16	15,07.21
(Surplus)/Deficit	5,29.54	4,35.44	30.32
Actuarial Gain/(Loss) on Plan Assets	(1,02.75)	(21.62)	(42.20)
Actuarial (Gain)/Loss on Present Value of Obligation (Funded)	2,34.49	3,46.71	(29.52)
Actuarial (Gain)/Loss on Present Value of Obligation (Unfunded)	15.93	9.06	(1.14)
III Other Employee Benefit Plan			
The liability for leave encashment as at the year end is Rs. 7,64.30 Lacs (Previous Year : Rs. 6,63.63 Lacs).			

Schedule 19 : Segment Information

In accordance with the requirements of Accounting Standard-17 "Segment Reporting", the Company's Business Segment is "Personal Care (including Oral Care)" and hence it has no other primary reportable segments. Non Reportable Segment has been disclosed as unallocated reconciling item. Segment revenue and Segment expenses have been accounted on the basis of their relationship to the operating activities of the Company. Assets and liabilities which relate to the enterprise as a whole and are not allocable to the segment on a reasonable basis have been included under unallocated assets/liabilities. Revenue and expenses pertaining to non reportable segment have been disclosed as unallocated results.

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Schedule 19 : Segment Information (Contd.)

Primary Reportable Segment

Particulars	2008-2009	2007-2008
	Rs. Lacs	Rs. Lacs
1. Segment Revenue from Operations	1,694,81.35	1,473,37.90
Unallocated Income	52,49.50	44,08.87
Other Income	55,26.22	40,69.25
	<u>1,802,57.07</u>	<u>1,558,16.02</u>
2. Segment Results	288,06.15	250,23.62
Add : Unallocated results	3,08.29	2,55.55
Add : Other Income	55,26.22	40,69.25
Less : Interest and Financial charges	1,10.01	1,43.51
Total Profit before Tax	<u>345,30.65</u>	<u>292,04.91</u>
3. Capital Employed		
Segment Assets	536,51.25	447,62.90
Add : Unallocated Corporate Assets	240,20.39	253,46.56
Total Assets	<u>776,71.64</u>	<u>701,09.46</u>
Segment Liability	422,98.45	384,76.57
Add : Unallocated Corporate Liability	137,43.62	154,12.27
Total Liability	<u>560,42.07</u>	<u>538,88.84</u>
Segment Capital Employed	113,52.80	62,86.33
Add : Unallocated Capital Employed	102,76.77	99,34.29
Total Capital Employed	<u>216,29.57</u>	<u>162,20.62</u>
4. Capital Expenditure		
Segment Capital Expenditure	1,71.07	24,54.11
Add : Unallocated Capital Expenditure	72.43	2,62.77
Total Capital Expenditure	<u>2,43.50</u>	<u>27,16.88</u>
5. Depreciation/Amortisation/Impairment		
Segment Depreciation	20,15.40	17,59.35
Add : Unallocated Depreciation	2,79.49	2,25.14
Total Depreciation	<u>22,94.89</u>	<u>19,84.49</u>
6. Significant Non Cash Expenditure (excluding depreciation)	–	12.10

Secondary Reportable Segment

	India		Outside India		Total	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
	Rs. Lacs					
Revenue by geographical segment						
External	1,678,73.40	1,459,88.59	16,07.95	13,49.31	1,694,81.35	1,473,37.90
Internal Segment	–	–	–	–	–	–
Total	1,678,73.40	1,459,88.59	16,07.95	13,49.31	1,694,81.35	1,473,37.90
Carrying amount of segment assets	536,51.25	447,62.90	–	–	536,51.25	447,62.90
Capital Expenditure	1,71.07	24,54.11	–	–	1,71.07	24,54.11

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Schedule 20 : Disclosure of Related Parties

1. Related Party Disclosures, as required by Accounting Standard 18, "Related Party Disclosures", are given below :

- | | |
|---|---|
| i) Ultimate Holding Company | : Colgate-Palmolive Company, U.S.A. |
| ii) Subsidiaries | : Colgate-Palmolive (Nepal) Private Limited (Upto November 19, 2008)
: Advanced Oral Care Products Private Limited
: Professional Oral Care Products Private Limited
: SS Oral Hygiene Products Private Limited (Merged with the Company effective April 1, 2008)
: CC Healthcare Products Private Limited (effective April 2, 2008) |
| iii) Group Companies where common control exists | : Colgate-Palmolive (Malaysia) Mktg. SDN BHD
: Colgate-Palmolive, Manufacturing (Poland) Sp.z.o.o
: Colgate-Palmolive, Philippines, Inc.
: Colgate-Palmolive, East Africa Ltd., Kenya
: Colgate-Palmolive, Marocco Limited
: Colgate-Palmolive Pty Ltd., South Africa
: Colgate-Palmolive Pty Ltd., Australia
: Colgate-Palmolive (Thailand) Ltd.
: Colgate-Palmolive (H.K.) Ltd., Hongkong
: Colgate-Palmolive Management Services (H.K.) Limited
: Colgate-Palmolive (China) Co. Ltd., China
: Colgate-Palmolive Son Hai Ltd., Vietnam
: Colgate Sanxiao (Consumer Products) Company Limited
: Colgate-Palmolive, Senegal S. A.
: Colgate-Palmolive (U.K.) Limited
: Hawley & Hazel Chemical Company (H.K.) Limited
: Colgate-Palmolive, Temizlik, Urunleri, Turkey
: Colgate-Palmolive Cameroun S. A.
: Colgate-Palmolive Romania srl.
: Mission Hills S.A. DE C.V.
: CP Global Export - France
: Colgate-Palmolive (Fiji) Limited
: Colgate-Palmolive Company Puerto Rico
: Colgate-Palmolive (E) Pte. Ltd.
: Colgate-Palmolive Industria E Comercio Ltda, Brazil
: Colgate-Palmolive Arabia Ltd.
: Colgate Palmolive Compania, Colombia
: Colgate-Palmolive (Asia) Pte. Ltd., Singapore
: Colgate-Palmolive Compania Anonima, Caracas
: Colgate-Palmolive Tanzania Limited
: CP Hawley & Hazel Chemical Co., (ZS) Ltd.
: Colgate-Palmolive Zambia Inc.
: Colgate-Palmolive Russia
: Colgate-Palmolive Services Poland
: Colgate-Palmolive (PNG) Limited, PNG
: Hills Pet Nutrition, Inc., Topeka
: Colgate Flavors and Fragrances Inc., New York |
| iv) Key Management Personnel | : Roger Calmeyer
: Moses Elias
: K. V. Vaidyanathan |
| v) Relatives of Key Management Personnel | : Mrs. Pratima Elias |

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Schedule 20 : Disclosure of Related Parties (Contd.)

The Company has entered into transaction with the ultimate Holding Company, subsidiaries, various group companies where common control exists and other related parties as follows :

Nature of Transaction	Parties referred to in (i) above		Parties referred to in (ii) above		Parties referred to in (iii) above		Parties referred to in (iv) above		Parties referred to in (v) above		Total	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008		
	Rs. Lacs											
Purchase of Goods/Materials												
Colgate-Palmolive (Nepal) Private Limited	-	-	9,85.60	26,15.47	-	-	-	-	-	-	9,85.60	26,15.47
Advanced Oral Care Products Private Limited	-	-	143,85.11	46,64.41	-	-	-	-	-	-	143,85.11	46,64.41
Professional Oral Care Products Private Limited	-	-	127,34.34	52,49.23	-	-	-	-	-	-	127,34.34	52,49.23
SS Oral Hygiene Products Private Limited	-	-	-	17,82.69	-	-	-	-	-	-	-	17,82.69
Others	-	-	25,84.10	6,16.37	7,60.31	6,16.37	-	-	-	-	33,44.41	6,16.37
Sub-Total	-	-	306,89.15	143,11.80	7,60.31	6,16.37	-	-	-	-	314,49.46	149,28.17
Sale of Goods/Materials												
Advanced Oral Care Products Private Limited	-	-	2,27.29	19.28	-	-	-	-	-	-	2,27.29	19.28
Colgate-Palmolive, East Africa Ltd., Kenya	-	-	-	-	6,02.54	4,75.11	-	-	-	-	6,02.54	4,75.11
Colgate-Palmolive Tanzania Limited	-	-	-	-	1,24.67	1,01.60	-	-	-	-	1,24.67	1,01.60
Others	-	-	13.78	11.39	2,04.34	1,74.84	-	-	-	-	2,18.12	1,86.23
Sub-Total	-	-	2,41.07	30.67	9,31.55	7,51.55	-	-	-	-	11,72.62	7,82.22
Sale of Assets												
Advanced Oral Care Products Private Limited	-	-	9,37.79	49.16	-	-	-	-	-	-	9,37.79	49.16
Others	-	-	91.86	49.16	-	-	-	-	-	-	91.86	-
Sub-Total	-	-	10,29.65	49.16	-	-	-	-	-	-	10,29.65	49.16
Interest Received												
Advanced Oral Care Products Private Limited	-	-	2,44.90	30.69	-	-	-	-	-	-	2,44.90	30.69
Professional Oral Care Products Private Limited	-	-	56.00	23.32	-	-	-	-	-	-	56.00	23.32
SS Oral Hygiene Products Private Limited	-	-	-	9.99	-	-	-	-	-	-	-	9.99
CC Healthcare Products Private Limited	-	-	44.82	64.00	-	-	-	-	-	-	44.82	-
Sub-Total	-	-	3,45.72	64.00	-	-	-	-	-	-	3,45.72	64.00
Services Rendered												
Colgate-Palmolive Company, U.S.A.	53,05.40	44,60.45	-	-	-	-	-	-	-	-	53,05.40	44,60.45
Others	-	-	-	-	29.16	-	-	-	-	-	29.16	-
Sub-Total	53,05.40	44,60.45	-	-	29.16	-	-	-	-	-	53,34.56	44,60.45
Services Received												
Colgate-Palmolive Company, U.S.A.	25,10.85	16,97.47	-	-	-	-	-	-	-	-	25,10.85	16,97.47
Colgate-Palmolive Management Services (H.K.) Limited	-	-	-	-	9,00.17	11,45.12	-	-	-	-	9,00.17	11,45.12
Sub-Total	25,10.85	16,97.47	-	-	9,00.17	11,45.12	-	-	-	-	34,11.02	28,42.59
Reimbursement of Expenses Receivable/ (Payable)												
Colgate-Palmolive Company, U.S.A.	(10,07.23)	(8,63.77)	-	-	-	-	-	-	-	-	(10,07.23)	(8,63.77)
Others	-	-	-	-	32.54	(3,14)	-	-	-	-	32.54	(3,14)
Sub-Total	(10,07.23)	(8,63.77)	-	-	32.54	(3,14)	-	-	-	-	(9,74.69)	(8,66.91)

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Schedule 20 : Disclosure of Related Parties (Contd.)

Nature of Transaction	Parties referred to in (i) above		Parties referred to in (ii) above		Parties referred to in (iii) above		Parties referred to in (iv) above		Parties referred to in (v) above		Total	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
	Rs. Lacs											
Others - Payable/(Receivable)	14.79	26.46	-	-	-	-	-	-	-	-	14.79	26.46
Colgate-Palmolive Company, U.S.A.	-	-	-	-	-	-	-	-	-	-	-	-
Colgate-Palmolive Pty Ltd., Australia	-	-	-	(10.88)	-	-	-	-	-	-	-	(10.88)
Colgate-Palmolive Management Services (H.K.) Limited	-	-	-	4.64	6.84	6.84	-	-	-	-	6.84	4.64
Colgate-Palmolive (Thailand) Limited	-	-	-	0.07	18.02	18.02	-	-	-	-	18.02	0.07
Others	-	-	-	5.68	3.19	3.19	-	-	-	-	3.19	5.68
Sub-Total	14.79	26.46	-	(0.49)	28.05	28.05	-	-	-	-	42.84	25.97
Inter-Corporate deposits given/(Repayment)	-	-	(7,70.00)	11,70.00	-	-	-	-	-	-	(7,70.00)	11,70.00
Advanced Oral Care Products Private Limited	-	-	-	(1,00.00)	-	-	-	-	-	-	-	(1,00.00)
SS Oral Hygiene Products Private Limited	-	-	7,00.00	-	-	-	-	-	-	-	7,00.00	-
CC Healthcare Products Private Limited	-	-	(70.00)	10,70.00	-	-	-	-	-	-	(70.00)	10,70.00
Sub-Total	-	-	33,35.00	33,35.00	-	-	-	-	-	-	33,35.00	-
Loans to Subsidiaries given/(Repayment)	-	-	-	-	-	-	-	-	-	-	-	-
Advanced Oral Care Products Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-	-	-	-	-	-
Repatriation of Capital	-	-	-	9,56.25	-	-	-	-	-	-	-	9,56.25
Colgate-Palmolive (Nepal) Private Limited	-	-	-	9,56.25	-	-	-	-	-	-	-	9,56.25
Sub-Total	-	-	-	9,56.25	-	-	-	-	-	-	-	9,56.25
Dividend Paid/Proposed	81,71.54	70,81.99	-	-	-	-	-	-	-	-	81,71.54	70,81.99
Colgate-Palmolive Company, U.S.A.	-	-	-	-	-	-	-	-	-	-	-	-
Colgate-Palmolive (Asia) Pte. Ltd., Singapore	-	-	-	19,34.33	22,31.91	22,31.91	-	-	-	-	19,34.33	22,31.91
Sub-Total	81,71.54	70,81.99	-	19,34.33	22,31.91	22,31.91	-	-	-	-	104,03.45	90,16.32
Reduction of Share Capital	-	-	-	-	-	-	-	-	-	-	-	-
Colgate-Palmolive Company, U.S.A.	-	-	-	-	-	-	-	-	-	-	-	-
Colgate-Palmolive (Asia) Pte. Ltd., Singapore	-	-	-	13,39.15	-	-	-	-	-	-	-	13,39.15
Sub-Total	-	49,02.92	-	13,39.15	-	-	-	-	-	-	-	49,02.92
Dividend Received	-	-	3,45.00	-	-	-	-	-	-	-	3,45.00	-
Advanced Oral Care Products Private Limited	-	-	3,45.00	-	-	-	-	-	-	-	3,45.00	-
Professional Oral Care Products Private Limited	-	-	1,75.62	-	-	-	-	-	-	-	1,75.62	-
CC Healthcare Products Private Limited	-	-	2,55.00	-	-	-	-	-	-	-	2,55.00	-
Sub-Total	-	-	7,75.62	-	-	-	-	-	-	-	7,75.62	-
Royalty and Technical Fees	50,74.29	37,31.09	-	-	-	-	-	-	-	-	50,74.29	37,31.09
Colgate-Palmolive Company, U.S.A.	50,74.29	37,31.09	-	-	-	-	-	-	-	-	50,74.29	37,31.09
Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
Roger Calmeyer	-	-	-	-	-	-	-	-	-	-	-	-
Moses Elias	-	-	-	-	-	-	-	-	-	-	-	-
K. V. Vaidyanathan	-	-	-	-	-	-	-	-	-	-	-	-
Vinay Hegde	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-	-	-	-	-	-
Reduction of Share Capital	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Loan	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Loan Received	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Receivable net of Payable	62,25.10	26,79.05	56,07.87	21,63.60	1,38.48	1,91.30	23.56	24.76	-	-	57,69.91	23,79.66
Outstanding Payable net of Receivable	-	-	14,83.23	15,32.56	-	-	-	-	-	-	77,08.33	56,42.81

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

	2008-2009	2007-2008
	Rs. Lacs	Rs. Lacs
Schedule 21 : Lease Accounting		
1. The Company has leased vehicles and computer equipments under "Operating Leases". The lease payments to be made in future in respect of the leases are as follows :		
Upto 1 year	3,49.96	4,48.44
Greater than 1 year but less than 5 years	2,78.72	3,86.10
Greater than 5 years	–	–
2. Lease payments recognised in Profit and Loss Account are included in "Miscellaneous" under Other Expenses in Schedule 16.	5,92.41	5,96.17
Schedule 22 : Earnings Per Share		
Profit After Taxation (Rs. Lacs)	290,21.94	231,71.02
Weighted average number of shares (Nos.)	13,59,92,817	13,59,92,817
Nominal Values of shares outstanding (Re.)	1	1
Basic and Diluted Earnings Per Share (Rs.)	21.34	17.04
Schedule 23 : Contingencies and Commitments		
1. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of Rs. Nil (Previous Year : Rs. 37.76 Lacs)]	1,06.80	2,00.33
2. Contingent liabilities not provided for in respect of : (Refer Note 6 on Schedule 17)		
(i) Guarantees given by the Company	3,50.00	2,75.00
(ii) Counter Guarantees given to the Banks	2,24.28	2,03.43
(iii) Cheques Discounted with Banks	23,83.63	31,64.18
(iv) Claims against the Company not acknowledged as debts	1,42.90	55.82
(v) Excise Matters	4,24.84	2,32.79
(vi) Service Tax Matters	12,18.78	7,38.62
(vii) Income Tax Matters	18.79	–

Note :

Future cash flow in respect of (iv) to (vii) above, if any, is determinable only on receipt of judgements/decisions pending with the relevant authorities.

Schedule 24 : Others/Contingencies

(Refer Note 6 on Schedule 17)

	Commercial/Vendors	Direct/Indirect Taxes	Rs. Lacs
	(Refer Note 1 below)	(Refer Note 2 below)	Total
Opening Balance	11,50.00	46,92.12	58,42.12
Add : Provision made	–	2,44.13	2,44.13
Less : Provision Utilised/Reversed	11,50.00	3,16.73	14,66.73
Closing Balance	–	46,19.52	46,19.52

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Notes:

1. Commercial/Vendors

Represents estimates made for probable liabilities/claims arising out of commercial transaction with vendors. Further information usually required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" is not disclosed since the same can be prejudicial to the interests of the Company.

2. Direct/Indirect Taxes

Represents estimates made for probable liabilities arising out of pending disputes/litigations with various tax authorities. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the Company under the law and hence the Company is not able to reasonably ascertain the timing of the outflow.

Schedule 25 : Supplementary Information

1. Details of Raw and Packing Materials consumed :

	Unit	2008-2009		2007-2008	
		Quantity	Value Rs. Lacs	Quantity	Value Rs. Lacs
Chemicals	M.T.	48,696	195,61.57	37,637	143,32.16
Tubes and Containers	Gross	44,12,678	107,07.44	30,48,873	72,93.49
Oils	M.T.	421	27,40.13	309	14,64.84
Cartons	Gross	39,16,944	52,46.45	26,72,449	39,02.57
Others			19,63.72		15,62.53
Less : Transfer of Materials			6,57.12		5,52.69
Total			395,62.19		280,02.90

2. Value of imported and indigenous Raw and Packing Materials, Stores and Spare Parts consumed :

	2008-2009		2007-2008	
	Value Rs. Lacs	% to Total Consumption	Value Rs. Lacs	% to Total Consumption
Raw and Packing Materials :				
Imported at landed cost	68,77.59	17	31,57.74	11
Indigenously obtained	326,84.60	83	248,45.16	89
Total	395,62.19	100	280,02.90	100
Stores and Spare Parts :				
Imported at landed cost	2,18.55	44	3,30.69	79
Indigenously obtained	2,78.93	56	87.51	21
Total	4,97.48	100	4,18.20	100

3. Value of imports calculated on C.I.F. basis (on payment basis) :

	2008-2009 Rs. Lacs	2007-2008 Rs. Lacs
Raw Materials	35,82.23	24,50.37
Finished Goods	3,42.03	5,50.60
Capital Goods	1,74.97	6,51.90
Spares	2,93.90	2,36.23

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Schedule 25 : Supplementary Information (Contd.)

4. Expenditure in foreign currency (on payment basis) :

	2008-2009	2007-2008
	Rs. Lacs	Rs. Lacs
Travelling	57.78	95.54
Royalty (Net of tax)	35,64.43	33,40.19
Services Received	26,27.02	13,80.15
Others	10,53.82	5,47.18

5. Earnings in foreign currency (on receipt basis) :

Exports at F.O.B. Value	17,99.57	14,53.24
Services Rendered	56,57.54	51,04.73

6. Net Dividends remitted in foreign currency to one non-resident shareholder - Colgate-Palmolive Company, U.S.A. :

For the year	Nature of Dividend	No. of Equity Shares	2008-2009	2007-2008
			Rs. Lacs	Rs. Lacs
2006-2007	Special Dividend	54,476,910	-	10,89.54
2007-2008	First Interim	54,476,910	-	32,68.61
2007-2008	Final Dividend	54,476,910	38,13.38	-
2008-2009	First Interim	54,476,910	49,02.92	-
			87,16.30	43,58.15

Net Dividends remitted in foreign currency to one non-resident shareholder - Colgate-Palmolive (Asia) Pte. Ltd. :

2006-2007	Special Dividend	14,879,426	-	2,97.59
2007-2008	First Interim	14,879,426	-	8,92.77
2007-2008	Final Dividend	14,879,426	10,41.56	-
2008-2009	First Interim	14,879,426	13,39.15	-
			23,80.71	11,90.36

7. Information for each class of goods manufactured :

(a) Licensed Capacity, Installed Capacity and Actual Production :

		Unit	Annual capacity on three-shift basis		Actual Production
			Licensed	Installed	
Cosmetics and Toilet Preparation	2008-2009	M.T.	See Note (i) below	80,688	56,785
	2007-2008	M.T.	"	75,590	42,458
Flavour	2008-2009	M.T.	See Note (i) below	4,475	88
	2007-2008	M.T.	"	-	-
Tooth Brushes and Shave Brushes	2008-2009	Doz.	Not Applicable	-	8,273
	2007-2008	Doz.	"	-	5,104

Notes :

- (i) In terms of the Industrial Entrepreneurs Memoranda filed with the Government of India, Ministry of Commerce and Industry, New Delhi, the registered annual capacity at Baddi, HP of toothpaste is 66,000 tonnes (Previous Year : 66,000 tonnes) and Flavour is 4,475 tonnes (Previous Year : Nil).

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Schedule 25 : Supplementary Information (Contd.)

- (ii) The bristling operations for toothbrushes and shave brushes are carried out under manufacturing arrangements with third parties.
- (iii) The installed capacity as shown above has been certified by the Executive Vice-President - Manufacturing and Product Supply Chain and not verified by the Auditors, being a technical matter.

(b) Opening and Closing Stocks of Finished Goods :

	2008-2009				2007-2008			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	Doz.	Rs. Lacs	Doz.	Rs. Lacs	Doz.	Rs. Lacs	Doz.	Rs. Lacs
Soaps, Cosmetics and Toilet Preparations	61,01,894	52,61.01	62,10,304	53,17.62	64,72,264	51,28.02	61,01,894	52,61.01
Toothbrushes and Shave Brushes	14,23,196	7,73.41	11,37,251	6,73.11	15,50,015	8,78.88	14,23,196	7,73.41
Others		42.19		17.53		19.84		42.19
Total		60,76.61		60,08.26		60,26.74		60,76.61

(c) Sale by Class of Goods :

	Unit	2008-2009		2007-2008	
		Quantity	Value	Quantity	Value
			Rs. Lacs		Rs. Lacs
Soaps, Cosmetics and Toilet Preparations	Doz.	9,70,97,536	1,492,40.98	8,60,71,290	1,308,83.88
Toothbrushes and Shave Brushes	Doz.	1,62,76,173	200,19.44	1,41,66,463	161,20.82
Others			2,20.93		3,33.20
Total			1,694,81.35		1,473,37.90

(d) Purchase of Finished Goods :

	Unit	2008-2009		2007-2008	
		Quantity	Value	Quantity	Value
			Rs. Lacs		Rs. Lacs
Soaps, Cosmetics and Toilet Preparations	Doz.	3,36,22,213	277,35.58	3,90,31,099	291,92.92
Toothbrushes and Shave Brushes	Doz.	1,62,49,616	71,48.75	1,50,03,701	61,75.47
Others			1,34.69		1,23.49
Total			350,19.02		354,91.88

8. There are no delays in payments to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Schedule 25 : Supplementary Information (Contd.)

	2008-2009	2007-2008
	Rs. Lacs	Rs. Lacs
9. (a) Remuneration to the Directors		
Salaries	5,75.34	7,34.66
Commission/Bonus	1,91.54	2,34.45
Contribution to Provident and other Funds	24.37	11.40
Other Perquisites	2,45.17	1,80.45
Total	<u>10,36.42</u>	<u>11,60.96</u>

(b) Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956, and Commission payable to the Directors :

	2008-2009		2007-2008	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Profit before Taxation		345,30.65		292,04.91
Add : (i) Remuneration paid to the Directors	10,36.42		11,60.96	
(ii) Directors' Fees	10.35		10.40	
(iii) Depreciation/Amortisation/Impairment	22,94.89		19,84.49	
(iv) Profit on sale of Fixed Assets as per Section 350	6,80.04		43.46	
Less : (i) Depreciation/Amortisation as per Section 350	20,51.79		17,57.10	
(ii) Profit on sale of Fixed Assets (net)	9,80.54		83.70	
(iii) Reversal of diminution in the value of Investments	-		7,50.00	
		<u>9,89.37</u>		<u>6,08.51</u>
Net Profit for the purpose of Directors' Commission		<u>355,20.02</u>		<u>298,13.42</u>
Commission @ 1% of Net Profit		3,55.20		2,98.13
Restricted to		1,91.54		2,34.45

10. The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed as excised duty expense in "Cost of Goods Sold - Increase/(Decrease) in Excise Duty on Finished Goods" under Schedule 14 annexed and forming part of Profit and Loss Account.

11. Derivative Instruments :

Details of foreign currency balances not hedged :

Particulars	Foreign Currency Denomination	2008-2009		2007-2008	
		Foreign Currency Amount in Lacs	Indian Rupees equivalent in Lacs	Foreign Currency Amount in Lacs	Indian Rupees equivalent in Lacs
Assets (Trade Receivables)	USD	2.43	1,22.65	6.55	2,61.82
Assets (Loans and Advances)	USD	0.58	29.36	0.17	6.99
Liabilities (Trade Payables)	EUR	-	-	0.68	41.50
	GBP	0.04	2.65	-	-
	USD	1,05.68	53,62.69	83.34	33,37.00
	CHF	0.14	6.06	-	-
	SEK	0.27	1.51	-	-

Notes forming part of the Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended March 31, 2009

Schedule 25 : Supplementary Information (Contd.)

12. Effective November 19, 2008, the Company has divested 1,70,000 Equity Shares of Nepalese Rs. 100 each fully paid aggregating Rs. 1,06.25 Lacs of Colgate-Palmolive (Nepal) Private Limited, wholly-owned subsidiary, for a consideration of Rs. 1,06.25 Lacs.
13. Pursuant to the Scheme of Amalgamation (“the Scheme”) sanctioned by order dated February 24, 2009 of Hon’ble High Court of Judicature, Andhra Pradesh at Hyderabad, SS Oral Hygiene Products Private Limited (“SS Oral”), 100% subsidiary of the Company, engaged in the business of manufacturing of toothpaste, has been amalgamated with the Company with effect from April 1, 2008. The amalgamation has been accounted as per the Scheme which is in accordance with the “Pooling of Interests” method as prescribed by Accounting Standard (AS-14), ‘Accounting for Amalgamations’.

In accordance with the said Scheme:

- the assets and liabilities of SS Oral have been vested in the Company with effect from April 1, 2008 and has been recorded at their respective book values.
- 2,00,000 Equity Shares of Rs. 10 each fully paid in SS Oral held as an investment by the Company stands cancelled. The difference of Rs. 1,99.95 Lacs between the book value of investment held by the Company in SS Oral and value of net assets of SS Oral has been adjusted to the General Reserve.

14. Information pursuant to Clause 32 of the Listing Agreement

Loans and Advances in the nature of loan to subsidiaries :

Name of the Company	Balance as at March 31, 2009	Rs. Lacs Maximum Outstanding during the year
Advanced Oral Care Products Private Limited	33,35.00	33,35.00

15. In view of the Scheme of Amalgamation referred to in Note 13 above, the current year figures are not comparable with those of the previous year.
16. Refer Annexure for additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956.
17. Previous year’s figures have been re-grouped and re-arranged wherever necessary.

The Schedules (1 to 25) referred to herein above form an integral part of the financial statements.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Mumbai, May 29, 2009

For and on behalf of the Board

Deputy Chairman	P. K. Ghosh
Managing Director	R. D. Calmeyer
Whole-time Director & Chief Financial Officer	M. A. Elias
Whole-time Director & Company Secretary	K. V. Vaidyanathan

Mumbai, May 29, 2009

Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile :

I. Registration Details :		Application of Funds	
Registration No.	2700	Net Fixed Assets	1785964
State Code	11	Investments	383289
Balance Sheet Date	31-03-09	Deferred Tax Asset (Net)	176882
		Net Current Assets	(136303)
		Miscellaneous Expenditure	–
		Accumulated Losses	–
II. Capital raised during the year (Amount in Rs. Thousands) :		IV. Performance of Company (Amount in Rs. Thousands) :	
Public Issue	–	Turnover (including Other Income)	18025707
Right Issue	–	Total Expenditure	14572642
Bonus Issue	–	Profit/Loss Before Tax	3453065
Private Placement	–	Profit/Loss After Tax	2902194
		Earnings per Share in Rs.*	21.34
		Dividend	1500%
III. Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousands) :		* Based on weighted average number of equity shares - 13,59,92,817	
Total Liabilities (including Shareholders' Funds)	7767164	V. Generic Names of Three Principal Products/ Services of Company (as per Monetary Terms)	
Total Assets	7767164	Item Code No. (ITC Code)	330610.02
Sources of Funds		Product Description	Toothpaste
Paid-up Capital	135993	Item Code No. (ITC Code)	330610.01
Reserves and Surplus	2026964	Product Description	Tooth Powder
Secured Loans	–	Item Code No. (ITC Code)	960321.00
Unsecured Loans	46875	Product Description	Toothbrush

For and on behalf of the Board

Deputy Chairman	P. K. Ghosh
Managing Director	R. D. Calmeyer
Whole-time Director & Chief Financial Officer	M. A. Elias
Whole-time Director & Company Secretary	K. V. Vaidyanathan

Mumbai, May 29, 2009

Auditors' Report

To the Board of Directors of Colgate-Palmolive (India) Limited

1. We have audited the attached Consolidated Balance Sheet of Colgate-Palmolive (India) Limited ("the Company") and its subsidiaries (together "the Group") as at March 31, 2009, the related Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Management of Colgate-Palmolive (India) Limited and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 12,564.47 Lacs as at March 31, 2009 and total revenues of Rs. 25,686.00 Lacs and net cash inflows amounting to Rs. 257.64 Lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21 - Consolidated Financial Statements as notified in the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2009;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Partha Ghosh

Partner

Membership No. F-55913

For and on behalf of

Price Waterhouse

Chartered Accountants

Mumbai, May 29, 2009

Consolidated Balance Sheet as at March 31, 2009

			As at March 31, 2008
	Schedule	Rs. Lacs	Rs. Lacs
Sources of Funds			
Shareholders' Funds			
Share Capital	1	13,59.93	13,59.93
Reserves and Surplus	2	<u>201,66.91</u>	<u>153,69.34</u>
			215,26.84
			<u>167,29.27</u>
Minority Interest			3,74.52
			<u>4,07.73</u>
Loan Funds			
Unsecured Loans	3	<u>4,68.75</u>	<u>4,68.75</u>
			<u>223,70.11</u>
			<u>176,05.75</u>
Application of Funds			
Fixed Assets			
Gross Block	4	546,33.87	517,53.69
Less : Depreciation/Amortisation/Impairment		<u>296,95.91</u>	<u>307,74.74</u>
Net Block		<u>249,37.96</u>	<u>209,78.95</u>
Capital Work-in-Progress and Advances for Capital Expenditure		<u>7,74.46</u>	<u>30,52.24</u>
			257,12.42
			<u>240,31.19</u>
Investments	5	<u>34,88.68</u>	65,21.03
Deferred Tax Asset (Net)	6	<u>15,16.34</u>	28,31.11
Current Assets, Loans and Advances			
Inventories	7	90,23.66	86,24.87
Sundry Debtors	8	11,13.45	9,38.66
Cash and Bank Balances	9	253,40.16	148,13.24
Interest Accrued on Investments/Deposits		6,18.90	2,59.39
Loans and Advances	10	<u>139,08.74</u>	<u>149,04.88</u>
		<u>500,04.91</u>	<u>395,41.04</u>
<i>Less :</i>			
Current Liabilities and Provisions			
Liabilities	11	419,10.15	352,10.17
Provisions	12	<u>164,42.09</u>	<u>201,08.45</u>
		<u>583,52.24</u>	<u>553,18.62</u>
Net Current Assets			<u>(83,47.33)</u>
			<u>(157,77.58)</u>
	Total		<u>223,70.11</u>
			<u>176,05.75</u>

The Schedules (1 to 25) referred to herein above form an integral part of the financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Mumbai, May 29, 2009

For and on behalf of the Board

Deputy Chairman
Managing Director
Whole-time Director &
Chief Financial Officer
Whole-time Director &
Company Secretary

Mumbai, May 29, 2009

P. K. Ghosh
R. D. Calmeyer

M. A. Elias

K. V. Vaidyanathan

Consolidated Profit and Loss Account for the year ended March 31, 2009

	Schedule	Rs. Lacs	Rs. Lacs	2007-2008 Rs. Lacs
Income				
Sales		1,758,55.83		1,553,68.26
Less : Excise Duty (Refer Note 2 on Schedule 25)		63,34.55		79,83.20
			1,695,21.28	1,473,85.06
Other Income	13		93,45.40	77,18.21
			1,788,66.68	1,551,03.27
Expenditure				
Cost of Goods Sold	14	680,92.72		598,21.90
Employee Costs	15	155,76.02		124,82.26
Other Expenses	16	575,19.88		501,12.81
Depreciation/Amortisation/Impairment [Includes Impairment of Fixed Assets Rs. 39.91 Lacs (Previous Year : Rs. 6.15 Lacs)]	4	28,25.26		20,92.51
			1,440,13.88	1,245,09.48
Profit before Taxation			348,52.80	305,93.79
Current Tax		43,57.31		67,41.59
Deferred Tax		12,95.23		(2,43.05)
Fringe Benefit Tax		3,77.02		4,27.56
			60,29.56	69,26.10
Profit after tax and before minority interest			288,23.24	236,67.69
Less : Minority Interest			(2,45.12)	(91.68)
Profit after Taxation			285,78.12	235,76.01
Add : Balance Brought Forward			6,31.59	22,73.97
Less : Adjustment on Consolidation due to Amalgamation of a Subsidiary			(1,27.98)	—
Profit Available for Appropriation			290,81.73	258,49.98
Appropriation :				
First Interim Dividend			122,39.35	81,59.57
Second Interim Dividend			81,59.57	—
Final Dividend - Proposed			—	95,19.50
Dividend Tax [Includes Rs. Nil (Previous Year : Rs. 20,80.08 Lacs) on Reduction of Share Capital]			35,14.98	51,37.42
Transfer to General Reserve			30,01.98	24,01.90
Balance Carried Forward			21,65.85	6,31.59
			290,81.73	258,49.98
Earnings Per Equity Share (Rupees) [Face Value of Re. 1 per equity share] Basic and Diluted (Refer Schedule 22)			21.01	17.34

The Schedules (1 to 25) referred to herein above form an integral part of the financial statements.

This is the Consolidated Profit and Loss Account referred to in our report of even date.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Mumbai, May 29, 2009

For and on behalf of the Board

Deputy Chairman
Managing Director
Whole-time Director &
Chief Financial Officer
Whole-time Director &
Company Secretary

P. K. Ghosh
R. D. Calmeyer

M. A. Elias

K. V. Vaidyanathan

Mumbai, May 29, 2009

Consolidated Cash Flow Statement for the year ended March 31, 2009

	2008-2009	2007-2008
	Rs. Lacs	Rs. Lacs
Cash flow from Operating Activities :		
Net Profit before Tax	348,52.80	305,93.79
Adjustment for :		
Unrealised Foreign Exchange Loss (Net)	8,75.44	23.19
Depreciation/Amortisation/Impairment	28,25.26	20,92.51
Loss on Divesture of Subsidiary	3.69	–
Interest Expense	1,53.77	1,22.60
Profit on Sale of Fixed Assets (Net)	(2,52.69)	(86.75)
Interest Income	(28,43.58)	(21,08.43)
Gain on Maturity of Long Term Investments (Net)	(39.13)	–
Operating Profit before Working Capital Changes	<u>355,75.56</u>	<u>306,36.91</u>
Adjustment for (Increase)/Decrease in Working Capital :		
Inventories	(2,73.13)	5,80.09
Sundry Debtors	(1,87.59)	2.14
Loans and Advances	8,10.94	5,01.94
Current Liabilities and Provisions	46,07.91	23,05.21
Cash Generated from Operations	<u>405,33.69</u>	<u>340,26.29</u>
Direct Taxes Paid (Net)	(55,67.15)	(48,90.95)
Net Cash from/(used in) Operating Activities	(A) <u>349,66.54</u>	<u>291,35.34</u>
(Refer Note 2 below)		
Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(37,12.69)	(45,19.18)
Sale of Fixed Assets	3,48.56	1,83.97
(Purchase)/Sale of Investments in Subsidiaries (Net)	(1,65.28)	(6,31.49)
Sale of Other Investments	30,71.48	65,00.00
Inter Corporate Deposits (Placed)/Refunded (Net)	2,20.00	(28,15.00)
Interest Received	24,84.08	22,42.61
Net Cash from/(used in) Investing Activities	(B) <u>22,46.15</u>	<u>9,60.91</u>
Cash Flow from Financing Activities :		
Term Loans Availed/(Paid) (Net)	(3,56.18)	41.25
Interest Paid	(1,53.77)	(1,22.60)
Dividend Paid	(220,04.62)	(116,72.48)
Repayment of Capital	–	(121,30.53)
Dividend Tax Paid	(38,32.79)	(39,29.04)
Net Cash from/(used in) Financing Activities	(C) <u>(263,47.36)</u>	<u>(278,13.40)</u>
Net increase in Cash and Cash Equivalents	(A+B+C) 108,65.33	22,82.85
Cash and Cash Equivalents at the beginning of the year	148,13.24	114,86.42
Cash and Cash Equivalents on Acquisition/Divesture of Subsidiaries	(3,38.41)	10,43.97
Cash and Cash Equivalents at the end of the year	<u>253,40.16</u>	<u>148,13.24</u>

Consolidated Cash Flow Statement for the year ended March 31, 2009 (Contd.)

	As at March 31, 2009	As at March 31, 2008
	Rs. Lacs	Rs. Lacs
Cash and Cash Equivalents comprise :		
Cash on Hand	1.25	2.10
Balances with Scheduled Banks in		
– Current Accounts	38,61.97	38,57.49
– Deposit Accounts	208,51.61	103,58.59
– Unpaid Dividend Accounts	6,25.33	5,95.06
Cash and Cash Equivalents as at the end of the year	<u>253,40.16</u>	<u>148,13.24</u>

Notes :

1. The Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Accounting Standard 3 “Cash Flow Statements”.
2. Net Cash from Operating Activities for the year is after cash outflow of **Rs. 4,86.21 Lacs** (Previous Year : Rs. 99.96 Lacs) for Voluntary Retirement Scheme.
3. Previous year’s figures have been re-grouped and re-arranged wherever necessary.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Mumbai, May 29, 2009

For and on behalf of the Board

Deputy Chairman
Managing Director
Whole-time Director &
Chief Financial Officer
Whole-time Director &
Company Secretary

Mumbai, May 29, 2009

P. K. Ghosh
R. D. Calmeyer

M. A. Elias

K. V. Vaidyanathan

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

	Rs. Lacs	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs. Lacs
Schedule 1 : Share Capital			
Authorised			
1,37,00,00,000 Equity Shares of Re. 1 each		<u>137,00.00</u>	<u>137,00.00</u>
Issued, Subscribed and Paid-up			
13,59,92,817 Equity Shares of Re. 1 each fully paid		<u>13,59.93</u>	<u>13,59.93</u>
Of the above :			
(i) 5,44,76,910 Shares are held by Colgate-Palmolive Company, U.S.A., the Ultimate Holding Company.			
(ii) 1,48,79,426 Shares are held by Colgate-Palmolive (Asia) Pte. Ltd., Subsidiary of the Ultimate Holding Company.			
(iii) 11,18,85,735 Shares of Rs. 10 each (presently Re. 1 each) were allotted as fully paid Bonus Shares by capitalisation of General Reserves and Share Premium			
Schedule 2 : Reserves and Surplus			
Capital Reserve			
Consideration for vacating rented godown	6.50		6.50
Special Capital Incentive from State Government	20.00		20.00
On Acquisition of Subsidiaries [Net of adjustment on Consolidation due to Amalgamation of a Subsidiary Rs. 44.70 Lacs (Previous Year : Rs. Nil)]	<u>4,49.65</u>		<u>3,61.00</u>
		4,76.15	<u>3,87.50</u>
		12,79.93	12,79.93
Share Premium Account			
General Reserve			
Balance, beginning of the year	130,70.32		106,59.99
Add : Employee Retirement Benefits adjusted against reserve (Net of Deferred Tax)	-		8.43
Add : Adjustment on Consolidation due to Amalgamation of a Subsidiary	<u>1,72.68</u>		-
	132,43.00		<u>106,68.42</u>
Add : Transfer from Profit and Loss Account	<u>30,01.98</u>		<u>24,01.90</u>
		162,44.98	<u>130,70.32</u>
Profit and Loss Account Balance			
		<u>21,65.85</u>	6,31.59
		<u>201,66.91</u>	<u>153,69.34</u>
Schedule 3 : Unsecured Loans			
Loans		<u>4,68.75</u>	4,68.75
		<u>4,68.75</u>	<u>4,68.75</u>

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs. Lacs
Schedule 5 : Investments		
(Refer Note 5 on Schedule 17)		
(At Cost - Long Term, Unquoted, unless otherwise stated)		
A. Other Investments (Listed but not quoted) (Non-Trade)		
6.15% (Taxable) National Textile Corporation Bonds of the face value of Rs. 10,00 Lacs.	10,00.00	10,00.00
5.75% (Taxable) Unsecured, Redeemable, Non-Convertible Bonds of National Bank for Agriculture and Rural Development (Series 2) of the face value of Rs. 20,00 Lacs.	-	19,44.02
6.70% (Taxable) Unsecured, Redeemable, Non-Convertible, Non-Priority Sector Bonds of HUDCO-Bonds (Series - 13) of the face value of Rs. 10,00 Lacs.	9,98.17	9,98.17
9.25% (Tax Free) Secured, Redeemable, Non-Convertible Bonds of HUDCO-Gujarat Punarnirman (Series - 1C) of the face value of Rs. 9,50 Lacs.	9,59.00	9,59.00
	<u>29,57.17</u>	<u>49,01.19</u>
B. Other Investments (Listed and quoted) (Non-Trade)		
6.75% Tax Free Bonds of Unit Trust of India of the face value of Rs. 10,71.48 Lacs [Market Value Rs. Nil (Previous Year : Rs. 10,65.59 Lacs)]	-	10,88.33
6.60% Tax Free Bonds of Unit Trust of India of the face value of Rs. 5,00.00 Lacs [Market Value Rs. 5,00.00 Lacs (Previous Year : Rs. 4,94.00 Lacs)]	5,31.51	5,31.51
	<u>5,31.51</u>	<u>16,19.84</u>
	<u>34,88.68</u>	<u>65,21.03</u>
Aggregate book value of Investments :		
Listed but not quoted	29,57.17	49,01.19
Listed and quoted - Market Value Rs. 5,00.00 Lacs (Previous Year : Rs. 15,59.59 Lacs)	5,31.51	16,19.84
	<u>34,88.68</u>	<u>65,21.03</u>
Schedule 6 : Deferred Tax Asset/(Liability) [Net]		
(Refer Note 10 on Schedule 17)		
Timing Difference between book and tax depreciation	(20,64.97)	(15,56.25)
Voluntary Retirement Scheme allowable over a period of five years in Income Tax	9,46.02	12,53.80
Accrual for expenses allowable only on payment	26,35.29	31,33.56
	<u>15,16.34</u>	<u>28,31.11</u>
Schedule 7 : Inventories		
(Refer Note 6 on Schedule 17)		
Stores and Spares	4,46.00	4,66.83
Raw and Packing Materials	19,54.77	16,71.66
Work-in-Process	6,66.81	3,27.26
Finished Goods	59,56.08	61,59.12
	<u>90,23.66</u>	<u>86,24.87</u>

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs. Lacs
Schedule 8 : Sundry Debtors		
Unsecured : Considered Good		
Over Six Months	–	–
Others	<u>11,13.45</u>	<u>9,38.66</u>
	<u>11,13.45</u>	<u>9,38.66</u>
Schedule 9 : Cash and Bank Balances		
Cash on hand	1.25	2.10
Balances with Scheduled Banks in :		
– Current Accounts	38,61.97	38,57.49
– Deposit Accounts	208,51.61	103,58.59
– Unclaimed Dividend Accounts	6,25.33	5,95.06
	<u>253,40.16</u>	<u>148,13.24</u>
Schedule 10 : Loans and Advances		
Secured :		
Loans to Employees	3,58.20	3,55.06
Unsecured : Considered Good		
Inter-Corporate Deposits	76,14.00	78,34.00
Advance Tax (net of Provision for Taxation)	3,83.71	–
Advances Recoverable in Cash or in Kind or for Value to be Received	17,43.00	25,64.26
Balances with Excise Authorities	1,24.55	3,31.09
Deposits - Others	36,85.28	38,20.47
	<u>139,08.74</u>	<u>149,04.88</u>
Schedule 11 : Liabilities		
Acceptances	78.33	–
Sundry Creditors	361,21.98	306,48.95
Unclaimed Dividends	6,25.33	5,95.06
Other Liabilities	50,84.51	39,66.16
	<u>419,10.15</u>	<u>352,10.17</u>
Schedule 12 : Provisions		
Taxation (net of advance tax payments)	–	5,87.04
Fringe Benefit Taxation (net of advance tax payments)	5,53.28	4,43.67
Final Dividend - Proposed	–	95,19.50
Second Interim Dividend	81,59.57	–
Dividend Tax	14,31.25	16,88.21
Retirement Benefits (Refer Note 8 on Schedule 17 and Schedule 18)	14,38.16	12,47.02
Others/Contingencies (Refer Note 7 on Schedule 17 and Schedule 24)	48,59.83	66,23.01
	<u>164,42.09</u>	<u>201,08.45</u>
	<u>583,52.24</u>	<u>553,18.62</u>

Schedules forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2009

	2008-2009	2007-2008
	Rs. Lacs	Rs. Lacs
Schedule 13 : Other Income		
Interest		
– On Bank Deposits	12,81.19	6,04.92
– On Long Term Investments	3,76.05	7,42.76
– Others	11,86.34	7,60.75
Cash Discount	1,08.40	1,34.95
Gain on Maturity of Long Term Investments (Net)	39.13	–
Provisions no Longer Required Written Back	4,00.00	7,12.00
Bad Debts Recovered	98.41	–
Service Income	52,49.50	44,08.87
Profit on Sale of Assets (Net)	2,52.69	86.75
Miscellaneous	3,53.69	2,67.21
	<u>93,45.40</u>	<u>77,18.21</u>
Schedule 14 : Cost of Goods Sold		
Opening Stock		
Work-in-Process	3,27.26	1,86.56
Finished Goods	61,59.12	60,27.17
Work-in-Process/Finished Goods of Acquired Subsidiaries	33.51	3,23.04
	<u>65,19.89</u>	<u>65,36.77</u>
Raw and Packing Materials Consumed		
Opening Stock	16,71.66	14,00.97
Add : Raw and Packing Materials of Acquired Subsidiaries	92.12	7,86.50
Add : Purchases [Net of transfer of Rs. 5,79.51 Lacs (Previous Year : Rs. 5,22.03 Lacs)]	593,63.30	356,50.87
	<u>611,27.08</u>	<u>378,38.34</u>
Less : Closing Stock	19,54.77	16,71.66
	<u>591,72.31</u>	<u>361,66.68</u>
	656,92.20	427,03.45
Purchased Finished Goods	93,72.94	237,36.57
Less : Closing Stock		
Work-in-Process	6,66.81	3,27.26
Finished Goods	59,56.08	61,59.12
	<u>66,22.89</u>	<u>64,86.38</u>
Increase/(Decrease) in Excise Duty on Finished Goods (Refer Note 2 on Schedule 25)	(3,49.53)	(1,31.74)
	<u>680,92.72</u>	<u>598,21.90</u>

Schedules forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2009

	2008-2009	2007-2008
	Rs. Lacs	Rs. Lacs
Schedule 15 : Employee Costs		
Salaries, Wages and Bonus	130,12.00	104,96.28
Voluntary Retirement Scheme Cost	4,86.21	99.96
Contribution to Provident, Gratuity and Other Funds	14,68.09	12,48.85
Staff Welfare Expenses	6,09.72	6,37.17
	<u>155,76.02</u>	<u>124,82.26</u>
Schedule 16 : Other Expenses		
Consumption of Stores and Spares	6,67.10	4,48.84
Processing Charges	2,23.79	77.31
Power and Fuel	15,21.54	8,81.63
Freight and Forwarding Charges	44,23.53	35,35.63
Rent	7,27.13	6,07.22
Rates and Taxes	11,05.96	7,63.16
Insurance	2,05.15	1,81.44
Repairs and Maintenance		
– Plant and Machinery	10,87.39	10,39.92
– Buildings	99.10	94.27
– Others	<u>1,25.30</u>	<u>2,05.48</u>
	13,11.79	13,39.67
Advertising and Sales Promotion	271,71.68	256,50.83
Directors' Fees	10.85	10.90
Sales Taxes absorbed	61.98	5,10.30
Royalty	71,68.38	47,69.55
Bad Debts Written Off	–	12.10
Exchange Loss (Net)	9,04.22	1,16.99
Interest	1,53.77	1,22.60
Travel and Conference Expenses	20,79.24	22,56.29
Outside Services	28,80.76	24,39.20
Loss on Divestiture of Subsidiary	3.69	–
Miscellaneous	68,99.32	63,89.15
	<u>575,19.88</u>	<u>501,12.81</u>

Notes forming part of the Consolidated Balance Sheet as at March 31, 2009 and Consolidated Profit and Loss Account for the year ended March 31, 2009

Schedule 17 : Significant Accounting Policies

1. Basis of Accounting

The Consolidated Financial Statements of Colgate-Palmolive (India) Limited (“the Company”) and its domestic and foreign subsidiaries (collectively referred to as “the Group”) are prepared on an accrual basis of accounting in accordance with generally accepted accounting principles in India and the Accounting Standard 21 on Consolidated Financial Statements, to the extent possible in the same format as that adopted by the Company for its separate financial statements.

2. Principles of Consolidation

The consolidated financial statements have been prepared on the following basis :

- The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.
- Intra group balances and intra group transactions and resulting profits are eliminated in full.
- Subsidiaries are no longer consolidated from the date of disposal.
- The subsidiaries considered in the consolidated financial statements are :

	Notes	Country of Incorporation	% voting power held as at March 31, 2009	% voting power held as at March 31, 2008
Advanced Oral Care Products Private Limited	a	India	75	75
Professional Oral Care Products Private Limited	a	India	75	75
CC Healthcare Products Private Limited	b	India	75	–
Colgate-Palmolive (Nepal) Private Limited	c	Nepal	–	100
SS Oral Hygiene Products Private Limited	d	India	–	75

Notes :

- a. The two subsidiaries of the Company at Goa, namely, Advanced Oral Care Products Private Limited and Professional Oral Care Products Private Limited filed petitions before the Bombay High Court at Goa for amalgamation and the High Court was pleased to sanction the same. The amalgamation will become effective on the High Court order being filed with the Registrar of Companies at Goa as stipulated by the High Court in its order.
- b. Effective April 2, 2008, the Company has acquired 75% of the shareholding of CC Healthcare Products Private Limited.
- c. Effective November 19, 2008, the Company has divested its shareholding in Colgate-Palmolive (Nepal) Private Limited, a wholly-owned subsidiary.
- d. Pursuant to the Scheme of Amalgamation, sanctioned by order dated February 24, 2009, of Hon’ble High Court of Judicature, Andhra Pradesh at Hyderabad, SS Oral Hygiene Products Private Limited, a wholly-owned subsidiary of the Company has been amalgamated with the Company with effect from April 1, 2008.

3. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The Group capitalises all direct costs relating to the acquisition and installation of fixed assets. Interest on borrowed funds, if any, used to finance the acquisition of fixed assets, is capitalised up to the date the assets are ready for commercial use. Under utilised assets are recorded at estimated realisable value.

Notes forming part of the Consolidated Balance Sheet as at March 31, 2009 and Consolidated Profit and Loss Account for the year ended March 31, 2009

Intangible Assets

Goodwill and other Intangible Assets are amortised over the useful life of the assets, not exceeding 10 years.

Tangible Assets

Leasehold land is being amortised over the period of lease.

Depreciation is provided pro-rata to the period of use on straight-line method based on the estimated useful lives of the assets, as stated below :

Assets	Useful Lives
Residential and Office Building *	40 Years
Factory Building *	20 Years
Plant and Machinery	7 Years to 21 Years
Dies and Moulds	3 Years
Furniture and Fixtures	5 Years
Office Equipment	5 Years
Computers	5 Years
Vehicles	5 Years

* In respect of buildings acquired, estimated useful life is considered from the date of completion of construction.

The useful lives of the assets are based on technical estimates approved by the Management, and are lower than the implied useful lives arrived on the basis of the rates prescribed under Schedule XIV to the Companies Act, 1956 of India. Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

Impairment

At each balance sheet date, the Group reviews the carrying value of tangible and intangible assets for any possible impairment. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or estimated future cash flows which are discounted to their present value based on appropriate discount rates. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (cash generating unit).

4. Revenue Recognition

Sales are recognised upon delivery of goods and are recorded net of trade discounts, rebates, sales tax/ value added tax and excise duty on own manufactured and outsourced products.

5. Investments

Long term investments are valued at cost. Current investments are valued at lower of cost and fair value as on the date of the Balance Sheet. The Group provides for diminution in value of investments, other than temporary in nature.

6. Inventories

Inventories of raw and packing materials, work-in-process and finished goods are valued at lower of cost and net realisable value. Cost of work-in-process and finished goods includes materials, labour and manufacturing overheads and other costs incurred in bringing the inventories to their present location. Cost is determined using standard cost method that approximates actual cost. The Group accrues for customs duty liability in respect of stocks of raw material lying in bond, and excise duty liability in respect of stocks of finished goods lying in bond and warehouses.

Notes forming part of the Consolidated Balance Sheet as at March 31, 2009 and Consolidated Profit and Loss Account for the year ended March 31, 2009

7. Provisions and Contingent Liabilities

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' is made.

8. Expenditure

Advertising expenses are consistently accrued and recognised in the year in which the related activities are carried out.

The Group has Defined Contribution Plan for its employees' retirement benefits comprising of Provident Fund and Superannuation Fund which are recognised by the Income Tax Authorities and administered through its trustees/appropriate authorities, as applicable. The Group contributes to Provident Fund and Superannuation Fund for its employees. In respect of employees covered by Provident Fund trust, interest rates payable by the trust to the beneficiaries every year is being notified by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate. The Group contributes to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme 1995.

The Group has Defined Benefit Plan comprising of Gratuity Fund and Pension Scheme, as applicable. The Group contributes to the Gratuity Fund which is recognised by the Income Tax Authorities and administered through its trustees/appropriate authorities, as applicable. The liability for the Gratuity Fund and the Pension Scheme is determined on the basis of an independent actuarial valuation done at the year-end using Projected Unit Credit Method. The Group has Leave Encashment Entitlements which are provided on the basis of independent actuarial valuation done at the year-end using Projected Unit Credit Method. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognised immediately in the Profit and Loss Account as income or expense.

Expenditure on voluntary retirement scheme is charged to the Profit and Loss Account in the year in which it is incurred.

9. Foreign Currency Transactions

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Profit and Loss Account. Foreign currency denominated monetary assets and liabilities at the year end are translated at the year-end exchange rates, and the resultant exchange difference is recognised in the Profit and Loss Account. Non-monetary foreign currency items are carried at cost.

The Consolidated Financial Statements are prepared in Indian Rupees, which is the functional currency for the Company and its domestic subsidiaries. However, Nepalese Rupee is the functional currency for its subsidiary located in Nepal. The translation of Nepalese Rupees into the reporting currency, is performed for assets, liabilities, revenues, costs and expenses using the standard exchange rate of 1 Indian Rupee = 1.6 Nepalese Rupees. There is no resultant exchange gain/loss on such translation.

10. Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax for timing differences between the income as per financial statement and income as per the Income Tax Act, 1961 is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets arising from the timing differences are recognised to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Notes forming part of the Consolidated Balance Sheet as at March 31, 2009 and Consolidated Profit and Loss Account for the year ended March 31, 2009

Schedule 18 : Employee Benefits

In accordance with Accounting Standard 15 "Employee Benefits", the Group has classified various benefits provided to employees as under :

I Defined Contribution Plans

- a. Provident Fund*
- b. Superannuation Fund
- c. State Defined Contribution Plans
 - i. Employers' Contribution to Employees' State Insurance
 - ii. Employers' Contribution to Employees' Pension Scheme 1995

	2008-2009	2007-2008
	Rs. Lacs	Rs. Lacs
During the year, the Group has recognised the following amounts in the Profit and Loss Account :		
– Employers' Contribution to Provident Fund*	4,69.50	3,66.72
– Employers' Contribution to Superannuation Fund	2,10.49	2,09.03
– Employers' Contribution to Employees' State Insurance	21.74	10.65
– Employers' Contribution to Employees' Pension Scheme 1995	98.82	78.48

Included in Contribution to Provident and Other Funds (Refer Schedule 15)

* The Guidance on Implementing AS 15, "Employee Benefits" issued by the Accounting Standards Board (ASB) states benefit involving employer established provident funds, which require interest shortfall to be recompensed are to be considered as defined benefit plans. Pending the issuance of the guidance note from the Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly, the Company is unable to exhibit the related information.

II Defined Benefit Plans

Contribution to Gratuity Fund (Funded Scheme) and contribution to Pension Scheme (Non-Funded Scheme)

In accordance with Accounting Standard 15, actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions :

Discount Rate (per annum)	7.90%	8.50%
Rate of increase in Compensation levels	10% for first four years & 7% thereafter	10% for first five years & 7% thereafter
Rate of Return on Plan Assets (for Funded Scheme)	7.50%	7.50%
Expected Average remaining working lives of employees (years)	17.77	17.05

A) (i) Changes in the Present Value of Obligation (Funded Scheme)

Present Value of Obligation at the beginning of the year	18,75.35	14,73.19
Opening Present Value of Obligation of Acquired Subsidiaries	25.79	84.69
Interest Cost	1,73.92	1,20.75
Current Service Cost	2,23.13	1,64.37
Benefits Paid	(2,00.46)	(3,42.00)
Actuarial (Gain)/Loss due to Curtailment	19.82	–
Actuarial (Gain)/Loss on Obligations	2,38.21	3,74.35
Present Value of Obligation as at the end of the year	23,55.76	18,75.35

Notes forming part of the Consolidated Balance Sheet as at March 31, 2009 and Consolidated Profit and Loss Account for the year ended March 31, 2009

Schedule 18 : Employee Benefits (Contd.)

	2008-2009	2007-2008
	Rs. Lacs	Rs. Lacs
(ii) Changes in the Present Value of Obligation (Non-Funded Scheme)		
Present Value of Obligation at the beginning of the year	81.23	64.34
Interest Cost	4.65	3.15
Current Service Cost	5.73	4.68
Actuarial (Gain)/Loss on Obligations	15.93	9.06
Present Value of Obligation as at the end of the year	1,07.54	81.23
B) (i) Changes in the Fair Value of Plan Assets (For Funded Scheme)		
Present Value of Plan Assets at the beginning of the year	14,75.95	15,07.21
Opening Present Value of Obligation of Acquired Subsidiaries	14.74	63.45
Expected Return on Plan Assets	1,15.98	1,10.17
Actuarial Gain/(Loss)	(1,02.13)	(18.48)
Contributions	5,85.13	1,55.60
Benefits Paid	(2,00.46)	(3,42.00)
Fair Value of Plan Assets as at the end of the year	18,89.21	14,75.95
(ii) Percentage of each category of Plan Assets to total Fair Value of Plan Assets		
Category of Assets (% Allocation)	%	%
Government of India Securities	11%	14%
Corporate Bonds	18%	37%
Special Deposit Scheme	–	20%
Insurer Managed Funds	59%	21%
Others	12%	8%
C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets		
Present Value of Funded Obligation as at the end of the year	23,55.76	18,75.35
Fair Value of Plan Assets as at the end of the year	18,89.21	14,75.95
Funded Status	4,66.55	3,99.40
Present Value of unfunded Obligation as at the end of the year	1,07.54	81.23
Unfunded Liability Recognised in Balance Sheet	5,74.09	4,80.63
Included in Provisions (Refer Schedule 12)		
D) (i) Amount recognised in the Balance Sheet (Funded Scheme)		
Present Value of Obligation as at the end of the year	23,55.76	18,75.35
Fair Value of Plan Assets as at the end of the year	18,89.21	14,75.95
Liability/(Asset) recognised in the Balance Sheet	4,66.55	3,99.40

Notes forming part of the Consolidated Balance Sheet as at March 31, 2009 and Consolidated Profit and Loss Account for the year ended March 31, 2009

Schedule 18 : Employee Benefits (Contd.)

	2008-2009 Rs. Lacs	2007-2008 Rs. Lacs	
(ii) Amount recognised in the Balance Sheet (Non-Funded Scheme)			
Present Value of Obligation as at the end of the year	1,07.54	81.23	
Liability/(Asset) recognised in the Balance Sheet	1,07.54	81.23	
E) (i) Expenses recognised in the Profit and Loss Account (Funded Scheme)			
Current Service Cost	2,23.13	1,64.37	
Interest Cost	1,73.92	1,20.75	
Expected Return on Plan Assets	(1,15.98)	(1,10.17)	
Losses/(Gain) on Curtailments and Settlements	19.82	–	
Net actuarial (Gain)/Loss recognised in the period	3,40.34	3,92.13	
Total Expenses recognised in the Profit and Loss Account	6,41.23	5,67.08	
Included in Contribution to Provident and Other Funds (Refer Schedule 15)			
(ii) Expenses recognised in the Profit and Loss Account (Non-Funded Scheme)			
Current Service Cost	5.73	4.68	
Interest Cost	4.65	3.15	
Net actuarial (Gain)/Loss recognised in the period	15.93	9.06	
Total Expenses recognised in the Profit and Loss Account	26.31	16.89	
Included in Contribution to Provident and Other Funds (Refer Schedule 15)			
F) Expected Contribution to be paid for next year			
Expected Contribution to be paid for next year			
– Funded	3,48.00	2,61.50	
– Unfunded	82.42	64.47	
G) Details of Present Value of Obligation, Plan Assets and Actuarial Gain/Loss			
	2008-2009 Rs. Lacs	2007-2008 Rs. Lacs	2006-2007 Rs. Lacs
Present Value of Obligation			
– Funded	23,55.76	18,75.35	14,73.19
– Unfunded	1,07.54	81.23	64.34
Fair Value of Plan Assets	18,89.21	14,75.95	15,07.21
(Surplus)/Deficit	5,74.09	4,80.63	30.32
Actuarial Gain/(Loss) on Plan Assets	(1,02.13)	(18.48)	(42.20)
Actuarial (Gain)/Loss on Present Value of Obligation (Funded)	2,38.21	3,74.35	(29.52)
Actuarial (Gain)/Loss on Present Value of Obligation (Unfunded)	15.93	9.06	(1.14)

III Other Employee Benefit Plan

The liability for leave encashment as at the year end is **Rs. 8,64.07 Lacs** (Previous Year : Rs. 7,66.39 Lacs).

Notes forming part of the Consolidated Balance Sheet as at March 31, 2009 and Consolidated Profit and Loss Account for the year ended March 31, 2009

Schedule 19 : Segment Information

In accordance with the requirements of Accounting Standard-17 "Segment Reporting", the Group's Business Segment is "Personal Care (including Oral Care)" and hence it has no other primary reportable segments. Non Reportable Segment has been disclosed as unallocated reconciling item. Segment revenue and Segment expenses have been accounted on the basis of their relationship to the operating activities of the Group. Assets and liabilities which relate to the enterprise as a whole and are not allocable to the segment on a reasonable basis have been included under unallocated assets/liabilities. Revenue and expenses pertaining to non reportable segment have been disclosed as unallocated results.

Primary Reportable Segment

Particulars	2008-2009 Rs. Lacs	2007-2008 Rs. Lacs
1. Segment Revenue from Operations	1,695,21.28	1,473,85.06
Unallocated Income	52,49.50	44,08.87
Other Income	40,95.90	33,09.34
	<u>1,788,66.68</u>	<u>1,551,03.27</u>
2. Segment Results	306,02.38	271,51.50
Add : Unallocated results	3,08.29	2,55.55
Add : Other Income	40,95.90	33,09.34
Less : Interest and Financial charges	1,53.77	1,22.60
Total Profit before Tax	<u>348,52.80</u>	<u>305,93.79</u>
3. Capital Employed		
Segment Assets	629,49.78	511,41.98
Add : Unallocated Corporate Assets	177,72.57	217,82.39
Total Assets	<u>807,22.35</u>	<u>729,24.37</u>
Segment Liability	448,98.79	392,71.36
Add : Unallocated Corporate Liability	139,22.20	165,16.01
Total Liability	<u>588,20.99</u>	<u>557,87.37</u>
Segment Capital Employed	180,50.99	118,70.62
Add : Unallocated Capital Employed	38,50.37	52,66.38
Total Capital Employed	<u>219,01.36</u>	<u>171,37.00</u>
4. Capital Expenditure		
Segment Capital Expenditure	37,33.02	42,56.41
Add : Unallocated Capital Expenditure	72.43	2,62.77
Total Capital Expenditure	<u>38,05.45</u>	<u>45,19.18</u>
5. Depreciation/Amortisation/Impairment		
Segment Depreciation	25,45.77	18,67.37
Add : Unallocated Depreciation	2,79.49	2,25.14
Total Depreciation	<u>28,25.26</u>	<u>20,92.51</u>
6. Significant Non Cash Expenditure (excluding depreciation)	-	12.10

Notes forming part of the Consolidated Balance Sheet as at March 31, 2009 and Consolidated Profit and Loss Account for the year ended March 31, 2009

Schedule 19 : Segment Information (Contd.)

Secondary Reportable Segment

Rs. Lacs

	India		Outside India		Total	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
Revenue by geographical segment						
External	1,678,73.41	1,459,88.59	16,47.87	13,96.47	1,695,21.28	1,473,85.06
Internal Segment	—	—	—	—	—	—
Total	1,678,73.41	1,459,88.59	16,47.87	13,96.47	1,695,21.28	1,473,85.06
Carrying amount of segment assets	629,49.78	509,57.32	—	1,84.66	629,49.78	511,41.98
Capital Expenditure	37,30.13	42,49.96	2.89	6.45	37,33.02	42,56.41

Schedule 20 : Disclosure of Related Parties

1. Related Party Disclosures, as required by Accounting Standard 18, "Related Party Disclosures", are given below :

- i) **Ultimate Holding Company** : Colgate-Palmolive Company, U.S.A.
- ii) **Group Companies where common control exists** :
 - : Colgate-Palmolive (Malaysia) Mktg. SDN BHD
 - : Colgate-Palmolive, Manufacturing (Poland) Sp.z.o.o
 - : Colgate-Palmolive, Philippines, Inc.
 - : Colgate-Palmolive, East Africa Ltd., Kenya
 - : Colgate-Palmolive, Marocco Limited
 - : Colgate-Palmolive Pty Ltd., South Africa
 - : Colgate-Palmolive Pty Ltd., Australia
 - : Colgate-Palmolive (Thailand) Ltd.
 - : Colgate-Palmolive (H.K.) Ltd., Hongkong
 - : Colgate-Palmolive Management Services (H.K.) Limited
 - : Colgate-Palmolive (China) Co. Ltd., China
 - : Colgate-Palmolive Son Hai Ltd., Vietnam
 - : Colgate Sanxiao (Consumer Products) Company Limited
 - : Colgate-Palmolive, Senegal S. A.
 - : Colgate-Palmolive (UK) Limited
 - : Hawley & Hazel Chemical Company (HK) Limited
 - : Colgate-Palmolive, Temizlik, Urunleri, Turkey
 - : Colgate-Palmolive Cameroun S.A.
 - : Colgate-Palmolive Romania srl.
 - : Mission Hills S.A. DE C.V.
 - : CP Global Export - France
 - : Colgate-Palmolive (Fiji) Limited
 - : Colgate-Palmolive Company, Puerto Rico
 - : Colgate-Palmolive (E) Pte. Ltd.
 - : Colgate-Palmolive Industria E Comercio Ltda, Brazil
 - : Colgate-Palmolive Arabia Ltd.
 - : Colgate Palmolive Compania, Colombia
 - : Colgate-Palmolive (Asia) Pte. Ltd., Singapore
 - : Colgate-Palmolive Compania Anonima, Caracas
 - : Colgate-Palmolive Tanzania Limited
 - : CP Hawley & Hazel Chemical Co., (ZS) Ltd.
 - : Colgate-Palmolive Zambia Inc.
 - : Colgate-Palmolive Russia
 - : Colgate-Palmolive Services Poland
 - : Colgate-Palmolive (PNG) Limited, PNG
 - : Hills Pet Nutrition, Inc., Topeka
 - : Colgate Flavors and Fragrances Inc., New York
- iii) **Key Management Personnel** :
 - : Roger Calmeyer
 - : Moses Elias
 - : K. V. Vaidyanathan
- iv) **Relatives of Key Management Personnel** : Mrs. Pratima Elias

Notes forming part of the Consolidated Balance Sheet as at March 31, 2009 and Consolidated Profit and Loss Account for the year ended March 31, 2009

Schedule 20 : Disclosure of Related Parties (Contd.)

The Company has entered into transaction with the ultimate Holding Company, various group companies where common control exists and other related parties as follows :

Nature of Transaction	Parties referred to in (i) above		Parties referred to in (ii) above		Parties referred to in (iii) above		Parties referred to in (iv) above		Total	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
Purchase of Goods/Materials										
Colgate-Palmolive (Thailand) Ltd.	-	-	2,66.81	2,09.16	-	-	-	-	2,66.81	2,09.16
Colgate Sanxiao (Consumer Products) Company Limited	-	-	3,35.69	3,39.56	-	-	-	-	3,35.69	3,39.56
Others	-	-	1,69.79	93.04	-	-	-	-	1,69.79	93.04
Sub-Total	-	-	7,72.29	6,41.76	-	-	-	-	7,72.29	6,41.76
Sale of Goods/Materials										
Colgate-Palmolive, East Africa Ltd., Kenya	-	-	6,02.54	4,75.11	-	-	-	-	6,02.54	4,75.11
Colgate-Palmolive Tanzania Ltd.	-	-	1,24.67	1,01.60	-	-	-	-	1,24.67	1,01.60
Others	-	-	2,04.34	1,74.84	-	-	-	-	2,04.34	1,74.84
Sub-Total	-	-	9,31.55	7,51.55	-	-	-	-	9,31.55	7,51.55
Sale of Assets										
Colgate-Palmolive, Poland Sp.z.o.o	-	-	-	13.23	-	-	-	-	-	13.23
Sub-Total	-	-	-	13.23	-	-	-	-	-	13.23
Services Rendered										
Colgate-Palmolive Company, U.S.A.	53,05.40	44,60.45	-	-	-	-	-	-	53,05.40	44,60.45
Others	-	-	29.16	-	-	-	-	-	29.16	-
Sub-Total	53,05.40	44,60.45	29.16	-	-	-	-	-	53,34.56	44,60.45
Services Received										
Colgate-Palmolive Company, U.S.A.	25,10.85	16,97.47	-	-	-	-	-	-	25,10.85	16,97.47
Colgate-Palmolive Management Services (H.K.) Limited	-	-	9,00.17	11,45.12	-	-	-	-	9,00.17	11,45.12
Sub-Total	25,10.85	16,97.47	9,00.17	11,45.12	-	-	-	-	34,11.02	28,42.59
Reimbursement of Expenses Receivable/ (Payable)										
Colgate-Palmolive Company, U.S.A.	(10,07.23)	(8,63.77)	-	-	-	-	-	-	(10,07.23)	(8,63.77)
Others	-	-	32.54	(3.14)	-	-	-	-	32.54	(3.14)
Sub-Total	(10,07.23)	(8,63.77)	32.54	(3.14)	-	-	-	-	(9,74.69)	(8,66.91)
Others - Payable/(Receivable)										
Colgate-Palmolive Company, U.S.A.	14.79	26.46	-	-	-	-	-	-	14.79	26.46
Colgate-Palmolive Pty Ltd., Australia	-	-	-	(10.88)	-	-	-	-	-	(10.88)
Colgate-Palmolive Management Services (H.K.) Limited	-	-	6.84	4.64	-	-	-	-	6.84	4.64
Colgate-Palmolive (Thailand) Limited	-	-	18.02	-	-	-	-	-	18.02	-
Others	-	-	3.19	5.75	-	-	-	-	3.19	5.75
Sub-Total	14.79	26.46	28.05	(0.49)	-	-	-	-	42.84	25.97

Notes forming part of the Consolidated Balance Sheet as at March 31, 2009 and Consolidated Profit and Loss Account for the year ended March 31, 2009
Schedule 20 : Disclosure of Related Parties (Contd.)

Rs. Lacs

Nature of Transaction	Parties referred to in (i) above		Parties referred to in (ii) above		Parties referred to in (iii) above		Parties referred to in (iv) above		Total	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
Dividend Paid/Proposed										
Colgate-Palmolive Company, U.S.A.	81,71.54	70,81.99	-	-	-	-	-	-	81,71.54	70,81.99
Colgate-Palmolive (Asia) Pte. Ltd., Singapore	-	-	22,31.91	19,34.33	-	-	-	-	22,31.91	19,34.33
Sub-Total	81,71.54	70,81.99	22,31.91	19,34.33	-	-	-	-	104,03.45	90,16.32
Reduction of Share Capital										
Colgate-Palmolive Company, U.S.A.	-	49,02.92	-	-	-	-	-	-	-	49,02.92
Colgate-Palmolive (Asia) Pte. Ltd., Singapore	-	-	-	13,39.15	-	-	-	-	-	13,39.15
Sub-Total	-	49,02.92	-	13,39.15	-	-	-	-	-	62,42.07
Royalty and Technical Fees										
Colgate-Palmolive Company, U.S.A.	61,04.04	42,24.36	-	-	-	-	-	-	61,04.04	42,24.36
Sub-Total	61,04.04	42,24.36	-	-	-	-	-	-	61,04.04	42,24.36
Remuneration										
Roger Calmeyer	-	-	-	-	5,34.31	4,98.52	-	-	5,34.31	4,98.52
Moses Elias	-	-	-	-	3,60.11	4,39.83	-	-	3,60.11	4,39.83
K. V. Vaideyanathan	-	-	-	-	1,42.00	1,65.35	-	-	1,42.00	1,65.35
Vinay Hegde	-	-	-	-	-	57.26	-	-	-	57.26
Sub-Total	-	-	-	-	10,36.42	11,60.96	-	-	10,36.42	11,60.96
Dividend										
	-	-	-	-	0.20	0.10	0.37	0.18	0.57	0.28
Sub-Total	-	-	-	-	0.20	0.10	0.37	0.18	0.57	0.28
Reduction of Share Capital										
	-	-	-	-	-	0.11	-	0.21	-	0.32
Sub-Total	-	-	-	-	-	0.11	-	0.21	-	0.32
Repayment of Loan										
	-	-	-	-	1.20	1.20	-	-	1.20	1.20
Sub-Total	-	-	-	-	1.20	1.20	-	-	1.20	1.20
Interest on Loan Received										
	-	-	-	-	0.72	0.76	-	-	0.72	0.76
Sub-Total	-	-	-	-	0.72	0.76	-	-	0.72	0.76
Outstanding Receivable net of Payable										
	-	-	1,38.48	1,91.30	23.56	24.76	-	-	1,62.04	2,16.06
Outstanding Payable net of Receivable										
	70,26.29	35,45.70	14,83.58	15,38.37	-	-	-	-	85,09.87	50,84.07

Notes forming part of the Consolidated Balance Sheet as at March 31, 2009 and Consolidated Profit and Loss Account for the year ended March 31, 2009

	2008-2009	2007-2008
	Rs. Lacs	Rs. Lacs
Schedule 21 : Lease Accounting		
1. The Group has leased vehicles and computer equipments under "Operating Leases". The lease payments to be made in future in respect of the leases are as follows :		
Upto 1 year	3,70.13	4,48.44
Greater than 1 year but less than 5 years	3,14.59	3,86.10
Greater than 5 years	-	-
2. Lease payments recognised in Consolidated Profit and Loss Account are included in "Miscellaneous" under Other Expenses in Schedule 16.	6,03.36	5,96.17
Schedule 22 : Earnings Per Share		
Profit After Taxation (Rs. Lacs)	285,78.12	235,76.01
Weighted average number of shares (Nos.)	13,59,92,817	13,59,92,817
Nominal Values of shares outstanding (Re.)	1	1
Basic and Diluted Earnings Per Share (Rs.)	21.01	17.34
Schedule 23 : Contingencies and Commitments		
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,08.21	18,93.15
2. Contingent liabilities not provided for in respect of : (Refer Note 7 on Schedule 17)		
(i) Guarantees given by the Group	3,50.00	2,75.00
(ii) Counter Guarantees given to the Banks	2,83.58	2,32.73
(iii) Cheques Discounted with Banks	23,83.63	31,64.18
(iv) Claims against the Group not acknowledged as debts	1,42.90	55.82
(v) Other Matters :		
- Excise Matters	4,67.58	2,56.40
- Service Matters	12,46.17	7,64.28
- Sales Tax Matters	15.48	-
- Income Tax Matters	28.67	17.43

Note :

Future cash flow in respect of (iv) and (v) above, if any, is determinable only on receipt of judgements/decisions pending with the relevant authorities.

Schedule 24 : Others/Contingencies

(Refer Note 7 on Schedule 17)

	Commercial/Vendors	Direct/Indirect Taxes	Rs. Lacs
	(Refer Note 1 below)	(Refer Note 2 below)	Total
Opening Balance	11,67.40	54,55.61	66,23.01
Add : Provision made	-	2,76.34	2,76.34
Less : Provision Utilised/Reversed	11,67.40	8,72.12	20,39.52
Closing Balance	-	48,59.83	48,59.83

Notes forming part of the Consolidated Balance Sheet as at March 31, 2009 and Consolidated Profit and Loss Account for the year ended March 31, 2009

Schedule 24 : Others/Contingencies (Contd.)

Notes :

1. Commercial/Vendors

Represents estimates made for probable liabilities/claims arising out of commercial transaction with vendors. Further information usually required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" is not disclosed since the same can be prejudicial to the interests of the Group.

2. Direct/Indirect Taxes

Represents estimates made for probable liabilities arising out of pending disputes/litigations with various tax authorities. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the Group under the law and hence the Group is not able to reasonably ascertain the timing of the outflow.

Schedule 25 : Supplementary Information

1. Derivative Instruments :

Details of foreign currency balances not hedged :

Particulars	Foreign Currency Denomination	2008-2009		2007-2008	
		Foreign Currency Amount in Lacs	Indian Rupees equivalent in Lacs	Foreign Currency Amount in Lacs	Indian Rupees equivalent in Lacs
Assets (Trade Receivables)	USD	2.43	1,22.65	6.55	2,61.82
Assets (Loans and Advances)	USD	0.58	29.36	0.99	40.18
Liabilities (Trade Payables)	EUR	-	-	0.70	43.05
	GBP	0.04	2.65	-	-
	USD	1,07.01	54,30.26	86.47	34,62.96
	CHF	0.14	6.06	-	-
	SEK	0.27	1.51	-	-

- The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed as excised duty expense in "Cost of Goods Sold - Increase/(Decrease) in Excise Duty on Finished Goods" under Schedule 14 annexed and forming part of Consolidated Profit and Loss Account.
- The financial statements of the subsidiaries have been audited by firms other than Price Waterhouse.
- Previous year's figures have been re-grouped and re-arranged wherever necessary.

The Schedules (1 to 25) referred to herein above form an integral part of the financial statements.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Mumbai, May 29, 2009

For and on behalf of the Board

Deputy Chairman
Managing Director
Whole-time Director &
Chief Financial Officer
Whole-time Director &
Company Secretary

P. K. Ghosh
R. D. Calmeyer

M. A. Elias

K. V. Vaidyanathan

Mumbai, May 29, 2009

Statements pursuant to Section 212 of The Companies Act, 1956, relating to subsidiary companies

Name of the Subsidiary	Financial Year ending of the subsidiary	Number of equity shares held	Extent of holding	For financial year of the subsidiary			For the previous financial years since it became a subsidiary		
				Profit/(losses) so far it concerns the members of the holding company and not dealt with in the books of accounts of the holding company	Profit/(losses) so far it concerns the members of the holding company and dealt with in the books of accounts of the holding company	Profit/(losses) so far it concerns the members of the holding company and not dealt with in the books of accounts of the holding company	Profit/(losses) so far it concerns the members of the holding company and dealt with in the books of accounts of the holding company	Profit/(losses) so far it concerns the members of the holding company and dealt with in the books of accounts of the holding company	Profit/(losses) so far it concerns the members of the holding company and dealt with in the books of accounts of the holding company
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Advanced Oral Care Products Private Limited	March 31, 2009	1,50,000 of Rs. 100 each fully paid	75%	Rs. Lacs 1,90.52	Rs. Lacs 1,72.50	Rs. Lacs 25.99	Rs. Lacs -	Rs. Lacs -	
Professional Oral Care Products Private Limited	March 31, 2009	9,00,600 of Rs. 10 each fully paid	75%	93.52	90.06	89.21	-	-	
CC Healthcare Products Private Limited (Effective April 2, 2008)	March 31, 2009	1,50,000 of Rs. 10 each fully paid	75%	66.84	135.00	-	-	-	

Name of the Subsidiary Company	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Details of investments (except in case of investment in subsidiaries)	Turnover	Profit/ (Loss) before taxation	Provision for Taxation	Profit/ (Loss) after taxation	Proposed Dividend
Advanced Oral Care Products Private Limited	2,00.00	3,53.67	87,65.22	82,11.55	-	121,47.49	7,77.46	2,93.43	4,84.03	1,40.00
Professional Oral Care Products Private Limited	1,20.08	2,85.99	24,70.59	20,64.52	-	100,81.51	3,31.04	86.27	2,44.77	72.05
CC Healthcare Products Private Limited (Effective April 2, 2008)	20.00	2,56.27	13,28.66	10,52.39	-	24,31.48	4,10.27	1,41.15	2,69.12	50.00

Rs. Lacs

Note : The Annual Accounts of the subsidiary companies will be available for inspection by the Members at the Registered Office of the Company and that of the respective subsidiary companies during business hours on any working day, excluding Saturday, up to and including the day of the Annual General Meeting, namely July 17, 2009.

For and on behalf of the Board

Deputy Chairman
Managing Director
Whole-time Director &
Chief Financial Officer
Whole-time Director &
Company Secretary

P. K. Ghosh
R. D. Calmeyer
M. A. Elias
K. V. Vaidyanathan

Mumbai, May 29, 2009