



Contents

Board of Directors	2
Ten-year Highlights	3
Notice	5
Report of the Directors	7
Corporate Governance Report	10
Auditors' Report on Corporate Governance	17
Auditors' Report to the Shareholders	19
Balance Sheet	22
Profit and Loss Account	23
Cash Flow Statement	24
Schedules to the Accounts	26
Statement pursuant to Section 212	42
Subsidiary Accounts	
Colgate-Palmolive (Nepal) Private Limited	43
Passion Trading & Investment Company Limited	53
Multimint Leasing & Finance Limited	54
Jigs Investments Limited	55
Consolidated Accounts	
Auditors' Report	56
Consolidated Balance Sheet	57
Consolidated Profit and Loss Account	58
Consolidated Cash Flow Statement	59
Schedules to the Consolidated Accounts	61



Board of Directors

	<i>Chairman</i>	S. Peter Dam
	<i>Vice-Chairman</i>	R. A. Shah
	<i>Deputy Chairman</i>	P. K. Ghosh
	<i>Managing Director</i>	G. Dalziel
	<i>Whole-time Director</i>	M. A. Elias
	<i>Whole-time Director</i>	K. V. Vaidyanathan
	<i>Whole-time Director</i>	V. Kaushik
		V. S. Mehta
		J. K. Setna
	<i>Company Secretary</i>	K. V. Vaidyanathan
Management Committee	<i>Managing Director</i>	G. Dalziel
	<i>Finance</i>	M. A. Elias
	<i>Legal</i>	K. V. Vaidyanathan
	<i>Marketing</i>	V. Kaushik
	<i>New Geographies</i>	A. B. Ganu
	<i>Sales</i>	V. Hegde
	<i>R & D</i>	R. Kohli
	<i>Information Technology</i>	A. Pande
	<i>Manufacturing</i>	D. Chhibba
	<i>Human Resources</i>	D. Roy
Audit Committee	<i>Chairperson</i>	R. A. Shah
		P. K. Ghosh
		J. K. Setna
	<i>Secretary</i>	K. V. Vaidyanathan
Shareholders'/Investors' Grievance Committee	<i>Chairperson</i>	P. K. Ghosh
		G. Dalziel
		V. Kaushik
		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>	Sewri Fort Road, Mumbai 400 015 Waluj Industrial Area, MIDC, Aurangabad 431 136
	<i>Warehouses</i>	Kolkata and Chennai
	<i>Registrars & Share Transfer Agents</i>	Sharepro Services



Ten-year Highlights

(Rs. Lacs)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
A. Operating Results :										
Sales	601,97	681,46	850,11	960,60	1,019,73#	998,22#	1,089,58#	1,176,88	1,160,89	1,056,89
Other Income	10,40	29,40	14,84	17,61	12,48#	16,31#	22,89#	29,51	30,95	35,76
Total Income	612,37	710,86	864,95	978,21	1,032,21#	1,014,53#	1,112,47#	1,206,39	1,191,84	1,092,65
Net Profit After Tax	58,80	71,79	76,30	78,92	80,07	45,67	51,79	62,50	69,79	88,66
Cash Profits	63,92	82,70	94,72	98,58	101,24	70,30	75,00	82,72	91,94	108,13
B. Financial Position :										
Fixed Assets (Net)	46,52	144,02	151,73	160,41	194,46	226,17	215,58	196,93#	172,31	158,02
Current Assets (Net)	68,14	57,88	49,13	84,89	83,17	58,47	80,31	31,26#	56,86	29,52
Others (Net)	81,66	30,69	43,68	16,89	20,51	14,23	11,08	23,97#	27,72	89,62
TOTAL ASSETS	196,32	232,59	244,54	262,19	298,14	298,87	306,97	252,16	256,89	277,16
Share Capital	123,19	135,99	135,99	135,99	135,99	135,99	135,99	135,99	135,99	135,99
Reserves and Surplus	71,53	95,00	106,02	122,18	157,37	157,75	164,26	103,12	111,65	139,03
SHAREHOLDERS' FUNDS	194,72	230,99	242,01	258,17	293,36	293,74	300,25	239,11	247,64	275,02
Loan Funds	1,60	1,60	2,53	4,02	4,78	5,13	6,72	13,05	9,25	2,14
TOTAL CAPITAL EMPLOYED	196,32	232,59	244,54	262,19	298,14	298,87	306,97	252,16	256,89	277,16
C. Equity Share Data :										
Earnings Per Share (Rs.)	4.32	5.28	5.61	5.80	5.89	3.36	3.81	4.60	5.13	6.52
Dividend Per Share (Rs.)	3.41	4.49	4.80	4.50	3.00	3.00	3.00	8.25*	4.25	4.25
Number of Shares (in Lacs)	12,32	13,60	13,60	13,60	13,60	13,60	13,60	13,60	13,60	13,60
Number of Shareholders (in '000s)	1,32	1,95	2,29	2,35	2,38	2,41	2,30	2,22	2,15	2,07

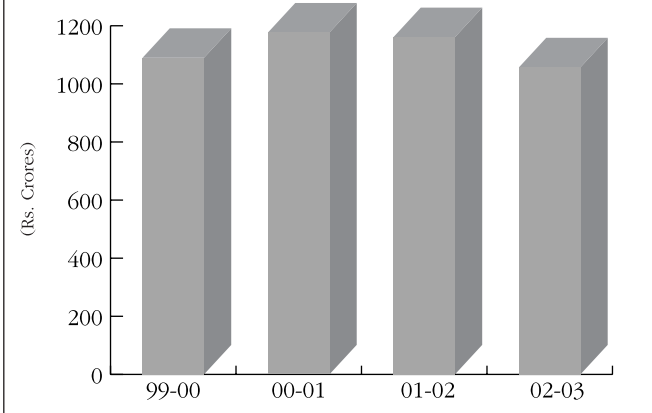
Reclassified

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

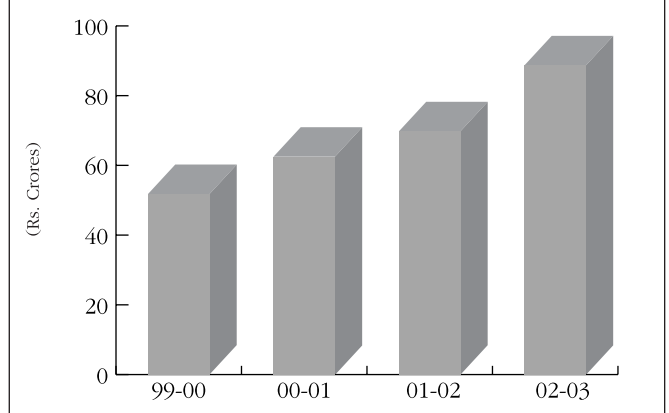
Previous year's figures have been reclassified to confirm with current year's presentation, where applicable.



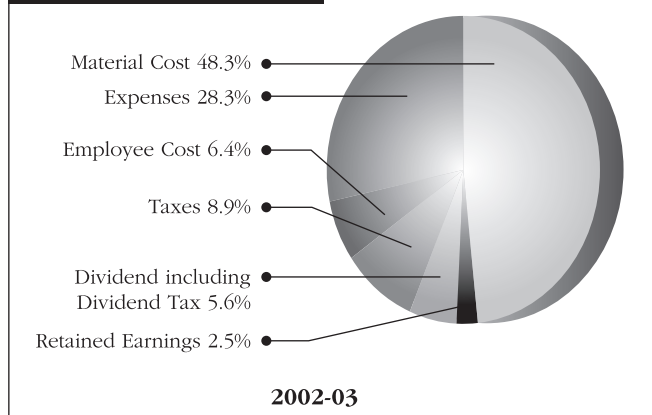
Gross Sales



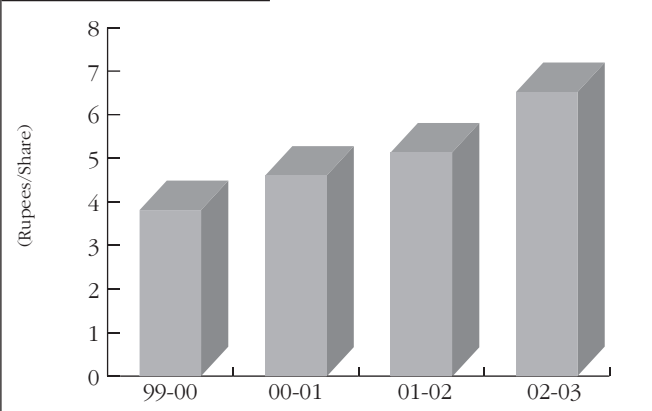
Net Profit After Tax



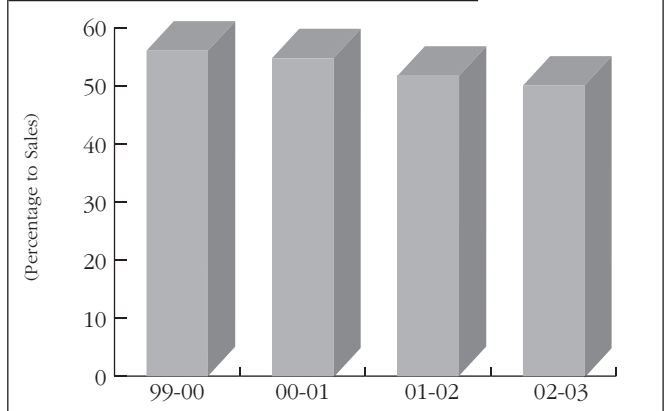
Distribution of Income



Earnings per Share



Percentage of Material Cost to Sales





Notice

NOTICE is hereby given that the Sixty-second 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 Monday, August 18, 2003 at 3.30 p.m. to transact the following business:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2003 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 appoint Auditors and to fix their remuneration.

By Order of the Board

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

Date : June 10, 2003

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 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. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 1, 2003 to Monday, August 18, 2003 (both days inclusive).
3. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company Messrs. Sharepro Services, 912, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai 400 021.
4. 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.
5. To avoid the incidence of fraudulent encashment of the warrants, Members are requested to intimate the Registrars and Share Transfer Agents of the Company under the signature of the Sole/First joint holder the following information so that the Bank Account Number and Name and Address of the Bank can be printed on the Dividend Warrant, if and when issued :
 - a) Name of Sole/First joint holder and Folio Number
 - b) Particulars of Bank Account viz.
 - i) Name of the Bank
 - ii) Name of the Branch
 - iii) Complete Address of the Bank with Pin Code number
 - iv) Account type, whether Savings or Current Account
 - v) Bank Account number allotted by the Bank.
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]. Members, therefore, now 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. Members holding shares in Demat form may please note that the bank account details given by them to their Depository Participants [DPs] and passed on to the Company by such DPs would be printed on the dividend warrants



of the concerned members. However, if any member wants to receive dividend in any other bank account, he/she should change/correct the bank account details with their concerned DPs. The Company would not entertain any request from such shareholders directly for deletion/change in the bank account details printed on the dividend warrants on the basis of information furnished by the DPs to the Company.

- 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. Members who have not encashed the dividend warrants upto the said period are requested to claim the amount from The Registrar of Companies, CGO Building, IInd Floor, A Wing, Belapur, Navi Mumbai.

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years automatically get transferred to the 'Investor Education and Protection Fund', constituted by the Central Government. Accordingly the unclaimed amounts of second interim dividend (Rs. 8,92,563/-) and third interim dividend (Rs. 9,41,745/-) for the Financial Year 1995-96 have been transferred to the Investor Education and Protection Fund on January 17, 2003 and May 31, 2003 respectively.

- 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.
- 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. Mr. R. A. Shah has been a Director on the Board of the Company since December 1979.

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

Other Directorships : Godfrey Phillips India Ltd. (Chairman), Pfizer Ltd. (Chairman), Fulford India Ltd. (Chairman & Alternate Director), The Bombay Dyeing & Mfg. Co. Ltd. (Chairman), Pharmacia Healthcare Limited (Chairman), Asian Paints (I) Ltd., Atul Limited, BASF India Ltd., Colour Chem Ltd., Deepak Fertilizers & Petrochemicals Corporation Ltd., Abbott India Ltd., Nicholas Piramal India Ltd., Philips India Ltd., Prudential ICICI Trust Ltd., Procter & Gamble Hygiene and Healthcare Ltd.

Committee Membership : Audit Committee of the Boards of Pfizer Ltd. (Chairman), The Bombay Dyeing & Mfg. Co. Ltd. (Chairman), Nicholas Piramal India Ltd. (Chairman), BASF India Ltd., Colour Chem Ltd., Abbott India Ltd., Procter & Gamble Hygiene and Healthcare Ltd. and Wockhardt Ltd. and Remuneration Committee of the Board of The Bombay Dyeing & Mfg. Co. 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 re-appointed thereafter for a further period of five years from April 1, 2002. 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 the following companies:

Other Directorships : Colgate-Palmolive (Nepal) Pvt. Ltd., Jigs Investments Ltd., Multimint Leasing & Finance Ltd. and Passion Trading & Investment Co. Ltd.



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, 2003.

Financial Results

(Rs. in Crores)

	2002-03	2001-02
Total Revenue	1,092.65	1,191.84
Sales (Including Excise Duty)	1,056.89	1,160.89
Other Income	35.76	30.95
Profit before Taxation	146.48	114.69
Provision for Taxation	57.82	44.90
Profit after Taxation	88.66	69.79
Balance brought forward	3.50	1.96
Profit available for Appropriation	92.16	71.75
Appropriation :		
Dividend	57.79	57.79
Dividend Tax	3.48	3.47
General Reserve	8.87	6.98
Balance carried forward	22.02	3.51
	92.16	71.75

Business Performance

The continuing economic slowdown of the past year has negatively impacted consumer demand in the FMCG sector. Though consumer spending is gradually picking up in urban India, the overall demand conditions continued to be difficult since the agriculture sector has declined significantly, severely affecting rural demand. The market environment continues to be very competitive. Within the challenging competitive market conditions, your Company continues to deliver excellent net profit, recording a growth of 27% to Rs. 88.66 Crores. During the year, your Company continued the planned reduction of high trade inventory levels. This reduction, combined with sluggish consumer demand has resulted in a decline in sales from Rs. 1161 Crores in 2001-02 to Rs. 1057 Crores in 2002-03.

Business Prospects

In a highly competitive market environment, it is essential to respond with such products and services that will not only improve the quality of life but will also increase your Company's market leadership in the Oral Care business. Your Company accordingly relaunched its flagship brand, Colgate Dental Cream, during the second quarter as the 'Best Ever' Colgate Dental Cream. This was aggressively supported with "360 degree" marketing, superior advertising, consumer promotions and trade incentives. This product, with the power of calcium enriched with minerals, is clinically proven to make teeth stronger. The 'Best Ever' Colgate Dental Cream has also received professional recognition - it has been endorsed by the Indian Dental Association which has granted the product its "Seal of Acceptance".



During the year, your Company has also relaunched its premium toothpaste, Colgate Total, in a green and white striped paste format. Colgate Total is the most advanced formulation in the world and is the only toothpaste to contain “gantrez”, which combined with the active germ-fighting ingredients provides a scientifically proven “shield of protection” for as long as 12 hours after brushing.

Your Company undertook these product improvement measures despite a strong recessionary pressure in the toothpaste market. Competitive brands have chosen to down-price and partially offset the cost by down-sizing their packs. However, Colgate Dental Cream continues to offer excellent value to the consumer by rationalising prices to match competitors without reducing the grammage of toothpaste in each tube.

Your Company is pleased to state that the market share performance of Colgate has been positive despite tough competitive market conditions. Value shares in 2002 showed growth over 2001 for all Oral Care categories - toothpaste, toothpowder and toothbrushes. This was challenging in the face of growing price competition and aggressive promotion by competitors.

In the toothpowder business, a packaging innovation was introduced in the form of a Flip-Top Cap, making the product a lot more convenient to use. Consumer feedback on this innovation has been positive.

In toothbrushes a new world-class product, Colgate Navigator Plus, was launched to deliver excellent cleaning with a high degree of comfort and control. The largest selling toothbrush in the country, Colgate Super Flexible, was relaunched with the consumer promise of “3-way action for a comfortable clean”. This has been well received by consumers.

With the overall demand conditions in rural India continuing to be difficult, your Company has stepped up its efforts to increase the direct coverage this year by at least 10,000 villages. Innovative promotional schemes are being implemented to tap the rural wholesale channel and rural seeding promotions have been undertaken through promotional vans in key States.

All these initiatives are likely to further strengthen your Company's market leadership in the Oral Care business.

Toothpaste Royalty

Your Directors are pleased to state that in September 2002 the Government of India approved a royalty-based technical know-how license agreement with Colgate-Palmolive Company, USA (CP-US) in relation to toothpaste being manufactured at the Company's factory at Sewri. This Agreement is valid for a period of seven years effective 1st August, 2002 involving payment of royalty at 5% on domestic sales and 8% on exports (net of tax). The Government of India's approval is similar to the approvals granted to other leading consumer product companies in India

for payment of royalties to their parent companies/technology providers.

The Company will be receiving technological assistance to manufacture toothpaste in various fields including product formulation, process technology, good manufacturing practices, analytical sciences/microbiology, etc.

With a view to adapting and absorbing the technological assistance, the Company has established a Research and Technology centre at Powai in 1998. The main advantage of having such a centre is that your Company can undertake adaptive research to develop new products and processes as well as to improve the existing products and processes that meet the Indian consumers and business needs.

The FMCG sector in India has become fiercely competitive. In order to survive as a viable manufacturing unit, your Company needs to have access to state-of-the-art technology so as to improve continually the quality of products and cost efficiency. This is all the more essential since restrictions on import of toothpaste have been removed thereby exposing the local manufacturers to global competition. Considering all these factors, your Directors felt it necessary to formalise the technological assistance arrangement with the approval of the Government of India in the larger interest of consumers and shareholders.

Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representation 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 the 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.



Dividend

For the financial year 2002-03, a first interim dividend of Rs. 2.25 per share (subject to tax) was paid on December 13, 2002 and a second interim dividend of Rs. 2/- per share declared on May 28, 2003 will be paid to the shareholders on June 25, 2003. Having declared an aggregate dividend of 42.5% for the financial year 2002-03, your Directors do not recommend final dividend for the year.

Information Technology

Your Company continued to make IT investments in various strategic areas to improve operational efficiency and leverage quality information to enhance decision effectiveness. As of today, Colgate stockists in top 50 cities are fully automated and connected on-line with the Company and their salesmen are using handheld computers and software provided by the Company. This is a significant competitive advantage and helps your Company achieve better operational efficiencies in distribution, drive secondary sales and improve its Speed to Market. By the end of this year, your Company aims to automate stockists contributing 65% of the Company's total sales.

Subsidiaries

During the year, your Company divested its entire shareholding in Camelot Investments Company Limited (Camelot), a wholly-owned subsidiary of the Company. Camelot had set up a facility at Waluj, Aurangabad to manufacture premium toothbrushes. In view of under-utilisation of capacity and excise implications, Camelot's facility at Waluj had become economically unviable. Hence, it was decided to discontinue the operations of its facility at Waluj effective March 21, 2003. As your Company will be getting supply of toothbrushes from alternate sources, the discontinuance of the operations by Camelot as aforesaid will not adversely impact your Company's toothbrush business.

In terms of the provisions contained under the Companies Act, 1956, the paid-up capital of three of your Company's subsidiaries, viz. Passion Trading & Investment Company Limited, Multimint Leasing & Finance Limited and Jigs Investments Limited, have not been enhanced to Rs. 5 lacs. Accordingly, these three subsidiaries shall be deemed to be defunct companies within the meaning of Section 560 of the Companies Act, 1956 and steps are being taken to get their names struck off from the records maintained by the Registrar of Companies.

Corporate Governance

A separate report on Corporate Governance along with 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. In line with the objective

of cost competitiveness, a voluntary retirement scheme was offered to the workmen of the Company's factory at Sewri during the year with a view to rationalising the workforce. Under the said scheme, 80 workmen retired from the services of the Company.

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) of the Act, the Report and Accounts are being sent to the shareholders of the Company excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the statement may write to the Deputy Company Secretary at the Registered Office of the Company.

Trade Relations

Your Company continued to receive unstinted support and co-operation from its retailers, stockists, suppliers of goods/services, clearing and forwarding agents and all others associated with it. Your Board wishes to record its appreciation and your Company would 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 Companies (Disclosure of Particulars in the Report of the Board of 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 Sixty-second 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

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

On behalf of the Board

G. Dalziel
Managing Director

R. A. Shah
Vice-Chairman

Mumbai, June 10, 2003



Corporate Governance Report

The Board of Directors of the Company continued to lay great emphasis on the broad principles of Corporate Governance. Given below is the report on Corporate Governance.

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 employees are bound by a Code of Conduct that sets forth Company's policies on important issues, including our 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 four Whole-time Directors (the Managing Director and three 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 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	No. of memberships of other Board Committees	No. of other Board Committees of which the Director is a Chairperson
Mr. S. Peter Dam	Non-executive	19*	–	–
Mr. R. A. Shah	Non-executive	14**	9	3
Mr. P. K. Ghosh	Non-executive	–	–	–
Mr. G. Dalziel	Executive	–	–	–
Mr. M. A. Elias	Executive	1	–	–
Mr. K. V. Vaidyanathan	Executive	4	–	–
Mr. V. Kaushik	Executive	–	–	–
Mr. J. K. Setna	Non-executive	9	5	1
Mr. V. S. Mehta	Non-executive	4**	–	–

* Foreign Bodies Corporate

** Excluding Private Limited Companies and Alternate Directorships

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

During the year 2002-03, 12 Board Meetings were held on

May 3, June 20, July 29, August 19, October 8 and 23, November 15 and December 18, 2002, January 31, February 5, March 6 and March 19, 2003. The last Annual General Meeting of the Company was held on August 19, 2002.

Name of the Director	No. of Board Meetings attended	Attendance at last AGM
Mr. S. Peter Dam	3	Present
Mr. R. A. Shah	12	Present
Mr. P. K. Ghosh	8	Absent
Mr. G. Dalziel	11	Present
Mr. M. A. Elias	12	Present
Mr. K. V. Vaidyanathan	12	Present
Mr. V. Kaushik	12	Present
Mr. J. K. Setna	10	Present
Mr. V. S. Mehta	4	Present

3. Audit Committee

The Audit Committee constituted in April 2000 consists of three 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

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 discussions 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 2002-03, 5 Audit Committee Meetings were held on May 3, June 20, July 25, October 23, 2002 and January 31, 2003. Mr. R. A. Shah attended all the meetings of the Committee. Mr. J. K. Setna and Mr. P. K. Ghosh could not attend the Committee Meetings held on May 3 and July 25, 2002 respectively.

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.

Fees for professional services have also been paid to a qualitative research firm in which a relative of an Executive Director is interested as Director/Shareholder.

The remuneration policy is directed towards rewarding performance. It is aimed at attracting and retaining high calibre 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, 2003 are given below :

	Rs. Lacs
a) Salary	174.22
b) Benefits including bonus	101.77
c) Performance Linked Incentive/Commission	102.24
d) Sitting fees	4.10
Total	382.33

Note : The agreement with each of the Executive Directors is for a period of five years. Either party shall be entitled to determine the agreement 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.

5. Shareholders'/Investors' Grievance Committee

The Board constituted a Shareholders'/Investors' Grievance Committee in April 2000. The Committee consists of five Directors, viz. Messrs. P. K. Ghosh, G. Dalziel, J. K. Setna, K. V. Vaidyanathan and V. Kaushik. 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, Company Secretary and Whole-time Director, is the Compliance Officer.

During the year 2002-03, 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/enquiries	Number of complaints/enquiries	Number redressed
Non-receipt of dividends	2295	2295
Non-receipt of shares lodged for transfer	159	159
Others	201	201
Total	2655	2655

All complaints/enquiries 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.

All valid share transfers received during the year 2002-03 have been acted upon by the Company and the number of pending share transfers, as on March 31, 2003 were 199. These have since been acted upon.

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
1999-00	Aug. 10, 2000	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.
2000-01	Aug. 29, 2001	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.
2001-02	Aug. 19, 2002	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.

No Special Resolution requiring a postal ballot is being proposed at the ensuing Annual General Meeting.



7. Disclosures

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

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 21 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.

8. Means of Communication

The quarterly, half-yearly and full year results are published in Free Press Journal and Navshakti. These are not sent individually to the shareholders. 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 Oral Care and Personal Care business. The Oral Care business continues to account for over ninety per cent of the Company's turnover. The growth of toothpaste and toothpowder market showed both volume and value decline over the previous year. The market environment continues to be very competitive. Within the challenging competitive market environment, Colgate did gain market shares during the year. The 'Best Ever' Colgate Dental Cream launched during the year was very well received by consumers and the "Seal of Acceptance" granted to Colgate Dental Cream by the Indian Dental Association speaks volumes about the quality and efficacy of the product.

Almost half of the population does not have access to modern dental care. The per capita consumption of toothpaste is about 77 gms; one of the lowest in the world. There is a critically low dentist to population ratio [1:35,000 approximately] which results in low oral hygiene consciousness and widespread dental and periodontal diseases. This provides a good opportunity to expand the market and encourage people to use modern dentifrices to improve oral hygiene. With a view to achieving this objective, the Company has designed its product portfolio in a manner that its products are available at different price points to cater to the requirements of consumers across all segments. The Company has also taken series of steps jointly with the Indian Dental Association to educate people on the importance of oral hygiene.

Colgate continued to be the #1 Brand in the country across all segments backed up with strong distribution network and R & D capability. While the pre-dominant business of the Company was confined to Oral Care category where it faced intense competition from low-priced brands, the outlook for the industry is positive given the size of the opportunity. The Company is hopeful that through the combination of market development and expansion activity, there would be healthy market growth over the next few years.

The Company has good internal control systems, the adequacy of which have been reported by its auditors in their report as required under the Manufacturing & Other Companies [Auditor's Report] Order, 1988. The discussion on financial performance of the Company is covered in the Directors' Report. The segment-wise performance is available in Schedule 20 to the Audited Accounts of the Company. There has been no material development on the Human Resource/Industrial Relations front during the year. The number of people employed as on March 31, 2003 was 1156.

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 : August 18, 2003 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 in June as permitted under the listing agreement.

Stock Code

The Stock Exchange, Mumbai (physical & demat) - Code : 500 830

Market Price Data

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

Month	Mumbai Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2002	166.80	139.45	166.25	139.10
May, 2002	141.10	131.90	145.30	130.10
June, 2002	145.75	133.35	148.40	132.20
July, 2002	144.25	133.75	145.00	132.00
August, 2002	137.30	133.15	139.50	127.00
September, 2002	136.25	131.35	138.70	130.50
October, 2002	134.60	124.60	135.00	123.55
November, 2002	130.30	126.10	133.80	118.00
December, 2002	136.55	128.90	138.40	128.00
January, 2003	136.15	133.80	136.90	130.25
February, 2003	134.65	126.10	137.00	125.60
March, 2003	130.10	120.20	132.50	118.00

Dates of Book Closure

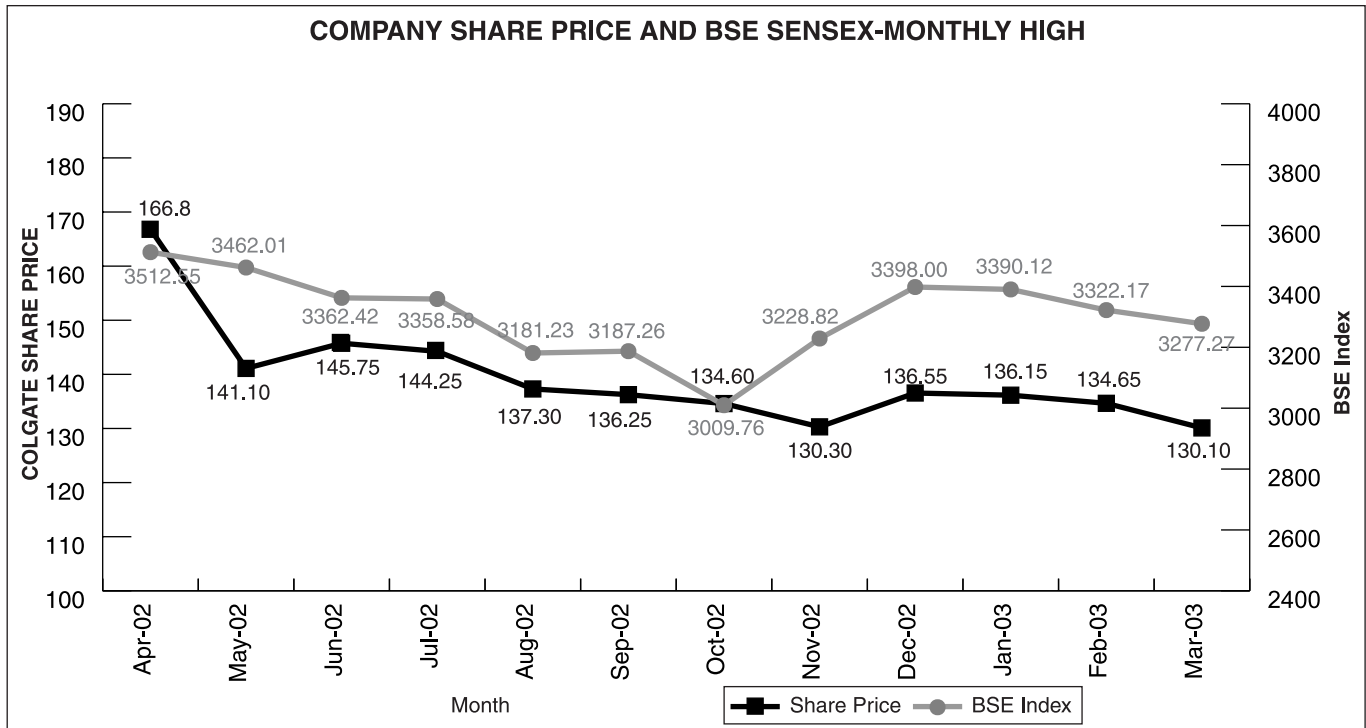
August 1, 2003 to August 18, 2003 (both days inclusive).

Dividend Payment Date

Dividend	Payment Date
First Interim 2002-03	December 13, 2002
Second Interim 2002-03	June 25, 2003

Listing on Stock Exchanges

The Company's shares are listed on The Stock Exchange, Mumbai. The Company's shares are also permitted to trade on the National Stock Exchange and a listing application has recently been filed with National Stock Exchange of India Ltd.

**Performance in comparison to BSE Sensex****Registrars and Share Transfer Agents**

Sharepro Services
912, Raheja Centre
Free Press Journal Marg
Nariman Point, Mumbai 400 021
Tel. : 022 - 2288 4527
Fax : 022 - 2282 5484
E-mail : sharepro_services@roltanet.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.

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 to send all corporate communications, dividend warrants etc.

Physical shares received for dematerialisation are processed and completed within a period of 15 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.

**Distribution of Shareholding (as at March 31, 2003)**

Category	Number of shares	%
Foreign Collaborators	69356336	51.00
Resident Individuals	48751675	35.85
Foreign Institutional Investors	3370666	2.48
NRI/OCBs	295221	0.22
Domestic Companies	1368154	1.01
Non-domestic Companies	1380	0.00
Banks and Mutual Funds	2244694	1.64
Financial Institutions	10604691	7.80
Total	135992817	100.00

Dematerialisation of shares and liquidity

As on March 31, 2003, 35.53% of the shares were held in dematerialized form and the rest in physical form. It may be noted that Colgate-Palmolive Company, USA owns 51% of the Company's shares, which are also held in physical form. If these shares were to be excluded from the total number of shares, then dematerialized shares account for 72.51% of the remainder.

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 2003.

Plant Locations

The Company's plants are located at :

Mumbai

6, Sewri Fort Road
Mumbai 400 015

Aurangabad

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

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
912, Raheja Centre
Free Press Journal Marg
Nariman Point, Mumbai 400 021
Tel. : 022-2288 4527
Fax : 022-2282 5484
Email : sharepro_services@roltanet.com



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, 2003, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination 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 state that in respect of investor grievances received during the year ended March 31, 2003, no investor grievances are pending against the Company as on June 10, 2003, except for dispute cases and sub judice matters, which would be solved on final disposal by the Courts, as per the records maintained by the Company and presented to the Shareholders'/Investors' Grievance Committee.
5. 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.

P. N. Ghatalia

Partner

For and on behalf of

Price Waterhouse

Chartered Accountants

Mumbai, June 10, 2003



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 utilisation.

B. Technology Absorption, Research & Development (R & D) :

1. Specific areas in which R & D carried out by the Company :

- Development of new products to expand market and increase consumption.
- Significant technical advances in our two flagship brands – Colgate Dental Cream and Colgate Toothpowder.
- Process cycle time reduction and packaging innovation.
- All aspects of supply chain to reduce the cost of materials and to effect import substitution.
- Claim substantiation.

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

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

3. Future plan of action :

The Company continues to focus on developing products that are innovative to meet the ever changing consumer needs.

4. Expenditure on R & D :	2002-03
	[Rs. in Lacs]
a) Capital	1,32.71
b) Recurring	4,94.41
c) Total	6,27.12
d) Total R & D expenditure as a percentage of total turnover	0.60

Technology absorption, adaptation and innovation :

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

- * The Company has developed a clinically proven toothpaste formula for its flagship brand Colgate Dental Cream.
- * The Company has developed a new Flip-Top Cap, first in the Indian market, for its flagship brand Colgate Toothpowder.
- * The Company has developed a range of toothpastes specially for children. The products are designed to encourage children to brush regularly by focussing on great tasting flavours and exciting new looks.
- * The Company has developed and introduced a Shave Gel under the Palmolive Brand name.
- * The Company has developed a range of toothbrushes including Colgate Navigator Plus and Flexible Action. Cibaca Top and Colgate Superflexible were both revitalised as well.

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

Improvement in market share and reduction in cost of the products to the consumer.

3. Imported Technology :

The Company receives valuable technical guidance and assistance, which is absorbed and adapted to meet the demands of the local market. The Company has entered into Technical Know-how Agreements with Colgate-Palmolive Company, U.S.A. with a view to deriving enhanced benefit of their technology including continuous advancements and upgradation thereof for manufacture of toilet soaps and toothpaste. This technology is being absorbed and adapted to the demands of the local market.

C. Foreign Exchange Earnings and Outgo :

During the year, the Company was able to generate export earnings of Rs. 19,00.65 Lacs. The particulars of foreign exchange earned/utilised during the year are given in Schedule 22 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, 2003, the relative Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, 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 have conducted our audit in accordance with 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. The financial statements of the Company for the year ended March 31, 2002 were audited by other independent accountants, whose report dated June 20, 2002 expressed an unqualified opinion on those statements. Balances as on April 1, 2002 have been considered as opening balance for the purposes of these Accounts.
4. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, 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 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.
5. Further to our comments in the Annexure referred to in paragraph 4 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 and Profit and Loss Account 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 have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Act;
 - (e) On the basis of written representations received from the Directors as on March 31, 2003, and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on March 31, 2003 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 also 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, 2003;
 - (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.

Mumbai, June 10, 2003

P. N. Ghatalia
Partner
For and on behalf of
Price Waterhouse
Chartered Accountants



Annexure to the Auditors' Report

(Referred to in paragraph 4 of our report of even date)

To the Members of Colgate-Palmolive (India) Limited

- (i) (a) The Company has maintained proper records to show full particulars, including quantitative details and situation, of its fixed assets.
- (b) The fixed assets of the Company are physically verified by the Management according to a phased programme designed to cover all items over a period of three years, which we consider reasonable. Pursuant to the programme, a physical verification has been carried out during the year and no material discrepancies have been noticed.
- (ii) The fixed assets of the Company have not been revalued during the year.
- (iii) The stocks of finished goods, stores and spares, packing and raw materials have been physically verified by the Management during the year.
- (iv) In our opinion, the procedures of physical verification of stocks of finished goods, stores and spares, packing and raw materials followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (v) The discrepancies between the physical stocks and the book stocks, which have been properly dealt with, were not material.
- (vi) In our opinion, the valuation of finished goods, stores and spares, packing and raw material has been fair and proper in accordance with the normally accepted accounting principles followed in India, and is on the same basis as in the preceding year.
- (vii) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of The Companies Act, 1956, of India (the Act). In terms of sub-section (6) of Section 370 of the Act, provisions of the Section are not applicable to a company after the commencement of The Companies (Amendment) Act, 1999, of India.
- (viii) In our opinion, the rates of interest and other terms and conditions of unsecured loans that were granted during the year to companies listed in the register maintained under Section 301 of the Act, are prima facie not prejudicial to the interests of the Company. In terms of sub-section (6) of Section 370 of the Act, provisions of the Section are not applicable to a company on or after the commencement of The Companies (Amendment) Act, 1999, of India.
- (ix) The parties (including employees) to whom loans or advances in the nature of loans have been given by the Company are repaying the principal amounts as stipulated, and are also regular in payment of interest, where applicable.
- (x) In our opinion, there is an adequate internal control procedure, commensurate with the size of the Company and the nature of its business, for purchase of stores, raw materials, plant and machinery, equipment and other assets and for the sale of goods.
- (xi) The Company has not purchased goods and materials or sold goods, materials and services aggregating Rs. 50,000 or more in value during the year in respect of each party in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act.
- (xii) The Company has a system of determining unserviceable or damaged stores, raw materials or finished goods on the basis of technical evaluation and, on such basis, in our opinion, adequate amounts have been written off such stocks in the Accounts.
- (xiii) The Company has not accepted any deposits from the public to which the provisions of Section 58A of the Act and the rules framed thereunder apply.
- (xiv) In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable scrap. We are informed that the Company does not have any realisable by-product.
- (xv) In our opinion, the Company's present internal audit system is commensurate with its size and the nature of its business.



Annexure to the Auditors' Report (Contd.)

(Referred to in paragraph 4 of our report of even date)

To the Members of Colgate-Palmolive (India) Limited

- (xvi) On the basis of the records produced, we are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government of India under Section 209(1)(d) of the Act, have been maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- (xvii) The Company has regularly deposited Provident Fund and Employees' State Insurance dues during the year with the appropriate authorities in India.
- (xviii) At the last day of the financial year, there were no amounts outstanding in respect of undisputed income tax, wealth tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable.
- (xix) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any personal expenses which have been charged to the Profit and Loss Account, other than those payable

under contractual obligations or accepted business practices as followed in India, nor have we been informed of any such cases by the Management.

- (xx) The Company is not a sick industrial company within the meaning of clause (o) of Section 3 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985, of India.
- (xxi) In respect of trading activities, damaged goods have been determined by the Company on the basis of technical evaluation, and on such basis, in our opinion, adequate amounts have been written off such stocks in the Accounts.

Mumbai, June 10, 2003

P. N. Ghatalia
Partner
For and on behalf of
Price Waterhouse
Chartered Accountants



Balance Sheet as at March 31, 2003

	Schedule	Rs. Lacs	Rs. Lacs	As at March 31, 2002 Rs. Lacs
Sources of Funds				
Shareholders' Funds				
Share Capital	1	135,99.28		135,99.28
Reserves and Surplus	2	139,02.69		111,64.92
			275,01.97	247,64.20
Loan Funds				
Unsecured Loans	3		2,14.00	9,24.68
Deferred Tax Liability (Net)	4		15,59.85	25,81.12
Total			292,75.82	282,70.00
Application of Funds				
Fixed Assets				
Gross Block	5	319,69.33		313,23.38
Less : Depreciation/Amortisation/Write-down		163,59.41		143,51.63
Net Block		156,09.92		169,71.75
Capital Work-in-Progress and Advances for Capital Expenditure		1,91.81		2,59.36
			158,01.73	172,31.11
Investments				
	6		105,21.50	53,52.66
Current Assets, Loans and Advances				
Inventories	7	53,31.98		73,12.13
Sundry Debtors	8	41,04.85		72,99.84
Cash and Bank Balances	9	98,47.95		98,76.34
Interest Accrued on Investments/Deposits		4,50.17		1,96.32
Loans and Advances	10	152,81.96		108,66.51
		350,16.91		355,51.14
<i>Less :</i>				
Current Liabilities and Provisions				
Liabilities	11	247,27.05		247,13.66
Provisions	12	73,37.27		51,51.25
		320,64.32		298,64.91
Net Current Assets			29,52.59	56,86.23
Total			292,75.82	282,70.00

The Schedules (1 to 22) 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.

P. N. Ghatalia
Partner
For and on behalf of
Price Waterhouse
Chartered Accountants
Mumbai, June 10, 2003

For and on behalf of the Board
Vice-Chairman **R. A. Shah**
Managing Director **G. Dalziel**
Whole-time Director **M. A. Elias**
Whole-time Director **V. Kaushik**
Director **J. K. Setna**
Whole-time Director &
Company Secretary **K. V. Vaidyanathan**
Mumbai, June 10, 2003



Profit and Loss Account for the year ended March 31, 2003

	Schedule	Rs. Lacs	Rs. Lacs	2001-2002 Rs. Lacs
Income				
Sales		1,056,88.82		1,160,89.21
Other Income	13	<u>35,76.47</u>		<u>30,94.93</u>
			1,092,65.29	1,191,84.14
Expenditure				
Cost of Goods Sold	14	528,21.25		600,15.01
Employee Costs	15	69,50.90		60,27.11
Excise Duty		39,12.62		47,76.76
Other Expenses	16	289,85.52		346,80.97
Depreciation/Amortisation	5	<u>19,46.80</u>		<u>22,14.90</u>
			<u>946,17.09</u>	<u>1,077,14.75</u>
Profit before Taxation			146,48.20	114,69.39
Current Year Taxation		68,03.54		50,20.84
Deferred Tax Benefit		<u>(10,21.27)</u>		<u>(5,30.84)</u>
			<u>57,82.27</u>	44,90.00
Profit after Taxation			88,65.93	69,79.39
Balance Brought Forward			<u>3,50.52</u>	<u>1,95.54</u>
Profit Available for Appropriation			92,16.45	71,74.93
Appropriation :				
First Interim Dividend			30,59.82	33,99.82
Second Interim Dividend (declared subsequent to the year end)			27,19.86	23,79.87
Dividend Tax on Second Interim Dividend			3,48.48	3,46.78
Transfer to General Reserve			8,86.59	6,97.94
Balance Carried Forward			<u>22,01.70</u>	<u>3,50.52</u>
			<u>92,16.45</u>	<u>71,74.93</u>
Earnings Per Equity Share (Rupees)				
(Face Value of Rs. 10 per equity share)				
Basic and Diluted			6.52	5.13

The Schedules (1 to 22) referred to herein above form an integral part of the financial statements.

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

P. N. Ghatalia

Partner

For and on behalf of

Price Waterhouse

Chartered Accountants

Mumbai, June 10, 2003

For and on behalf of the Board

Vice-Chairman

R. A. Shah

Managing Director

G. Dalziel

Whole-time Director

M. A. Elias

Whole-time Director

V. Kaushik

Director

J. K. Setna

Whole-time Director &

Company Secretary

K. V. Vaidyanathan

Mumbai, June 10, 2003



Cash Flow Statement for the year ended March 31, 2003

	2002-2003 Rs. Lacs	2001-2002 Rs. Lacs
Cash Flow from Operating Activities :		
Net Profit before Tax	146,48.20	114,69.39
Adjustment for :		
Exchange Loss	21.57	6.27
Depreciation and Amortisation	19,46.80	22,14.90
Interest Expense	23.93	56.56
Write-down/Provision of under utilised and idle Fixed Assets	1,58.77	9,40.00
(Gain)/Loss on retirement of Fixed Assets [Net]	(6.19)	73.67
Dividend Income	-	(6,80.00)
Interest Income	(18,70.53)	(17,12.18)
Gain on Pre-payment of Sales-Tax Deferral Liability	(4,38.13)	-
Diminution in Value of Investments	0.95	-
Loss/(Gain) on Sale of Investments	5,94.21	(1,75.15)
Operating Profit before Working Capital Changes	150,79.58	121,93.46
Adjustment for (Increase)/Decrease in Working Capital :		
Inventories	19,80.15	13,31.97
Sundry Debtors	31,94.99	(27,74.13)
Loans and Advances	11,75.55	19,16.70
Current Liabilities and Provisions	17,89.96	36,79.88
Cash Generated from Operations	232,20.23	163,47.88
Direct Taxes Paid (Net)	(56,44.69)	(38,71.50)
Net Cash from Operating Activities (A)	175,75.54	124,76.38
Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(7,03.87)	(8,23.13)
Sale of Fixed Assets	33.88	56.75
Purchase of Investments	(73,09.00)	(52,53.86)
Sale of Investments	15,45.00	55,84.82
Inter-Corporate Deposits	(55,91.00)	25,94.00
Interest Received	16,16.72	19,51.86
Dividend Received	-	6,80.00
Net Cash used in Investing Activities (B)	(104,08.27)	47,90.44
Cash Flow from Financing Activities :		
Long Term Loans Availed/(Paid)	54.00	(4,52.15)
Sales Tax Deferral (Paid)/Availed [net]	(3,26.59)	71.83
Interest Paid	(23.93)	(56.69)
Dividend Paid	(68,77.57)	(129,61.67)
Dividend Tax Paid	-	(14,91.16)
Net Cash used in Financing Activities (C)	(71,74.09)	(148,89.84)
Net increase in Cash and Cash Equivalents (A+B+C)	(6.82)	23,76.98
Cash and Cash Equivalents at the beginning of the year	98,76.34	75,05.63
	98,69.52	98,82.61
Effect of Exchange Rate Changes	(21.57)	(6.27)
Cash and Cash Equivalents at the end of the year	98,47.95	98,76.34



Cash Flow Statement for the year ended March 31, 2003 (Contd.)

	2002-2003	2001-2002
	Rs. Lacs	Rs. Lacs
Cash and Cash Equivalents comprise :		
Cash and Cheques on Hand	-	11.37
Balances with Scheduled Banks in		
- Current Accounts	43,86.70	51,40.07
- Deposit Accounts	50,53.17	28,78.93
- Unpaid Dividend Accounts	4,08.08	18,45.97
Cash and Cash Equivalents as at March 31, 2003	98,47.95	98,76.34

Notes :

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements", issued by the Institute of Chartered Accountants of India.
2. Previous year's figures have been reclassified to confirm with current year's presentation, where applicable.

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

P. N. Ghatalia

Partner

For and on behalf of

Price Waterhouse

Chartered Accountants

Mumbai, June 10, 2003

For and on behalf of the Board

Vice-Chairman

R. A. Shah

Managing Director

G. Dalziel

Whole-time Director

M. A. Elias

Whole-time Director

V. Kaushik

Director

J. K. Setna

Whole-time Director &

Company Secretary

K. V. Vaidyanathan

Mumbai, June 10, 2003



Schedules forming part of the Balance Sheet as at March 31, 2003

	Rs. Lacs	As at March 31, 2003 Rs. Lacs	As at March 31, 2002 Rs. Lacs
Schedule 1 : Share Capital			
Authorised			
13,70,00,000 Equity Shares of Rs. 10 each		137,00.00	137,00.00
Issued, Subscribed and Paid-up			
13,59,92,817 Equity Shares of Rs. 10 each fully paid		135,99.28	135,99.28
Of the above :			
(i) 6,93,56,336 Shares are held by Colgate-Palmolive Company, U.S.A., the Holding Company.			
(ii) 11,18,85,735 Shares of Rs. 10 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
		26.50	26.50
Share Premium Account			
		12,79.93	12,79.93
General Reserve			
Balance, beginning of the year	95,07.97		88,10.03
Add : Transfer from Profit and Loss Account	8,86.59		6,97.94
		103,94.56	95,07.97
Profit and Loss Account Balance			
		22,01.70	3,50.52
		139,02.69	111,64.92
Schedule 3 : Unsecured Loans			
Loans [Repayable within one year Rs. 5.00 Lacs (Previous year : Rs. Nil)]		2,14.00	1,60.00
Sales Tax Deferral (Repaid on January 10, 2003)		-	7,64.68
		2,14.00	9,24.68
Schedule 4 : Deferred Tax Liability (Refer Note 8 on Schedule 17)			
Timing Difference between book and tax depreciation		26,54.20	31,39.01
Voluntary Retirement Scheme allowable over a period of five years in Income Tax		(1,79.17)	-
Accrual for expenses allowable only on payment		(9,15.18)	(5,57.89)
		15,59.85	25,81.12



Schedules forming part of the Balance Sheet as at March 31, 2003

Schedule 5 : Fixed Assets

(Refer Note 2 on Schedule 17)

(Rs. Lacs)

Particulars	Gross Block		Depreciation/Amortisation/Write-down		Net Book Value			
	As at March 31, 2002	Additions/ Transfers	Disposals/ Transfers	As at March 31, 2003	Upto March 31, 2003	Disposals/ Transfers/ Write-down (Refer note (iii) below)	Upto March 31, 2003	As at March 31, 2003
Goodwill and Trademarks	27,29.81	-	-	27,29.81	5,11.84	68.24	5,80.08	21,49.73
Copyrights & Design	13,52.90	-	-	13,52.90	7,24.77	96.63	8,21.40	5,31.50
Technical Know-how	49,83.70	-	-	49,83.70	17,79.89	2,37.32	20,17.21	29,66.49
Land- Leasehold (Refer note (i) below)	86.08	-	-	86.08	10.28	0.91	11.19	74.89
Buildings (Refer note (ii) below)	69,29.51	1,37.56	-	70,67.07	7,88.89	1,30.18	13,15.81	57,51.26
Plant & Machinery	118,50.09	4,68.45	52.55	122,65.99	71,81.20	7,20.68	10,51.58	33,12.53
Furniture and Equipment	32,55.43	1,36.81	31.06	33,61.18	19,41.00	6,72.22	(23.24)	25,89.98
Vehicles	1,35.86	28.62	41.88	1,22.60	83.76	20.62	(34.10)	7,71.20
Sub - Total	313,23.38	7,71.44	1,25.49	319,69.33	130,21.63	19,46.80	163,59.41	156,09.92
Less : Provision for under utilised assets	-	-	-	-	13,30.00	-	-	-
Total	313,23.38	7,71.44	1,25.49	319,69.33	143,51.63	19,46.80	163,59.41	156,09.92
Total Previous Year	305,52.43	11,21.54	3,50.59	313,23.38	114,16.90	22,14.90	143,51.63	1,91.81
Add : Capital Work-in-Progress including advances on Capital Account Rs. 28.04 Lacs (Previous Year : Rs. 9.05 Lacs) [Net of write-off of Rs. 45.04 Lacs (Previous Year : Rs. Nil)]								2,59.36
Total								158,01.73

Notes : (i) Land - Leasehold comprises lease rights in respect of the land at Waluj and Aurangabad in the possession of the Company under Lease/Agreements to Lease with the Maharashtra Industrial Development Corporation and City & Industrial Development Corporation of Maharashtra Limited, respectively.

(ii) Buildings comprise : (a) Cost of Premises, including shares and loan stock bonds in a Co-operative Society, (b) 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. (c) Factory buildings at Waluj, Aurangabad (d) a residential building at Aurangabad and (e) Research Centre at Powai, Mumbai.

(iii) The net book value of certain underutilised and idle assets, which were identified in the current and the prior years, aggregating to Rs. 14,88.77 Lacs after charging normal depreciation till the relevant dates in the current year, have been written down to the estimated realisable value of those assets. Provision against these assets, aggregating to Rs. 13,30.00 Lacs, made in the prior years has been adjusted, and the net amount of Rs. 1,58.77 Lacs, is expensed in the current year in 'Miscellaneous' under Other Expenses in Schedule 16.



Schedules forming part of the Balance Sheet as at March 31, 2003

	As at March 31, 2003 Rs. Lacs	As at March 31, 2002 Rs. Lacs
Schedule 6 : Investments		
(Refer Note 3 on Schedule 17)		
(At Cost - Long Term, Unquoted, unless otherwise stated)		
A. In Wholly-owned Subsidiary Companies		
Nil (Previous Year : 4,50,000) Equity Shares of Rs. 10 each fully paid in Camelot Investments Company Limited - Invested during the year 55,00,000 Equity Shares of Rs. 10 each (59,50,000 Equity Shares of Rs. 10 each sold during the year) [Refer Note 11 on Schedule 22]	-	45.00
3,500 (Previous Year : 3,500) Equity Shares of Rs. 10 each fully paid in Multimint Leasing & Finance Limited	0.35	0.35
3,020 (Previous Year : 3,020) Equity Shares of Rs. 10 each fully paid in Jigs Investments Limited	0.30	0.30
302 (Previous Year : 302) Equity Shares of Rs. 100 each fully paid in Passion Trading & Investment Company Limited	0.30	0.30
17,00,000 (Previous Year : 17,00,000) Equity Shares of Nepalese Rs. 100 each fully paid in Colgate-Palmolive (Nepal) Private Limited	10,62.50	10,62.50
	10,63.45	11,08.45
Less : Provision for Diminution in the value of Investments	0.95	-
	10,62.50	11,08.45
B. Other Investments (Listed but not quoted) (Non-Trade)		
5.20% (Tax Free) Secured, Redeemable, Non-Convertible Railway Bonds of Indian Railway Finance Corporation Limited (Series 44th 'A') of the face value of Rs. 2,000 Lacs	20,00.00	-
7.80% (Tax Free) Secured, Redeemable, Non-Convertible Railway bonds of Indian Railways Finance Corporation Limited (Series 36) of the face value of Rs. 1,500 Lacs	15,00.00	15,00.00
5.25% (Tax Free) Unsecured, Redeemable, Non-Convertible Bonds of National Bank for Agriculture and Rural Development (Series 4D) of the face value of Rs. 1,000 Lacs	10,00.00	-
8.75% (Tax Free) Secured, Redeemable, Non-Convertible Bonds of Konkan Railway Corporation Limited (Series 5A) of the face value of Rs. 500 Lacs	5,00.00	5,00.00
6.35% (Tax Free) Secured, Redeemable, Non-Convertible Bonds of Konkan Railway Corporation Limited (Series 7A) of the face value of Rs. 2,000 Lacs	20,00.00	-
5.10% (Tax Free) Unsecured, Redeemable, Non-Convertible Bonds of National Bank for Agriculture and Rural Development (Series 4A) of the face value of Rs. 1,500 Lacs	15,00.00	-
9.25% (Tax Free) Secured, Redeemable, Non-Convertible bonds of Hudco-Gujarat Punarnirman (Series - 1C) of the face value of Rs. 950 Lacs (Additional Bonds of Rs. 250 Lacs purchased during the year)	9,59.00	7,00.00
10.5% (Tax Free) Redeemable, Non-Convertible Bonds of Hudco (Series V D) of the face value of Rs. 1,500 Lacs (Redeemed during the year)	-	15,44.21
	94,59.00	42,44.21
Total	105,21.50	53,52.66
Aggregate book value of Investments :		
Unquoted	10,62.50	11,08.45
Listed but not Quoted	94,59.00	42,44.21



Schedules forming part of the Balance Sheet as at March 31, 2003

	As at March 31, 2003 Rs. Lacs	As at March 31, 2002 Rs. Lacs
Schedule 7 : Inventories		
(Refer Note 4 on Schedule 17)		
Stores and Spares	1,87.79	2,51.84
Raw and Packing Materials	10,17.70	10,85.24
Work-in-Process	3,29.73	3,14.30
Finished Goods	37,96.76	56,60.75
	<u>53,31.98</u>	<u>73,12.13</u>
Schedule 8 : Sundry Debtors		
Unsecured : Considered Good		
Over Six Months	73.82	2,03.83
Others	40,31.03	70,96.01
	<u>41,04.85</u>	<u>72,99.84</u>
Schedule 9 : Cash and Bank Balances		
Cash on Hand	-	11.37
Balances with Scheduled Banks in :		
- Current Accounts	43,86.70	51,40.07
- Deposit Accounts	50,53.17	28,78.93
- Unpaid Dividend Accounts	4,08.08	18,45.97
	<u>98,47.95</u>	<u>98,76.34</u>
Schedule 10 : Loans and Advances		
(Refer Note 12 on Schedule 22)		
Secured :		
Loans to Employees [include amounts due from an officer of the Company Rs. 30.97 Lacs (Previous Year : Rs. 32.15 Lacs) - maximum amounts due during the year : Rs. 32.15 Lacs (Previous Year : Rs. 33.42 Lacs)]		
	2,51.82	1,97.94
Unsecured : Considered Good		
Interest-free Loan to Camelot Investments Company Limited, Wholly-owned subsidiary (maximum amount due during the year Rs. 3,60.00 Lacs (Previous Year : Rs. 6,06.33 Lacs)		
	-	3,60.00
Inter-Corporate Deposits		
	121,67.00	65,76.00
Advances Recoverable in Cash or in Kind or for Value to be Received [include amount due from a Wholly-owned subsidiary : Rs. 2,15.89 Lacs (Previous Year : Rs. 6,45.97 Lacs)]		
	9,16.80	17,91.18
Balances with Excise Authorities		
	21.99	1,14.56
Deposits - Others		
	19,24.35	18,26.83
Unsecured : Considered Doubtful		
Loan to Camelot Investments Company Limited, Wholly-owned subsidiary [maximum amount due during the year Rs. 5,40.00 Lacs (Previous Year : Rs. 5,40.00 Lacs)]		
	-	5,40.00
Less : Provision		
	-	5,40.00
	<u>152,81.96</u>	<u>108,66.51</u>



Schedules forming part of the Balance Sheet as at March 31, 2003

	As at March 31, 2003 Rs. Lacs	As at March 31, 2002 Rs. Lacs
Schedule 11 : Liabilities		
Acceptances	20,79.87	1,11.70
Sundry Creditors (Refer Note 8 on Schedule 22) [include amounts due to subsidiaries : Rs. Nil (Previous Year : Rs. 1.77 Lacs)]	214,81.84	216,79.18
Unclaimed Dividends*	4,08.08	18,45.97
Other Liabilities	7,57.26	10,76.81
	<u>247,27.05</u>	<u>247,13.66</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)	30,62.18	19,03.31
Second Interim Dividend (declared subsequent to year end)	27,19.86	23,79.87
Dividend Tax on Second Interim Dividend	3,48.48	-
Leave Encashment (Refer Note 6 on Schedule 17)	5,91.03	6,05.18
Others/Contingency	6,15.72	2,62.89
	<u>73,37.27</u>	<u>51,51.25</u>
	<u>320,64.32</u>	<u>298,64.91</u>

Schedules forming part of the Profit and Loss Account for the year ended March 31, 2003

	2002-2003 Rs. Lacs	2001-2002 Rs. Lacs
Schedule 13 : Other Income		
Interest		
- On Bank Deposits [Tax Deducted at Source Rs. 94.97 Lacs (Previous Year : Rs. 48.60 Lacs)]	4,10.29	1,90.35
- On Long Term Investments	4,59.88	1,33.92
- Others [Tax Deducted at Source Rs. 1,64.11 Lacs (Previous Year : Rs. 2,89.45 Lacs)]	10,00.36	13,87.91
Cash Discount	1,36.53	87.57
Gain on pre-payment of Sales-Tax Deferral Liability	4,38.13	-
Rent [Tax Deducted at Source Rs. 13.00 Lacs (Previous Year : Rs. 8.42 Lacs)]	66.96	41.27
Provision no Longer Required Written Back	5,40.00	-
Bad Debts Recovered	1,70.54	-
Profit on Sale of Assets (Net)	6.19	1,75.15
Dividend from Wholly-owned subsidiary	-	6,80.00
Exchange Gain (Net)	-	29.04
Miscellaneous	3,47.59	3,69.72
	<u>35,76.47</u>	<u>30,94.93</u>



Schedules forming part of the Profit and Loss Account for the year ended March 31, 2003

	Rs. Lacs	2002-2003 Rs. Lacs	2001-2002 Rs. Lacs
Schedule 14 : Cost of Goods Sold			
Opening Stock			
Work-in-Process	3,14.30		1,66.75
Finished Goods	<u>56,60.75</u>		<u>66,79.22</u>
		59,75.05	68,45.97
Raw and Packing Materials Consumed			
Opening Stock	10,85.24		15,65.07
Add : Purchases	<u>139,12.51</u>		<u>178,19.79</u>
	149,97.75		193,84.86
Less : Closing Stock	<u>10,17.70</u>		<u>10,85.24</u>
	139,80.05		182,99.62
Less : Sale of Materials	<u>20,30.79</u>		<u>23,90.81</u>
		119,49.26	159,08.81
Purchased Finished Goods		179,24.31	227,54.78
Less : Closing Stock		390,23.43	432,35.28
Work-in-Process	3,29.73		3,14.30
Finished Goods	<u>37,96.76</u>		<u>56,60.75</u>
		41,26.49	59,75.05
		528,21.25	600,15.01
Schedule 15 : Employee Costs			
Salaries, Wages and Bonus [includes Rs. 6,08.78 Lacs (Previous Year : Rs. Nil) incurred towards Voluntary Retirement Scheme] [Refer Note 6 on Schedule 17]		59,19.25	46,02.99
Contribution to Provident, Gratuity and Other Funds		7,33.92	10,78.43
Staff Welfare Expenses		2,97.73	3,45.69
		69,50.90	60,27.11



Schedules forming part of the Profit and Loss Account for the year ended March 31, 2003

	2002-2003	2001-2002
	Rs. Lacs	Rs. Lacs
Schedule 16 : Other Expenses		
Consumption of Stores and Spares	1,53.22	1,97.44
Processing Charges	1,13.34	1,60.56
Power and Fuel	4,92.64	7,23.97
Freight and Forwarding Charges	16,35.26	20,72.51
Rent	3,91.95	3,97.55
Rates and Taxes	81.43	1,02.21
Insurance	1,52.39	1,41.37
Repairs		
– Plant and Machinery	4,55.62	4,99.98
– Buildings	14.78	3.04
– Others	88.45	83.50
	5,58.85	5,86.52
Advertising	184,81.81	230,99.04
Directors' Fees	4.10	3.45
Auditors' Remuneration :		
– As Auditors	20.00	23.00
– In other capacity in respect of Taxation Matters	–	6.79
– Other Services	16.63	20.50
– Out-of-Pocket Expenses	0.57	2.50
	37.20	52.79
Sales Taxes absorbed	5,50.09	8,37.23
Royalty	7,61.31	1,65.92
Loss on Sale of Fixed Assets (Net)	–	73.67
Loss on Sale of Investment in Wholly-owned Subsidiary	5,50.00	–
Loss on Sale on Investment	44.21	–
Diminution in Value of Investments	0.95	–
Bad Debts Written Off	1,56.82	3,04.00
Exchange Loss (Net)	41.51	–
Interest on Fixed Loans	23.93	56.56
Miscellaneous	47,54.51	57,06.18
	289,85.52	346,80.97



Notes forming part of the Balance Sheet as at March 31, 2003 and Profit and Loss Account for the year ended March 31, 2003

Schedule 17 : Significant Accounting Policies

1. Basis of Accounting

The financial statements are prepared under the historical cost convention, on accrual basis of accounting, in conformity with the accounting principles generally accepted in India and comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.

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 assets are recorded at estimated realisable value.

Depreciation is provided pro-rata to the period of use on straight-line method at the higher of the rates based on estimated useful lives of the assets or those stipulated in Schedule XIV to the Companies Act, 1956, as follows:

Buildings	1.63%	Factory Building	3.34%
Plant and Machinery		Dies and Moulds	33.33%
– Single shift	4.75%	Furniture and	
– Double shift	7.42%	Office Equipment	20.00%
– Triple shift	10.34%	Computers	20.00%
		Vehicles	20.00%

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

Leasehold land is amortised over the period of lease. Goodwill and Trademarks are amortised over a period of 40 years. Copyrights and Design are amortised over a period of 14 years. Technical Know-how is amortised over a period of 21 years.

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. 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 on despatch to customers and are recorded net of trade discounts, rebates and sales taxes, but including excise duty.

6. Expenditure

Expenses are accounted for on accrual basis and provision is made for all known/potential losses/claims and liabilities, on a conservative and consistent basis.

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

Revenue expenditure on research and development is charged to the Profit and Loss Account in the year in which it is incurred. Capital expenditure on research and development is reflected as additions to Fixed Assets.

The Company provides for employees' retirement benefits (comprising payments to gratuity fund, provident fund, superannuation fund) and leave encashment entitlements, in accordance with the policies of the Company. Annual contributions to the provident and superannuation funds are charged to the Profit and Loss Account as incurred. Liabilities in respect of gratuity and leave encashment are provided on the basis of independent actuarial valuation.

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

7. 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 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, except those relating to acquisition of fixed assets, which are adjusted in the cost of the fixed assets.

8. 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 book profits and tax profits 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 reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.



Notes forming part of the Balance Sheet as at March 31, 2003 and Profit and Loss Account for the year ended March 31, 2003

Schedule 18 : Contingencies & Commitments

	2002-2003	2001-2002
	Rs. Lacs	Rs. Lacs
1. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances Rs. 28.04 Lacs (Previous Year : Rs. 9.05 Lacs)]	1,12.08	53.67
2. Contingent liabilities not provided for in respect of :		
(i) Guarantees given by the Company	8,90.00	9,02.75
(ii) Counter Guarantees given to the Banks	55.95	60.12
(iii) Cheques Discounted with Banks	4,54.98	8,02.43

Schedule 19 : Lease Accounting

1. The Company has leased vehicles and computer equipment under operating leases. The lease payments to be made in the future in respect of the leases are as follows :-		
Upto 1 year	2,52.18	2,94.11
Greater than 1 year but less than 5 years	2,55.14	3,66.40
Greater than 5 years	-	-
2. Lease payments recognised in Profit and Loss Account included in 'Miscellaneous' under Other Expenses in Schedule 16	3,02.99	2,25.66

Schedule 20 : Segment Information

1. Information about Primary Business Segments

(Rs. Lacs)

	<u>Oral Care</u>		<u>Personal Care</u>		<u>Others</u>		<u>Unallocated</u>		<u>Total</u>	
	<u>2002-2003</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2001-2002</u>
Revenue										
External	995,16.38	1,078,81.72	56,51.75	79,20.12	5,20.69	2,87.37	-	-	1,056,88.82	1,160,89.21
Inter-Segment	-	-	-	-	-	-	-	-	-	-
Total Revenue	995,16.38	1,078,81.72	56,51.75	79,20.12	5,20.69	2,87.37	-	-	1,056,88.82	1,160,89.21
Result										
Segment Result	193,12.73	158,89.59	3,09.93	(6,50.10)	49.02	25.83	-	-	196,71.68	152,65.32
Unallocated Expenditure net of unallocated Income							(68,25.87)	(63,06.70)	(68,25.87)	(63,06.70)
Operating Profit									128,45.81	89,58.62
Interest Expense							(23.93)	(56.56)	(23.93)	(56.56)
Interest Income							18,70.53	17,12.18	18,70.53	17,12.18
Dividend Income and Profit/ (Loss) on Sale of Investments							(44.21)	8,55.15	(44.21)	8,55.15
Profit before Taxation									146,48.20	114,69.39
Provision for Taxation									57,82.27	44,90.00
Profit after Tax									88,65.93	69,79.39
Other Information										
Segment Assets	276,81.51	341,39.99	21,49.87	25,29.69	65.30	61.73	314,43.46	214,03.50	613,40.14	581,34.91
Segment Liabilities	229,89.92	233,69.13	11,10.35	20,63.41	27.66	35.06	97,10.24	79,03.11	338,38.17	333,70.71
Capital Expenditure	4,08.26	5,26.89	64.95	23.82	-	-	2,98.23	5,70.83	7,71.44	11,21.54
Depreciation and Amortisation	9,76.78	9,17.11	1,06.04	3,05.94	-	-	8,63.98	9,91.85	19,46.80	22,14.90
Non-cash other than Depreciation and Amortisation	6,18.66	16,16.26	8.39	2,45.81	0.77	0.75	-	-	6,27.82	18,62.82

2. Information about Secondary Business Segments

	<u>India</u>		<u>Outside India</u>		<u>Total</u>	
	<u>2002-2003</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2001-2002</u>
Revenue by Geographical Segment						
External	1,037,88.18	1,144,86.72	19,00.64	16,02.49	1,056,88.82	1,160,89.21
Inter-Segment	-	-	-	-	-	-
Total	1,037,88.18	1,144,86.72	19,00.64	16,02.49	1,056,88.82	1,160,89.21
Carrying amount of Segment Assets	613,40.14	581,34.91	-	-	613,40.14	581,34.91
Capital Expenditure	7,71.44	11,21.54	-	-	7,71.44	11,21.54

3. The Company is organised into two main business Segments namely, Oral Care and Personal Care. These business Segments have been identified in line with Accounting Standard 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India.
4. Segment Revenue, Results and Capital Employed include amounts identifiable to each segment. Other Unallocable Expenditure include revenue and expense which are not directly identifiable to the individual segments as well as expenses which relate to the Company as a whole.



Notes forming part of the Balance Sheet as at March 31, 2003 and Profit and Loss Account for the year ended March 31, 2003

Schedule 21 : Disclosure of Related Parties

1. Related Party Disclosures, as required by Accounting Standard 18, "Related Party Disclosures", issued by the Institute of Chartered Accountants of India are given below :

Holding Company	: Colgate-Palmolive Company, U.S.A.
Wholly-owned Subsidiaries	: Colgate-Palmolive (Nepal) Private Limited : Camelot Investments Company Limited* : Passion Trading & Investment Company Limited : Multimint Leasing & Finance Limited : Jigs Investments Limited
Group Companies where common control exists	: Colgate-Palmolive (Malaysia) Mktg. SDN BHD : Colgate-Palmolive, Poland Sp.z.o.o. : Colgate-Palmolive, Russia : Colgate-Palmolive, Philippines, Inc. : Colgate-Palmolive, East Africa Ltd., Kenya : Colgate-Palmolive Pty Ltd., South Africa : Colgate-Palmolive Pty Ltd., Australia : Colgate-Palmolive (Thailand) Ltd. : Colgate-Palmolive (H.K.) Ltd., Hongkong : Colgate-Palmolive (Guangzhou) Co. Ltd., China : Colgate-Palmolive Son Hai Ltd., Vietnam : Colgate Sanxiao (Consumer Products) Company Limited : Colgate-Palmolive (U.K.) Limited : Colgate-Palmolive (Png) Limited : Colgate-Palmolive S.A., Portugal : Colgate-Palmolive Europe (SARL) Limited : Hawley & Hazel Chemical Company (H.K.) Limited : Colgate-Palmolive (Burlington) Limited : Colgate Oral Pharmaceuticals, Inc. : Colgate-Palmolive, Tmizlik : Colgate-Palmolive, Senegal S.A.

* Ceased to be a Subsidiary with effect from March 21, 2003

Vendors where Key Management Personnel have significant influence

: Quantum Market Research Private Limited

Key Management Personnel

: Graeme Dalziel
: Moses A. Elias
: Vikram Kaushik
: K. V. Vaidyanathan

Relatives of Key Management Personnel

: Dr. (Mrs.) L. Vaidyanathan
: Mrs. Pratima Kotyan



Notes forming part of the Balance Sheet as at March 31, 2003 and Profit and Loss Account for the year ended March 31, 2003

Schedule 21 : Disclosure of Related Parties (Contd.)

2. The Company has entered into transactions with the Holding Company, Wholly-owned subsidiaries, various group companies where common control exists and other related parties as follows :

	2002-2003	2001-2002
	Rs. Lacs	Rs. Lacs
Holding Company		
Nature of Transactions		
Dividend	29,47.64	29,47.64
Royalty and Technical Fees	8,17.01	3,12.82
Purchase of Assets	-	45.75
Reimbursement of Expenses (Net)	0.92	-
Information Technology, Research and Development and Other Services Rendered (net of receipt)	2,30.13	34.07
Purchase of Goods	-	14.46
Sale of Goods	0.62	-
Balance outstanding at year end		
Payable (Net)	7,21.88	14,22.99
Wholly-owned Subsidiaries		
Purchase of Goods	49,04.72	78,87.72
Sale of Goods	3,04.18	51.80
Purchase of Fixed Assets	83.59	-
Investment in Shares	5,50.00	-
Inter Company Loan Repayment	9,00.00	9,79.53
Interest Received	-	34.55
Dividend Received	-	6,80.00
Provision no Longer Required Written back	5,40.00	-
Diminution in Value of Investments	0.95	-
Balance outstanding at year end		
Receivable (Net)	2,42.24	6,99.55
Loans	-	9,00.00
Provision for Doubtful Loans	-	5,40.00
Group Companies where common control exists		
Purchase of Goods	1,76.69	1,27.41
Sale of Goods	2,11.46	4,49.53
Sale of Fixed Assets	16.15	1.32
Purchase of Fixed Assets	42.44	-
Reimbursement of Expenses (Net)	12.11	2.14
Information Technology Services Received (net of rendered)	8,18.96	7,89.40
Balance outstanding at year end		
Receivable	24.41	60.04
Payable	2,82.55	1,75.50
Vendors where Key Management Personnel have significant influence		
Market Research Services	6.50	27.43
Balance outstanding at year end	-	-
Key Management Personnel		
Remuneration	3,78.23	3,08.98
Rent of Leased Premises	-	1.00
Sale of Vehicle	-	1.60
Dividend	0.01	0.01
Refund of Deposit	14.00	-
Repayment of Loan	1.20	1.20
Interest on Loan Received	0.90	0.98
Balance outstanding at year end		
Loans	30.97	32.17
Deposits	-	14.00
Relatives of Key Management Personnel		
Rent towards Leased Residential Premises	-	7.62
Dividend	0.01	0.01
Balance outstanding at year end	-	-



Notes forming part of the Balance Sheet as at March 31, 2003 and Profit and Loss Account for the year ended March 31, 2003

Schedule 22 : Supplementary Information

1. Details of Raw and Packing Materials consumed :

	Unit	2002-2003		2001-2002	
		Quantity	Value Rs. Lacs	Quantity	Value Rs. Lacs
Chemicals	M.T.	19,390	44,81.15	24,112	64,53.58
Tubes and Containers	Gross	13,49,336	39,46.59	15,68,981	49,45.42
Oils	M.T.	2,436	31,83.18	5,462	37,38.82
Cartons	Gross	8,87,773	12,18.80	10,54,671	15,69.02
Caps	Gross	2,56,509	41.98	5,39,207	1,05.91
Others			11,08.35		14,86.87
Total			139,80.05		182,99.62

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

	Value Rs. Lacs	% to Total Consumption	Value Rs. Lacs	% to Total Consumption
Imported at landed cost	17,24.06	12	21,14.90	12
Indigenously obtained	122,55.99	88	161,84.72	88
Total	139,80.05	100	182,99.62	100
Stores and Spare Parts :				
Imported at landed cost	83.26	54	48.32	24
Indigenously obtained	69.96	46	1,49.12	76
Total	1,53.22	100	1,97.44	100

	2002-2003 Rs. Lacs	2001-2002 Rs. Lacs
3. Value of imports calculated on C.I.F. basis :		
Raw Materials	10,82.10	14,40.72
Finished Goods	1,77.33	1,53.94
Capital Goods	40.86	2,09.81
Spares	25.52	47.47
4. Expenditure in foreign currency (on payment basis) :		
Travelling	33.63	68.25
Royalty (Net of tax)	66.29	1,71.28
Information Technology, Research and Development and Other Services Received	7,25.21	10,33.78
Others (Net)	6,07.05	4,85.43
5. Earnings in foreign currency :		
Exports at F.O.B. Value	19,00.65	15,05.47
Information Technology, Research and Development and Other Services Rendered	3,17.78	3,27.58
Others	50.20	1.57



Notes forming part of the Balance Sheet as at March 31, 2003 and Profit and Loss Account for the year ended March 31, 2003

Schedule 22 : Supplementary Information (Contd.)

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	2002-2003 Rs. Lacs	2001-2002 Rs. Lacs
2000-01	Final	6,93,56,336	–	57,21.89
2001-02	First Interim	6,93,56,336	–	17,33.90
2001-02	Second Interim	6,93,56,336	10,31.67	–
2002-03	First Interim	6,93,56,336	13,26.43	–
			23,58.10	74,55.79

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 Preparations	2002-2003	M.T.	See Note (i) below	23,265	19,875
	2001-02	M.T.	"	23,265	21,851
Distilled Fatty Acid	2002-2003	M.T.	24,000	24,000	1,621
	2001-02	M.T.	24,000	24,000	3,679
Toilet Soap	2002-2003	M.T.	Not Applicable	20,000	2,566
			See Note (ii) below		
Glycerine	2001-02	M.T.	"	20,000	6,109
	2002-2003	M.T.	Not Applicable	3,000	104
			See Note (ii) below		
Tooth Brushes and Shave Brushes	2001-02	M.T.	"	3,000	237
	2002-2003	Doz.	Not Applicable	Not Applicable	100,584
			See Note (iii) below		
Dicalcium Phosphate	2001-02	Doz.	"	"	126,868
	2002-2003	M.T.	Not Applicable	4,000	793
			See Note (iv) below		
	2001-02	M.T.	"	4,000	3,118

Notes :

- The industrial undertaking was established prior to the enactment of the Industries (Development & Regulation) Act, 1951 ("The Industries Act"). The Company, therefore, did not require any industrial license at the time of establishment of its undertaking, but required registration under the Industries Act which was obtained in 1954. In 1957, the Company was granted a license for substantial expansion for manufacture of toothpaste, face cream and snow, talcum and face powders, oils and shampoos and other requirements. In 1966, Government recognised Company's toothpaste mixing capacity as 1,550 tonnes per annum based on actual production at that time and advised the Company that its industrial undertaking was exempt from the provisions of The Industries Act. The Company applied for endorsement of its productive capacity on its Registration Certificate in pursuance of Government Notification dated July 5, 1975. In February 1979, Government endorsed annual productive capacity of 771 tonnes in respect of toothpowder and advised the Company that the productive capacities of other items shall be as specified in the industrial license granted in 1957. The installed capacity was last assessed by the Company in 1980 at 4,500 tonnes for tooth powder and 11,000 tonnes for toothpaste. The Company has filed a writ petition in the High Court for a declaration that it has not effected any unauthorised "substantial expansion" as contemplated in Section 13(1)(d) of The Industries Act. The petition has been admitted by the High Court, which has passed an order restraining the Government (pending the hearing and final disposal of the petition) from adopting any proceeding against the Company for alleged contravention of the provisions of The Industries Act. Toothpaste has now been delicensed in terms of Government notification issued in May 2002.
- Since the manufacture of toilet soap and glycerine are delicensed, the Company has obtained registrations from the Government of India for an annual capacity of 30,000 tonnes in respect of toilet soap and 3,000 tonnes in respect of glycerine. Distilled fatty acid and glycerine are used for captive consumption except to the extent sold.
- The bristling operations for tooth brushes and shave brushes are carried out under manufacturing arrangements with third parties.
- Dicalcium Phosphate, which is a delicensed item, is used for captive consumption, except to the extent sold.
- 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.
- Soap noodles manufactured and sold during the year - Nil (Previous Year : 11.9 MT)



Notes forming part of the Balance Sheet as at March 31, 2003 and Profit and Loss Account for the year ended March 31, 2003

Schedule 22 : Supplementary Information (Contd.)

(b) Opening and Closing Stocks of Finished Goods :

	2002-2003				2001-2002			
	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	49,52,148	48,14.42	37,23,326	31,23.76	60,02,660	56,21.44	49,52,148	48,14.42
Toothbrushes and Shave Brushes	16,52,370	8,30.74	17,70,756	6,40.61	23,87,280	10,45.17	16,52,370	8,30.74
Others		15.59		32.39		12.61		15.59
Total		56,60.75		37,96.76		66,79.22		56,60.75

(c) Sale by Class of Goods :

	2002-2003			2001-2002	
	Unit	Quantity	Value	Quantity	Value
			Rs. Lacs		Rs. Lacs
Soaps, Cosmetics and Toilet Preparations	Doz.	6,53,41,480	975,74.89	6,78,56,927	1,068,23.00
Toothbrushes and Shave Brushes	Doz.	1,11,22,906	79,47.25	1,13,82,333	90,75.09
Others			1,66.68		1,91.12
Total			1,056,88.82		1,160,89.21

(d) Purchase of Finished Goods :

	2002-2003			2001-2002	
	Unit	Quantity	Value	Quantity	Value
			Rs. Lacs		Rs. Lacs
Cosmetics and Toilet Preparations	Doz.	4,13,23,241	343,88.36	4,15,58,195	381,79.41
Toothbrushes and Shave Brushes	Doz.	1,12,44,357	45,31.93	1,06,74,128	49,31.55
Others			1,03.14		1,24.32
Total			390,23.43		432,35.28

	2002-2003	2001-2002
	Rs. Lacs	Rs. Lacs
8. To the best of knowledge and as per the information available with the Management :		
(a) Sundry Creditors include amounts due to small scale industrial undertakings.	7,42.58	15,91.18
(b) There are no dues to small scale industrial undertakings outstanding for more than 30 days.		
9. (a) Remuneration to the Directors		
Salaries	1,74.22	1,63.57
Commission/Bonus	1,02.24	1,03.37
Contribution to Provident and Other Funds	13.37	12.06
Other Perquisites	88.40	29.98
Total	3,78.23	3,08.98



Notes forming part of the Balance Sheet as at March 31, 2003 and Profit and Loss Account for the year ended March 31, 2003

Schedule 22 : Supplementary Information (Contd.)

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

	2002-2003		2001-2002	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Profit before Taxation		146,48.20		114,69.39
<i>Add :</i>				
(i) Remuneration paid to the Directors	3,78.23		3,08.98	
(ii) Directors' Fees	4.10		3.45	
(iii) Depreciation/Amortisation as per Accounts	19,46.80		22,14.90	
(iv) Loss on sale of Fixed Assets	-		73.67	
(v) Loss on sale of Investments	5,94.21		-	
(vi) Write-down of under utilised and idle Fixed Assets	1,58.77		-	
(vii) Diminution in value of Investments	0.95		-	
<i>Less :</i>				
(i) Profit on sale of Investments	-		1,75.15	
(ii) Depreciation/Amortisation as per Section 350	14,29.56		16,12.61	
(iii) Profit on sale of Fixed Assets as per Section 350	6.19		-	
(iv) Loss on sale of Fixed Assets as per Section 350	21.35		1,44.76	
		16,25.96		6,68.48
Net Profit for the purpose of Directors' Commission		162,74.16		121,37.87
Commission @ 1% of Net Profit		1,62.74		1,21.38
Restricted to		1,02.24		1,03.37

10. Revenue expenses amounting to Rs. 4,94.41 Lacs (Previous Year : Rs. 3,74.13 Lacs) on Research and Development have been included under the respective heads of expense accounts.
11. During the year the Company has divested 59,50,000 equity shares of Rs. 10 each fully paid aggregating to Rs. 5,95.00 Lacs of Camelot Investments Company Limited, Wholly-owned subsidiary, for a consideration of Rs. 45.00 Lacs pursuant to a resolution passed by the Board of Directors at the meeting held on March 19, 2003.
12. As at the year end the Company -
 - a) has no loans and advances in the nature of loans to subsidiary and associates,
 - b) has no loans and advances in the nature of loans, wherein there is no repayment schedule or repayment is beyond seven years,
 - c) has no loans and advances in the nature of loans to firms/companies in which Directors are interested.
13. Refer Annexure for additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956.
14. Previous year's figures have been reclassified to confirm with current year's presentation, where applicable.

The Schedules (1 to 22) referred to herein above form an integral part of the financial statements.

P. N. Ghatalia
Partner
For and on behalf of
Price Waterhouse
Chartered Accountants
Mumbai, June 10, 2003

For and on behalf of the Board

Vice-Chairman **R. A. Shah**
Managing Director **G. Dalziel**
Whole-time Director **M. A. Elias**
Whole-time Director **V. Kaushik**
Director **J. K. Setna**
Whole-time Director &
Company Secretary **K. V. Vaidyanathan**
Mumbai, June 10, 2003



Annexure

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details :

Registration No.	2700
State Code	11
Balance Sheet Date	31-03-2003

Application of Funds

Net Fixed Assets	1580173
Investments	1052150
Net Current Assets	295259
Miscellaneous Expenditure	—

II. Capital raised during the Period
(Amount in Rs. Thousands) :

Public Issue	—
Rights Issue	—
Bonus Issue	—
Private Placement	—

IV. Performance of Company

(Amount in Rs. Thousands) :

Turnover (including Other Income)	10926529
Total Expenditure	9461709
Profit before Tax	1464820
Profit after Tax	886593
Earnings per Share in Rs.*	6.52
Dividend Rate %	42.50

III. Position of Mobilisation and Deployment of Funds
(Amount in Rs. Thousands) :

Total Liabilities (including Shareholders' Funds)	6134014
Total Assets	6134014

Sources of Funds

Paid-Up Capital	1359928
Reserves and Surplus	1390269
Secured Loans	—
Unsecured Loans	21400
Deferred Tax Liability	155985

V. Generic Names of Three Principal Products/

Services of the Company (as per Monetary Terms) :

Item Code No. (ITC Code)	330610.02
Product Description	Toothpaste
Item Code No. (ITC Code)	330610.01
Product Description	Tooth Powder
Item Code No. (ITC Code)	960321.00
Product Description	Toothbrush

For and on behalf of the Board

Vice-Chairman	R. A. Shah
Managing Director	G. Dalziel
Whole-time Director	M. A. Elias
Whole-time Director	V. Kaushik
Director	J. K. Setna
Whole-time Director & Company Secretary	K. V. Vaidyanathan
Mumbai, June 10, 2003	



Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies

The Company holds the entire equity share capital of Jigs Investments Limited, Passion Trading & Investment Company Limited, Multimint Leasing & Finance Limited and Colgate-Palmolive (Nepal) Private Limited, consisting of 3,020 shares of Rs. 10 each, 302 shares of Rs. 100 each, 3,500 shares of Rs. 10 each and 17,00,000 shares of Nepalese Rs. 100 each, fully paid up respectively. These Companies are, therefore, wholly-owned subsidiaries of the Company.

Jigs Investments Limited incurred expenditure of Rs. 8,600 for the year (Rs. 13,689 as on March 31, 2003), Passion Trading & Investment Company Limited incurred expenditure of Rs. 8,600 for the year (Rs. 13,954 as on March 31, 2003), Multimint Leasing

& Finance Limited incurred expenditure of Rs. 9,400 for the year (Rs. 16,254 as on March 31, 2003) whereas Colgate-Palmolive (Nepal) Private Limited made a profit of Nepalese Rs. 6,25.75 Lacs for the year (Nepalese Rs. 6,74.10 Lacs as on July 16, 2002) out of which Nepalese Rs. 6,25.75 Lacs has not been dealt with in the books of accounts.

Changes in Company's interest in Colgate-Palmolive (Nepal) Private Limited between July 16, 2002 and March 31, 2003 : **Nil**

Material changes between July 16, 2002 and March 31, 2003 in respect of fixed assets, investments, money lent and moneys borrowed (other than meeting current liability) by Colgate-Palmolive (Nepal) Private Limited : **Nil**

For and on behalf of the Board

Vice-Chairman

R. A. Shah

Managing Director

G. Dalziel

Whole-time Director

M. A. Elias

Whole-time Director

V. Kaushik

Director

J. K. Setna

Whole-time Director &

Company Secretary

K. V. Vaidyanathan

Mumbai, June 10, 2003

Report of the Directors

To
The Members
Colgate-Palmolive (Nepal) Private Limited

Your Directors have pleasure in presenting their Report and Audited Accounts of the Company for the year ended Ashad 32, 2059 [July 16, 2002].

Financial Results

	<i>Nepalese Rs. in Lacs</i>	
	<u>2058-59</u>	<u>2057-58</u>
Total Revenue	91,96.16	134,78.31
Sales	91,77.87	134,46.33
Other Income	18.29	31.98
Profit Before Taxation	6,25.75	10,89.01
Provision for Taxation	—	—
Profit After Taxation	6,25.75	10,89.01
Balance brought forward	48.35	47.34
Profit available for appropriation	6,74.10	11,36.35
Appropriation:		
Proposed Dividend	—	10,88.00
Balance carried forward	6,74.10	48.35

Business Operations

The Nepalese economy suffered most during the financial year 2058-59. It recorded the lowest GDP growth rate. The political instability and the deteriorating security situation in the country resulted in a series of “bundhs” which adversely affected the industrial production. Despite such difficult conditions, the Company’s domestic business achieved a growth of 51% over the previous year. However, there has been a substantial reduction

in exports because of levy of the MRP - based countervailing duty on toothpaste imported into India since February 2001. As a result, production and sale volumes decreased dramatically resulting in a 32% reduction in sales and a 43% reduction in net profit compared to previous year. The domestic sales for the year have gone up from NPR 3,32.41 Lacs in the previous year to NPR 5,02.38 Lacs.

Safety, Environmental & Quality Standards

The Company has been striving for continuous improvement in Environment, Health and Safety Standards in compliance with the global standards. Your Directors are pleased to state that the Company has received Colgate President’s Award for Safety and “Zero” Loss of Work Case Rate for the calendar year 2001.

Future Outlook

Within a short span of three years, the Company grew its domestic sales of NPR 35.46 Lacs in 2056-57 to NPR 5,02.38 Lacs in 2058-59. The Company is keen on building a profitable domestic business. Accordingly, efforts are being made to develop the domestic business and establish a cost effective and efficient distribution network to ensure availability of the Company’s products across the country.

Security

His Majesty’s Government is taking several steps to improve security situation in the country. However, it continues to cause anxiety. The Company has its own security which is being upgraded from time to time. The Company continues to spend substantial amount on security every year to maintain highest vigilance for safety of its people and property.

Customs Duty exemption and VAT refunds

His Majesty’s Government introduced last year a new pass book scheme enabling the importer to utilise the customs duty credit against duty payable on subsequent imports. Despite complying with the procedure laid down, the Government has not yet

extended the benefit of the scheme to the Company. This adversely impacted the working capital of the Company as it is forced to pay customs duty for clearing imported materials being used for export production.

As regards dues of duty drawback relating to previous years prior to July 2001, we have finally received the much awaited sanctions clearing part of such claims and have also received the five year interest bearing bonds in lieu thereof. However, the imbalance in managing working capital continues as these bonds are for a period for five years and have restrictions on borrowing and tradeability.

Your Company has made significant progress in realisation of VAT refunds and we are pleased to inform that all duties till January 2002 have finally been cleared after a lapse of 10 to 18 months.

Personnel

The Board wishes to place on record its appreciation of the contribution made by the employees at all levels within the Company in achieving the high levels of performance during the year. Your Company continues to focus on training and human resource development to attract and develop high quality human resources to meet global competition. Initiatives such as Total Productivity Management and Quality Standards are already under implementation.

Community Development

In keeping with its continued commitment to contribute towards the development of the local community, your Company launched a "Merit Scholarship Scheme" in Hetauda last year.

This scheme served as a source for providing financial assistance to meritorious students of Std. V and Std. VIII to pursue higher studies and went a long way towards helping students from economically weaker sections of the society to tap their potential. This endeavour has been very well received and the Company is proud to note that some of the students under this scholarship scheme have stood amongst the top ten in the final SLC examinations.

A Dental Clinic was started with the help of the Lions Club, providing dental check-ups and advice by qualified dentists at nominal rates. A donation was also made towards the flood victims of Makwanpur District. It is our Corporate Philosophy to contribute towards multifarious activities that benefit society and contribute to the overall betterment of the local community.

Auditors

The Auditors, M/s. T. R. Upadhya & Co., Chartered Accountants, retire from the office and are eligible for re-appointment. The Board recommends their re-appointment.

Acknowledgements

The Board wishes to express its gratitude to the various agencies of His Majesty's Government of Nepal, Bankers, Auditors, Legal Counsel, suppliers and the Company's business associates for their continued support.

On Behalf of the Board

Directors { M. A. Elias
K. V. Vaidyanathan

January 10, 2003

Independent Auditors' Report

To the Shareholders of Colgate-Palmolive (Nepal) Private Limited

We have audited the attached Balance Sheet of Colgate-Palmolive (Nepal) Private Limited, as at 16 July, 2002 (Corresponding to Ashad 32, 2059), the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto, and report that :

- a) we have obtained information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b) in our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the provisions of the Company Act, 2053 and are in agreement with the books of account maintained by the Company;
- c) in our opinion, the Company has kept proper books of account as required by law so far as appears from the examination of the books;
- d) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the notes appearing thereon, give a true and fair view :
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at July 16, 2002;
 - 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, the cash flows for the year ended on that date.
- e) to the best of our information and according to the explanation given to us, the Board of Directors or any employees of the Company have not acted contrary to legal provision relating to accounts or caused loss or damage to the Company or committed fraud so far as appears from our examination of the books.

T. R. Upadhyay, Senior Partner

For and on behalf of
T. R. Upadhya & Co.
Chartered Accountants

Kathmandu, January 10, 2003

Balance Sheet

as at July 16, 2002 (Ashad 32, 2059)

	Schedule	As at July 16, 2002 N Rs. Lacs	As at July 16, 2002 I Rs. Lacs	As at July 15, 2001 N Rs. Lacs	As at July 15, 2001 I Rs. Lacs
Capital & Liabilities					
Capital & Reserve Fund					
Share Capital	1	17,00.00	10,62.50	17,00.00	10,62.50
Reserves and Retained Profit	2	6,74.10	4,21.31	48.35	30.22
Medium and Long Term Loans					
Secured Loans	3	22,50.00	14,06.25	–	–
Unsecured Loans		–	–	11,73.12	7,33.20
	Total	46,24.10	28,90.06	29,21.47	18,25.92
Assets					
Fixed Assets					
Gross Block	4	57,12.35	35,70.22	55,76.51	34,85.32
Less : Depreciation/Amortisation		22,78.47	14,24.04	16,51.35	10,32.09
Net Block		34,33.88	21,46.18	39,25.16	24,53.23
Capital Work-in-Progress		99.69	62.30	46.51	29.07
		35,33.57	22,08.48	39,71.67	24,82.30
Investments					
	5	61.77	38.60	–	–
Current Assets					
Inventories	6	10,65.34	6,65.84	12,13.17	7,58.23
Trade and other receivables	7	42.93	26.83	–	–
Cash and Bank Balance	8	1,14.29	71.43	5,01.04	3,13.15
Prepaid Expenses, Loans, Advances	9	17,43.61	10,89.76	14,65.42	9,15.89
		29,66.17	18,53.86	31,79.63	19,87.27
<i>Less :</i>					
Current Liabilities and Provisions					
Trade and other payables	10	18,28.25	11,42.66	39,62.70	24,76.69
Provisions	11	1,09.16	68.22	2,67.13	1,66.96
		19,37.41	12,10.88	42,29.83	26,43.65
Net Current Assets					
		10,28.76	6,42.98	(10,50.20)	(6,56.38)
	Total	46,24.10	28,90.06	29,21.47	18,25.92
Contingent Liabilities					
	16				
Significant Accounting Policies and Notes to Accounts					
	17				

Per our attached report

For T. R. Upadhyay & Co.
*Chartered Accountants*T. R. Upadhyay
*Partner*Directors { M. A. Elias
K. V. Vaidyanathan

Kathmandu, January 10, 2003

Profit and Loss Account
for the year ended July 16, 2002 (Ashad 32, 2059)

	Schedule	2001-2002 N Rs. Lacs	2001-2002 I Rs. Lacs	2000-2001 N Rs. Lacs	2000-2001 I Rs. Lacs
Income					
Sales Income	12	91,77.87	57,36.17	134,46.33	84,03.95
Less : Material Cost	13	66,95.88	41,84.93	95,04.91	59,40.57
Gross Profit		<u>24,81.99</u>	<u>15,51.24</u>	<u>39,41.41</u>	<u>24,63.38</u>
Other Income	14	18.29	11.43	31.98	19.99
Business Expenditure					
Distribution Expenses		1,41.19	88.24	45.63	28.52
Administrative Expenses	15	15,28.22	9,55.14	20,21.01	12,63.13
Operating Profit		<u>8,30.87</u>	<u>5,19.29</u>	<u>19,06.75</u>	<u>11,91.72</u>
Interest Expenses		2,20.96	1,38.10	1,45.72	91.07
Depreciation/Amortisation		6,27.12	3,91.95	4,87.34	3,04.59
Allocation for Employee Housing		36.59	22.87	63.68	39.80
Provision for Bonus		69.53	43.45	1,21.00	75.63
Profit/(loss) for the Year		<u>(1,23.33)</u>	<u>(77.08)</u>	<u>10,89.01</u>	<u>6,80.63</u>
Prior year Adjustments - Reversal of Provisions (See Schedule 17, Note 2(d))		7,49.08	4,68.17	-	-
Profit before Taxation		<u>6,25.75</u>	<u>3,91.09</u>	<u>10,89.01</u>	<u>6,80.63</u>
Provision for Income Tax		-	-	-	-
Profit after Taxation		<u>6,25.75</u>	<u>3,91.09</u>	<u>10,89.01</u>	<u>6,80.63</u>
Balance Brought Forward		48.35	30.22	47.34	29.59
Profit available for Appropriation		6,74.10	4,21.31	11,36.35	7,10.22
Interim Dividend (Paid)		-	-	5,10.00	3,18.75
Proposed Dividend		-	-	5,78.00	3,61.25
Profit transferred to Balance Sheet		<u>6,74.10</u>	<u>4,21.31</u>	<u>48.35</u>	<u>30.22</u>
Significant Accounting Policies & Notes to Accounts	17				

Per our attached report

For T. R. Upadhyay & Co.
Chartered Accountants

T. R. Upadhyay
Partner

Directors { M. A. Elias
K. V. Vaidyanathan

Katbmandu, January 10, 2003

Cash Flow Statement
for the year ended July 16, 2002 (Ashad 32, 2059)

	2001-2002		2000-2001	
	N Rs. Lacs	I Rs. Lacs	N Rs. Lacs	I Rs. Lacs
A. Cash Flow from Operating Activities :				
Net Profit before Tax and Extraordinary Items	6,25.75	3,91.09	10,89.01	6,80.63
<i>Add : Adjustment for :</i>				
Depreciation and Amortisation	6,27.12	3,91.95	4,87.34	3,04.59
Interest Expenses (net)	2,20.70	1,37.94	1,45.72	91.07
Provisions	1,09.16	68.22	2,67.14	1,66.96
<i>Less : Adjustment for :</i>				
Cash Flow due to changes in Working Capital				
a. Decrease/(Increase) in Current Assets	(1,73.03)	(1,08.14)	9,48.37	5,92.73
b. Increase/(Decrease) in Current Liabilities	(17,85.16)	(11,15.72)	(74.67)	(46.67)
c. Interest Payment	(2,59.38)	(1,62.12)	(1,82.66)	(1,14.16)
Net Cash from Operating Activities	(6,34.84)	(3,96.78)	26,80.25	16,75.15
B. Cash Flow from Investing Activities :				
Sale/(Purchase) of Fixed Assets	(1,89.02)	(1,18.13)	(11,38.13)	(7,11.33)
Sale/(Purchase) of Investments	(61.77)	(38.61)	-	-
Net Cash Flow from Investing Activities	(2,50.79)	(1,56.74)	(11,38.13)	(7,11.33)
C. Cash Flow from Financing Activities				
Payment/receipt of long-term loans	10,76.88	6,73.05	(5,42.80)	(3,39.25)
Dividend paid	(5,78.00)	(3,61.25)	(5,10.00)	(3,18.75)
Net Cash from Financing Activities	4,98.88	3,11.80	(10,52.80)	(6,58.00)
Increase/(Decrease) in cash A+B+C	(3,86.75)	(2,41.72)	4,89.32	3,05.82
Cash and Bank Balances at the beginning of the year	5,01.04	3,13.15	11.72	7.33
Cash and Bank Balances at the end of the year	1,14.29	71.43	5,01.04	3,13.15
Significant Accounting Policies and Notes to Accounts (Schedule 17)				

Per our attached report

For T. R. Upadhyay & Co.
Chartered Accountants

T. R. Upadhyay
Partner

Directors { M. A. Elias
K. V. Vaidyanathan

Katmandu, January 10, 2003

Schedules to the Accounts

	As at July 16, 2002 N Rs. Lacs	As at July 16, 2002 I Rs. Lacs	As at July 15, 2001 N Rs. Lacs	As at July 15, 2001 I Rs. Lacs
Schedule 1 : Share Capital				
Authorised Capital (60,00,000 Ordinary Shares of Rs. 100 each)	60,00.00	37,50.00	60,00.00	37,50.00
Issued, Subscribed & Paid-up (17,00,000 Ordinary Shares of Rs. 100 each entirely held by Colgate-Palmolive (India) Limited)	17,00.00	10,62.50	17,00.00	10,62.50
Total	17,00.00	10,62.50	17,00.00	10,62.50
Schedule 2 : Reserves and Retained Profit				
Profit & Loss Account	6,74.10	4,21.31	48.35	30.22
Total	6,74.10	4,21.31	48.35	30.22
Schedule 3 : Medium and Long Term Loans				
Secured Loans from Standard Chartered Bank Nepal Limited (secured against a first charge of fixed & current assets, inventories, receivables and mortgage over all properties of the Company at Hetauda Industrial District)	22,50.00	14,06.25	-	-
Unsecured Loans Loan from Colgate-Palmolive (India) Ltd.	-	-	11,73.12	7,33.20
Total	22,50.00	14,06.25	11,73.12	7,33.20

Schedule 4 : Fixed Assets

	Gross Block				Depreciation/Amortisation			Net Block	
	As at July 15, 2001 N Rs. Lacs	Additions/ Transfers N Rs. Lacs	Deductions/ Transfers N Rs. Lacs	As at July 16, 2002 N Rs. Lacs	As at July 15, 2001 N Rs. Lacs	For the Year N Rs. Lacs	As at July 16, 2002 N Rs. Lacs	As at July 16, 2002 N Rs. Lacs	As at July 15, 2001 N Rs. Lacs
Land - Leasehold	48.00 (30.00)	-	-	48.00 (30.00)	9.70 (6.06)	2.40 (1.50)	12.10 (7.56)	35.90 (22.44)	38.30 (23.94)
Buildings	17,39.93 (10,87.46)	7.80 (4.88)	-	17,47.73 (10,92.34)	2,75.78 (1,72.36)	98.18 (61.36)	3,73.96 (2,33.72)	13,73.77 (8,58.62)	14,64.16 (9,15.10)
Plant & Machinery	36,34.00 (22,71.25)	80.11 (50.07)	-	37,14.11 (23,21.32)	12,84.41 (8,02.76)	4,77.96 (2,98.72)	17,62.37 (11,01.48)	19,51.74 (12,19.84)	23,49.60 (14,68.50)
Computers	76.46 (47.79)	35.45 (22.15)	-	1,11.91 (69.94)	39.35 (24.59)	26.27 (16.42)	65.62 (41.01)	46.29 (28.93)	37.11 (23.19)
Furniture & Fixtures	78.12 (48.83)	12.48 (7.79)	-	90.60 (56.62)	42.11 (26.32)	22.31 (13.95)	64.42 (40.27)	26.18 (16.35)	36.01 (22.50)
TOTAL	55,76.51 (34,85.33)	1,35.84 (84.89)	-	57,12.35 (35,70.22)	16,51.35 (10,32.09)	6,27.12 (3,91.95)	22,78.47 (14,24.04)	34,33.88 (21,46.18)	
Total Previous Year	44,76.98 (27,98.11)	12,69.53 (7,93.45)	1,69.99 (1,06.24)	55,76.52 (34,85.32)	11,64.00 (7,27.50)	4,87.34 (3,04.59)	16,51.34 (10,32.09)	(-)	39,25.18 (24,53.23)
Capital Work-in-Progress and Advances								99.69 (62.30)	46.51 (29.07)
TOTAL								35,33.57 (22,08.48)	39,71.68 (24,82.30)

Note : (i) "Land - Leasehold" comprises of lease rights in respect of the land at Hetauda Industrial Estate, Hetauda in the possession of the Company under lease with the Hetauda Industrial District.

(ii) Figures in brackets represent Indian Rupees

COLGATE-PALMOLIVE (NEPAL) PRIVATE LIMITED

	As at July 16, 2002 N Rs. Lacs	As at July 16, 2002 I Rs. Lacs	As at July 15, 2001 N Rs. Lacs	As at July 15, 2001 I Rs. Lacs
Schedule 5 : Investments				
Bonds and Securities - Government Bonds	61.77	38.60	-	-
	<u>61.77</u>	<u>38.60</u>	<u>-</u>	<u>-</u>
Schedule 6 : Inventories				
Stores, spare parts & loose tools	53.02	33.14	34.71	21.70
Inventory Stock :				
Raw and Packing Materials	8,84.59	5,52.87	9,38.13	5,86.33
Work-in-Process	10.49	6.56	9.48	5.92
Finished Goods	1,17.24	73.27	1,94.84	1,21.77
Goods in Transit	-	-	36.01	22.51
	<u>10,65.34</u>	<u>6,65.84</u>	<u>12,13.17</u>	<u>7,58.23</u>
Schedule 7 : Trade and Other Receivables				
Secured Debtors	42.93	26.83	-	-
Schedule 8 : Cash and Bank Balance				
Cash on Hand	0.20	0.13	0.63	0.39
Cash at Bank	1,14.09	71.30	5,00.41	3,12.76
	<u>1,14.29</u>	<u>71.43</u>	<u>5,01.04</u>	<u>3,13.15</u>
Schedule 9 : Prepaid Expenses, Loans, Advances				
Loans and Advances :				
Employees	7.66	4.79	7.14	4.46
Others	84.23	52.64	54.04	33.77
Deposits	5.77	3.61	4.12	2.58
Advance VAT & Customs Duty	14,04.79	8,77.99	20,91.16	13,06.98
Margin Money with Bank	4.08	2.55	19.62	12.27
Prepaid Expenses	35.61	22.26	33.55	20.97
Advance Tax	2,01.47	1,25.92	1.47	0.92
Insurance Claims	-	-	3.40	2.12
Less : Provision for doubtful claims and receivables	-	-	(7,49.08)	(4,68.18)
	<u>17,43.61</u>	<u>10,89.76</u>	<u>14,65.42</u>	<u>9,15.89</u>
Schedule 10 : Trade and Other payables				
Short Term Loans				
Secured - From Standard Chartered Bank Nepal Limited	-	-	-	-
Retention Money	-	-	4.74	2.96
Sundry Creditors	9,33.01	5,83.13	18,92.17	11,82.61
Advance received (From CPIL Rs. 7,09.44 Lacs, previous year Rs. 13,44.26 Lacs)	7,09.50	4,43.44	14,41.01	9,00.63
Interest Payable	7.97	4.98	46.40	29.00
Dividend - Proposed	-	-	5,78.00	3,61.25
Others	1,77.77	1,11.11	0.38	0.24
	<u>18,28.25</u>	<u>11,42.66</u>	<u>39,62.70</u>	<u>24,76.69</u>
Schedule 11 : Provisions				
Employee Housing Fund	36.59	22.87	63.68	39.80
Bonus	69.53	43.45	1,21.00	75.63
Gratuity	3.04	1.90	-	-
Obsolete and slow moving items	-	-	82.45	51.53
	<u>1,09.16</u>	<u>68.22</u>	<u>2,67.13</u>	<u>1,66.96</u>

COLGATE-PALMOLIVE (NEPAL) PRIVATE LIMITED

	2001-2002 N Rs. Lacs	2001-2002 I Rs. Lacs	2000-2001 N Rs. Lacs	2000-2001 I Rs. Lacs
Schedule 12 : Sales income				
Sales - Export	86,75.49	54,22.18	131,13.92	81,96.19
Sales - Local	<u>5,02.38</u>	<u>3,13.99</u>	<u>3,32.41</u>	<u>2,07.76</u>
	<u>91,77.87</u>	<u>57,36.17</u>	<u>134,46.33</u>	<u>84,03.95</u>
Schedule 13 : Material Cost				
Opening Stock				
Work-in-Process	9.48	5.92	3.81	2.38
Finished Goods	<u>1,94.84</u>	<u>1,21.78</u>	<u>1,64.77</u>	<u>1,02.98</u>
	<u>2,04.32</u>	<u>1,27.70</u>	<u>1,68.58</u>	<u>1,05.36</u>
Raw and Packing Materials Consumed				
Opening Stock	9,74.14	6,08.84	13,36.50	8,35.31
Add : Purchases	<u>65,29.73</u>	<u>40,81.09</u>	<u>91,78.29</u>	<u>57,36.44</u>
	<u>75,03.87</u>	<u>46,89.93</u>	<u>105,14.79</u>	<u>65,71.75</u>
Less : Closing Stock	<u>8,84.59</u>	<u>5,52.87</u>	<u>9,74.14</u>	<u>6,08.84</u>
	<u>66,19.28</u>	<u>41,37.06</u>	<u>95,40.65</u>	<u>59,62.91</u>
Purchase of Finished Goods	-	-	-	-
Less : Closing Stock				
Work-in-Process	10.49	6.56	9.48	5.92
Finished Goods	<u>1,17.23</u>	<u>73.27</u>	<u>1,94.84</u>	<u>1,21.78</u>
	<u>1,27.72</u>	<u>79.83</u>	<u>2,04.32</u>	<u>1,27.70</u>
	<u>66,95.88</u>	<u>41,84.93</u>	<u>95,04.91</u>	<u>59,40.57</u>
Schedule 14 : Other income				
Sale of Scrap	18.03	11.27	31.98	19.99
Interest Accrued	<u>0.26</u>	<u>0.16</u>	<u>-</u>	<u>-</u>
	<u>18.29</u>	<u>11.43</u>	<u>31.98</u>	<u>19.99</u>
Schedule 15 : Administrative Expenses				
Salaries, Wages	2,66.67	1,66.67	2,15.94	1,34.97
Contribution to Provident, Gratuity and Other Funds	19.94	12.46	16.36	10.23
Staff Welfare Expenses	16.57	10.36	16.36	10.22
Consumption of Stores and Spares	23.35	14.60	19.74	12.34
Power and Fuel	95.22	59.51	89.10	55.69
Rent	14.81	9.26	17.17	10.73
Insurance	43.37	27.10	39.78	24.86
Royalty & Technical service fees	6,44.13	4,02.58	8,86.26	5,53.91
Bank Charges	10.00	6.25	9.32	5.82
Plant & Machinery Repairs & Upkeep	93.67	58.54	1,16.11	72.57
Audit, Tax Audit Fees & Expenses	5.96	3.72	1.60	1.00
Legal & retainer fees	21.39	13.37	16.20	10.13
Telephone, Fax, Postage & Courier charges	59.04	36.90	26.74	16.71
Travelling Expenses	82.39	51.49	72.20	45.12
Advertisement Expenses	91.07	56.92	78.16	48.85
Security Services	24.15	15.10	20.79	12.99
Provision for doubtful claims & receivables	-	-	3,39.70	2,12.31
Miscellaneous Expenses	<u>16.49</u>	<u>10.31</u>	<u>39.48</u>	<u>24.68</u>
	<u>15,28.22</u>	<u>9,55.14</u>	<u>20,21.01</u>	<u>12,63.13</u>

Schedule 16 : Contingent Liabilities

There are contingent liabilities in respect of :

	As at 16th July, 2002 N Rs. Lacs	As at 15th July, 2001 N Rs. Lacs
1. Unexpired Letters of Credit	3,86.13	9,32.37
2. Unexpired Bank Guarantees	2,99.00	2,99.00
3. Disputes regarding income tax liabilities for holiday exemption - pending before Hon'ble Supreme Court	1,51.31	79.41
Total	8,36.44	13,10.78

Note : N Rs. = Nepalese Rupees

I Rs. = Indian Rupees

I Re. 1 = N Rs. 1.60

Figures in Indian Rupees are given as required by the Ministry of Law, Justice and Company Affairs, New Delhi

Schedule 17 : Significant Accounting Policies and Notes to Accounts
1. Significant Accounting Policies
(a) Basis of Accounting

Financial statements are prepared under the historical cost convention, in accordance with Accounting Standards applicable in Nepal and the requirements of Company Act, 2053.

The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis except in case of significant uncertainties relating to income.

(b) Fixed Assets

Fixed Assets are recorded at cost less accumulated depreciation. The Company capitalises all direct costs relating to the acquisition and installation of fixed assets. Assets costing less than N Rs. 8,000 is charged off in the year of purchase by charge to depreciation.

(c) Depreciation & Amortisation

- Depreciation is provided on written down value on all Fixed Assets (except leasehold land) at the rates prescribed by the Income Tax Act including additional depreciation permitted by the Industrial Enterprises Act, 2049.

- Leasehold Land is amortised over the period of lease.

(d) Investments

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

(e) Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined using standard cost method that approximates actual costs.

(f) Retirement Benefits

Retirement benefits to employees comprise payments to gratuity fund, provident fund and superannuation fund and all contributions to the provident fund and superannuation fund are charged to Profit & Loss Account as incurred. In respect of local employees provident fund contributions are made to Karmachari Sanchaya Kosh. Contributions to provident and superannuation funds of employees seconded from Colgate-Palmolive (India) Limited has been paid into funds maintained by Colgate-Palmolive (India) Limited. Liabilities in respect of gratuity are provided for as per Labour Act, 2049.

(g) Revenue Recognition

Sales are recognised on despatch to customers and are recorded net of Value Added Tax.

(h) Staff Housing and Bonus

Amount towards Staff Housing and Bonus have been provided as required under Labour Act and Bonus Act respectively.

(i) Foreign Currency Transactions

Foreign currency transactions are accounted at exchange rates prevailing on the date of the transactions. All foreign currency assets and liabilities, if any, as at the Balance Sheet date are restated at the applicable exchange rates prevailing at that date. All exchange differences in respect of foreign currency transactions are dealt with in the Profit & Loss Account except those relating to acquisition of fixed assets, which are adjusted in the cost of the assets.

(j) Basis of Provision for Debtors, Loans and Advances

The Company provides for outstanding in excess of six months based on careful evaluation of facts of the case and contingency aspects of the matter involved.

2. Notes to Accounts

(a) Previous year's figures have been regrouped/rearranged wherever necessary to facilitate comparison. Figures are rounded off to the nearest of Rupees Lacs.

(b) Exports sales of N Rs. 86,75.50 Lacs are those made to Colgate-Palmolive (India) Ltd.

(c) Under Section 15b of the Industrial Enterprises Act, 2049, a writ petition has been filed before the Hon'ble Supreme Court for the dispute on tax holiday and therefore no provision for tax has been made in the current year.

(d) Customs duty paid on import of raw and packing materials is recoverable against export pursuant to statutory enactment and accordingly the Company has made necessary applications for refund. During this year, His Majesty's Government of Nepal has notified issuance of Government bonds in lieu of such refunds which has been received partially. The provisions created in the earlier years amounting to N Rs. 7,49.08 Lacs on account of uncertainty are written back in the current year.

Per our attached report
For T. R. Upadhyay & Co.
Chartered Accountants

T. R. Upadhyay
Partner
Kathmandu, January 10, 2003

Directors { M. A. Elias
K. V. Vaidyanathan

Report of the Directors

The Members
Passion Trading & Investment Company Limited
Mumbai

Your Directors present their Fourteenth Annual Report and Audited Accounts for the year ended March 31, 2003.

Business Activities :

The Company has not yet started any business activity. In terms of the provisions contained under the Companies Act, 1956 [“the Act”] the paid-up capital of the Company had not been enhanced to Rs. 5.00 lacs. Accordingly, the Company's name is liable to be struck off from the Register maintained by the Registrar of Companies as a defunct company, in accordance with the Simplified Exit Scheme introduced by the Government of India.

Directors :

Mr. Vinay Hegde, Director, retires by rotation and being eligible, offers himself for re-appointment.

Auditors :

Messrs. Ford, Rhodes, Parks & Company, Chartered Accountants, retire and are eligible for re-appointment as Auditors.

Directors' Responsibility Statement :

In terms of Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and 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 and Loss of the Company for that period;
- that the Directors 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
- that the annual accounts for the year ended March 31, 2003 have not been prepared on a going concern basis for reasons stated in Note No. 2 of the Notes forming part of accounts.

On behalf of the Board
Directors { K. V. Vaidyanathan
N. Ramchandran

Mumbai, May 28, 2003

Auditors' Report to the Shareholders

- We have audited the attached Balance Sheet of Passion Trading & Investment Company Limited as at March 31, 2003, together with the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- These financial statements have been prepared on the basis that the Company is no longer a going concern for reasons stated in Note No. 2 of Notes forming part of the accounts.
- 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.
 - 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 the books.
 - In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and are in agreement with the books of account.
 - On the basis of the written representations received from the Directors as on March 31, 2003 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2003 from being appointed as a Director in terms of Section 274 (1)(g) of the Companies Act, 1956.
 - In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2003 and
 - in the case of the Profit and Loss Account, of the loss for the year ended on that date.

As the Company had no manufacturing, trading or other activities during the year, the Manufacturing and other Companies (Auditor's Report) Order, 1988 is, in our opinion, not applicable to the Company.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
S. B. Prabhu
Partner

Mumbai, May 28, 2003

Balance Sheet as at March 31, 2003

	As at March 31, 2003 Rupees	As at March 31, 2002 Rupees
Sources of Funds		
Shareholders' Funds		
Share Capital		
Authorised		
1,000 Equity Shares of Rs. 100 each	100,000	100,000
100 14% Cumulative Redeemable Preference Shares of Rs. 100 each	10,000	10,000
Issued, Subscribed & Paid-up		
302 Equity Shares of Rs. 100 each fully paid		
[The above shares are held by Colgate-Palmolive (India) Ltd., the Holding Company]	30,200	30,200
Total	30,200	30,200
APPLICATION OF FUNDS		
Current Assets, Loans and Advances		
Balance with Scheduled Bank		
On Current Account	18,246	18,646
Current Liabilities & Provisions		
Creditors	2,000	-
Net Current Assets	16,246	18,646
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Preliminary Expenses	-	6,200
Profit and Loss Account Balance	13,954	5,354
Total	30,200	30,200

Profit and Loss Account for the year ended March 31, 2003

	Rupees	Previous Year Rupees
ROC Fees	2,400	2,304
Bank Charges	-	75
Preliminary Expenditure w/off	6,200	-
Loss for the period	8,600	2,379
Debit Balance Brought Forward	5,354	2,975
Balance Carried to Balance Sheet	13,954	5,354

Notes :

- Contingent liability in respect of Dividend on Preference Shares Rs. 2,793 (Previous Year: Rs. 2,793) is not provided for.
- The Company has not yet started any business activity and the Holding Company - Colgate-Palmolive (India) Limited has decided not to increase the Paid up Share Capital to the minimum extent required in accordance with the provisions of the Companies Act. The Company has opted to comply with the simplified "Exit Scheme" introduced by the Government on removal of names of defunct companies from the records maintained by the Registrar of Companies. Hence, the Accounts have not been prepared on a "Going Concern" basis and accordingly all assets and liabilities in the Balance Sheet have been shown at their estimated realisable/payable values. Consequent to the above, the Preliminary Expenditure of Rs. 6,200 has been written off.
- Information pursuant to paras 3, 4C and 4D of Part II of Schedule VI of the Companies Act is not given since the Company has not commenced business.

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S.B. Prabhu
Partner
Mumbai, May 28, 2003

Directors { K. V. Vaidyanathan
N. Ramchandran

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.	47799	Net Fixed Assets	-
State Code	11	Investments	-
Balance Sheet Date	31-03-2003	Net Current Assets	16246
II. Capital raised during the year		Misc. Expenditure	-
(Amount in Rupees) :		Accumulated Losses	13954
Public Issue	-	IV. Performance of Company	
Rights Issue	-	(Amount in Rupees) :	
Bonus Issue	-	Turnover (Gross Revenue)	-
Private Placement	-	Total Expenditure	8600
III. Position of Mobilisation and Deployment of Funds		(Loss) before tax	(8600)
(Amount in Rupees) :		(Loss) after tax	(8600)
Total Liabilities	32200	Earnings per Share in Rs.	-
Total Assets	32200	Dividend (%)	-
Sources of Funds		V. Generic Names of Three Principal Products/Services of Company (as per Monetary Terms) :	
Paid-up Capital	30200	Item Code No. (ITC Code)	-
Reserves and Surplus	-	Product Description	-
Secured Loans	-		
Unsecured Loans	-		

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S.B. Prabhu
Partner
Mumbai, May 28, 2003

Directors { K. V. Vaidyanathan
N. Ramchandran

Report of the Directors

The Members
Multimint Leasing & Finance Limited
Mumbai

Your Directors present their Eighteenth Annual Report and Audited Accounts for the year ended March 31, 2003.

Business Activities :

The Company has not yet started any business activity. In terms of the provisions contained under the Companies Act, 1956 [“the Act”] the paid-up capital of the Company had not been enhanced to Rs. 5.00 lacs. Accordingly, the Company's name is liable to be struck off from the Register maintained by the Registrar of Companies as a defunct company, in accordance with the Simplified Exit Scheme introduced by the Government of India.

Directors :

Mr. Arunkumar Pande, Director, retires by rotation and being eligible, offers himself for re-appointment.

Auditors :

Messrs. Ford, Rhodes, Parks & Company, Chartered Accountants, retire and are eligible for re-appointment as Auditors.

Directors' Responsibility Statement

In terms of Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and 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 and Loss of the Company for that period;
- that the Directors 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
- that the annual accounts for the year ended March 31, 2003 have not been prepared on a going concern basis for reasons stated in Note No. 2 of the Notes forming part of accounts.

On behalf of the Board

Mumbai, May 28, 2003

Directors

{ K. V. Vaidyanathan
N. Ramchandran

Auditors' Report to the Shareholders

- We have audited the attached Balance Sheet of Multimint Leasing & Finance Limited as at March 31, 2003, together with the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- These financial statements have been prepared on the basis that the Company is no longer a going concern for reasons stated in Note No. 2 of the Notes forming part of the accounts.
- 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.
 - 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 the books.
 - In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and are in agreement with the books of account.
 - On the basis of the written representations received from the Directors as on March 31, 2003 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2003 from being appointed as a Director in terms of Section 274 (1)(g) of the Companies Act, 1956.
 - In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2003 and
 - in the case of the Profit and Loss Account, of the loss for the year ended on that date.

As the Company had no manufacturing, trading or other activities during the year, the Manufacturing and other Companies (Auditor's Report) Order, 1988 is, in our opinion, not applicable to the Company.

For Ford, Rhodes, Parks & Co.
Chartered Accountants

S. B. Prabhu
Partner

Mumbai, May 28, 2003

Partner

Balance Sheet as at March 31, 2003

	As at March 31, 2003 Rupees	As at March 31, 2002 Rupees
Sources of Funds		
Shareholders' Funds		
Share Capital		
Authorised		
10,000 Equity Shares of Rs. 10 each	100,000	100,000
100 14% Cumulative Redeemable Preference Shares of Rs. 100 each	10,000	10,000
Issued, Subscribed & Paid-up		
3,500 Equity Shares of Rs. 10 each fully paid (The above shares are held by Colgate-Palmolive (India) Ltd., the Holding Company)	35,000	35,000
Total	35,000	35,000
Application of Funds		
Current Assets, Loans and Advances		
Balance with Scheduled Bank	20,746	21,146
On Current Account	2,000	-
Current Liabilities & Provisions		
Creditors	18,746	21,146
Net Current Assets	2,000	-
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Preliminary Expenses	-	7,000
Profit and Loss Account Balance	16,254	6,854
Total	35,000	35,000

Profit and Loss Account for the year ended March 31, 2003

	Rupees	Previous Year Rupees
ROC Fees	2,400	1,904
Miscellaneous Income	-	(100)
Preliminary Expenditure w/off	7,000	-
Loss for the period	9,400	1,804
Debit Balance Brought Forward	6,854	5,050
Balance Carried to Balance Sheet	16,254	6,854

Notes :

- Contingent liability in respect of Dividend on Preference Shares Rs. 2,689 (Previous Year : Rs. 2,689) is not provided for.
- The Company has not yet started any business activity and the Holding Company - Colgate-Palmolive (India) Limited has decided not to increase the Paid up Share Capital to the minimum extent required in accordance with the provisions of the Companies Act. The Company has opted to comply with the simplified "Exit Scheme" introduced by the Government on removal of names of defunct companies from the records maintained by the Registrar of Companies. Hence, the Accounts have not been prepared on a "Going Concern" basis and accordingly all assets and liabilities in the Balance Sheet have been shown at their estimated realisable/payable values. Consequent to the above, the Preliminary Expenditure of Rs. 7,000 has been written off.
- Information pursuant to paras 3, 4C and 4D of Part II of Schedule VI of the Companies Act is not given since the Company has not commenced business.

Per our report attached

For Ford, Rhodes, Parks & Co.
Chartered Accountants

S. B. Prabhu
Partner
Mumbai, May 28, 2003

Directors

{ N. Ramchandran
A. Pande

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.	38119	Net Fixed Assets	-
State Code	11	Investments	-
Balance Sheet Date	31-03-2003	Net Current Assets	18746
II. Capital raised during the year		Misc. Expenditure	-
(Amount in Rupees) :		Accumulated Losses	16254
Public Issue	-	IV. Performance of Company	
Rights Issue	-	(Amount in Rupees) :	
Bonus Issue	-	Turnover (Gross Revenue)	-
Private Placement	-	Total Expenditure	9400
III. Position of Mobilisation and Deployment of Funds		(Loss) before tax	(9400)
(Amount in Rupees) :		(Loss) after tax	(9400)
Total Liabilities	37000	Earnings per Share in Rs.	-
Total Assets	37000	Dividend (%)	-
Sources of Funds		V. Generic Names of Three Principal Products/Services of Company (as per Monetary Terms) :	
Paid-up Capital	35000	Item Code No. (ITC Code)	-
Reserves and Surplus	-	Product Description	-
Secured Loans	-		
Unsecured Loans	-		

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S. B. Prabhu
Partner
Mumbai, May 28, 2003

Directors

{ N. Ramchandran
A. Pande

Report of the Directors

The Members
Jigs Investments Limited
Mumbai

Your Directors present their Fourteenth Annual Report and Audited Accounts for the year ended March 31, 2003.

Business Activities :

The Company has not yet started any business activity. In terms of the provisions contained under the Companies Act, 1956 [“the Act”] the paid-up capital of the Company had not been enhanced to Rs. 5.00 lacs. Accordingly, the Company's name is liable to be struck off from the Register maintained by the Registrar of Companies as a defunct company, in accordance with the Simplified Exit Scheme introduced by the Government of India.

Directors :

Mr. Peter Richardson, Director, retires by rotation and being eligible, offers himself for re-appointment.

Auditors :

Messrs. Ford, Rhodes, Parks & Company, Chartered Accountants, retire and are eligible for re-appointment as Auditors.

Directors' Responsibility Statement

In terms of Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and 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 and Loss of the Company for that period;
- that the Directors 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
- that the annual accounts for the year ended March 31, 2003 have not been prepared on a going concern basis for reasons stated in Note No. 2 of the Notes forming part of accounts.

On behalf of the Board

Mumbai, May 28, 2003

Directors

{ K. V. Vaidyanathan
N. Ramchandran

Auditors' Report to the Shareholders

- We have audited the attached Balance Sheet of Jigs Investments Limited as at March 31, 2003, together with the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- These financial statements have been prepared on the basis that the Company is no longer a going concern for reasons stated in Note No. 2 of the Notes forming part of the accounts.
- 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.
 - 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 the books.
 - In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and are in agreement with the books of account.
 - On the basis of the written representations received from the Directors as on March 31, 2003 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2003 from being appointed as a Director in terms of Section 274 (1)(g) of the Companies Act, 1956.
 - In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2003 and
 - in the case of the Profit and Loss Account, of the loss for the year ended on that date.

As the Company had no manufacturing, trading or other activities during the year, the Manufacturing and other Companies (Auditor's Report) Order, 1988 is, in our opinion, not applicable to the Company.

For Ford, Rhodes, Parks & Co.
Chartered Accountants

S. B. Prabhu
Partner

Mumbai, May 28, 2003

Balance Sheet as at March 31, 2003

	As at March 31, 2003 Rupees	As at March 31, 2002 Rupees
Sources of Funds		
Shareholders' Funds		
Share Capital		
Authorised		
10,000 Equity Shares of Rs. 10 each	100,000	100,000
100 14% Cumulative Redeemable Preference Shares of Rs. 100 each	10,000	10,000
Issued, Subscribed & Paid-up		
3,020 Equity Shares of Rs. 10 each fully paid [The above shares are held by Colgate-Palmolive (India) Ltd., the Holding Company]	30,200	30,200
Total	30,200	30,200
Application of Funds		
Current Assets, Loans and Advances		
Balance with Scheduled Bank		
On Current Account	18,511	18,911
Current Liabilities & Provisions		
Creditors	2,000	-
Net Current Assets	16,511	18,911
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Preliminary Expenses	-	6,200
Profit and Loss Account Balance	13,689	5,089
Total	30,200	30,200

Profit and Loss Account for the year ended March 31, 2003

	Rupees	Previous Year Rupees
ROC Fees	2,400	1,704
Bank Charges	-	25
Preliminary Expenditure w/off	6,200	-
Loss for the period	8,600	1,729
Debit Balance Brought Forward	5,089	3,360
Balance Carried to Balance Sheet	13,689	5,089

Notes :

- Contingent liability in respect of Dividend on Preference Shares Rs. 2,793 (Previous Year : Rs. 2,793) is not provided for.
- The Company has not yet started any business activity and the Holding Company - Colgate-Palmolive (India) Limited has decided not to increase the Paid up Share Capital to the minimum extent required in accordance with the provisions of the Companies Act. The Company has opted to comply with the simplified "Exit Scheme" introduced by the Government on removal of names of defunct companies from the records maintained by the Registrar of Companies. Hence, the Accounts have not been prepared on a "Going Concern" basis and accordingly all assets and liabilities in the Balance Sheet have been shown at their estimated realisable/payable values. Consequent to the above, the Preliminary Expenditure of Rs. 6,200 has been written off.
- Information pursuant to paras 3, 4C and 4D of Part II of Schedule VI of the Companies Act is not given since the Company has not commenced business.

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S.B. Prabhu

Partner
Mumbai, May 28, 2003

Directors

{ K. V. Vaidyanathan
N. Ramchandran

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.	48238	Net Fixed Assets	-
State Code	11	Investments	-
Balance Sheet Date	31-03-2003	Net Current Assets	16511
II. Capital raised during the year		Misc. Expenditure	-
(Amount in Rupees) :		Accumulated Losses	13689
Public Issue	-	IV. Performance of Company	
Rights Issue	-	(Amount in Rupees) :	
Bonus Issue	-	Turnover (Gross Revenue)	-
Private Placement	-	Total Expenditure	8600
III. Position of Mobilisation and Deployment of Funds		(Loss) before tax	(8600)
(Amount in Rupees) :		(Loss) after tax	(8600)
Total Liabilities	32200	Earnings per Share in Rs.	-
Total Assets	32200	Dividend (%)	-
Sources of Funds		V. Generic Names of Three Principal Products/Services of Company (as per Monetary Terms) :	
Paid-up Capital	30200	Item Code No. (ITC Code)	-
Reserves and Surplus	-	Product Description	-
Secured Loans	-		
Unsecured Loans	-		

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S.B. Prabhu

Partner
Mumbai, May 28, 2003

Directors

{ K. V. Vaidyanathan
N. Ramchandran



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 and its subsidiaries as at March 31, 2003, the Consolidated Profit and Loss Account for the year ended on that date annexed thereto, and the Consolidated Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Management of Colgate-Palmolive (India) Limited. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We have conducted our audit in accordance with 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 prepared, in all material respects, in accordance with an identified financial reporting framework and 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. 46,04.58 Lacs as at March 31, 2003 and total revenues of Rs. 52,28.70 Lacs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far 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 in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Colgate-Palmolive (India) Limited and its subsidiaries included in the consolidated financial statements.
5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Colgate-Palmolive (India) Limited and its aforesaid subsidiaries, in our opinion, the 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 consolidated state of affairs of Colgate-Palmolive (India) Limited and its subsidiaries as at March 31, 2003;
 - (b) in the case of the Consolidated Profit and Loss Account, of the consolidated result of operations of Colgate-Palmolive (India) Limited and its subsidiaries for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Colgate-Palmolive (India) Limited and its subsidiaries for the year ended on that date.

P. N. Ghatalia

Partner

For and on behalf of

Price Waterhouse

Chartered Accountants

Mumbai, June 10, 2003



Consolidated Balance Sheet as at March 31, 2003

	Schedule	Rs. Lacs	Rs. Lacs	As at March 31, 2002 Rs. Lacs
Sources of Funds				
Shareholders' Funds				
Share Capital	1	135,99.28		135,99.28
Reserves and Surplus	2	<u>142,70.95</u>		<u>118,56.85</u>
			278,70.23	<u>254,56.13</u>
Loan Funds				
Secured Loans	3	14,06.25		14,06.25
Unsecured Loans		<u>2,14.00</u>		<u>9,24.68</u>
			16,20.25	<u>23,30.93</u>
Deferred Tax Liability (Net)	4		15,22.94	<u>26,00.52</u>
	Total		310,13.42	<u>303,87.58</u>
Application of Funds				
Fixed Assets				
Gross Block	5	355,35.97		361,17.87
Less : Depreciation/Amortisation/Write-down		<u>175,39.26</u>		<u>162,02.33</u>
Net Block		179,96.71		199,15.54
Capital Work-in-Progress and Advances for Capital Expenditure		<u>2,50.69</u>		<u>3,35.80</u>
			182,47.40	<u>202,51.34</u>
Investments	6		94,59.00	<u>42,85.88</u>
Current Assets, Loans and Advances				
Inventories	7	59,98.68		80,18.59
Sundry Debtors	8	44,16.75		72,88.50
Cash and Bank Balances	9	100,47.57		104,59.86
Interest Accrued on Investments/Deposits		4,50.16		1,96.90
Loans and Advances	10	<u>157,50.59</u>		<u>104,44.92</u>
		366,63.75		<u>364,08.77</u>
<i>Less :</i>				
Current Liabilities and Provisions				
Liabilities	11	261,33.82		253,92.35
Provisions	12	<u>72,22.91</u>		<u>51,66.25</u>
		333,56.73		<u>305,58.60</u>
Net Current Assets			33,07.02	<u>58,50.17</u>
Miscellaneous Expenditure			<u>—</u>	<u>0.19</u>
	Total		310,13.42	<u>303,87.58</u>

The Schedules (1 to 22) 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.

P. N. Ghatalia

Partner

For and on behalf of

Price Waterhouse

Chartered Accountants

Mumbai, June 10, 2003

For and on behalf of the Board

Vice-Chairman

R. A. Shah

Managing Director

G. Dalziel

Whole-time Director

M. A. Elias

Whole-time Director

V. Kaushik

Director

J. K. Setna

Whole-time Director &

Company Secretary

K. V. Vaidyanathan

Mumbai, June 10, 2003



Consolidated Profit and Loss Account for the year ended March 31, 2003

	Schedule	Rs. Lacs	Rs. Lacs	2001-2002 Rs. Lacs
Income				
Sales		1,060,30.54		1,163,94.93
Other Income	13	31,31.71		24,76.57
			1,091,62.25	1,188,71.50
Expenditure				
Cost of Goods Sold	14	518,47.08		581,49.48
Employee Costs	15	73,02.35		62,68.04
Excise Duty		39,54.84		48,51.73
Other Expenses	16	294,50.10		357,81.05
Depreciation/Amortisation	5	23,39.50		26,86.35
			948,93.87	1,077,36.65
Profit before Taxation			142,68.38	111,34.85
Current Year Taxation		68,03.68		50,21.41
Deferred Tax Benefit		(10,77.57)		(5,11.45)
			57,26.11	45,09.96
Profit after Taxation			85,42.27	66,24.89
Balance Brought Forward			10,42.45	12,41.97
Profit Available for Appropriation			95,84.72	78,66.86
Appropriation :				
First Interim Dividend			30,59.83	33,99.82
Second Interim Dividend (Declared subsequent to the year end)			27,19.86	23,79.87
Dividend Tax on Second Interim Dividend			3,48.48	3,46.78
Transfer to General Reserve			8,86.59	6,97.94
Balance Carried Forward			25,69.96	10,42.45
			95,84.72	78,66.86
Earnings per Equity Share (Rupees)				
(Face value of Rs. 10 per equity share)				
Basic and Diluted			6.28	4.87

The Schedules (1 to 22) referred to herein above form an integral part of the financial statements.

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

P. N. Ghatalia

Partner

For and on behalf of

Price Waterhouse

Chartered Accountants

Mumbai, June 10, 2003

For and on behalf of the Board

Vice-Chairman

R. A. Shah

Managing Director

G. Dalziel

Whole-time Director

M. A. Elias

Whole-time Director

V. Kaushik

Director

J. K. Setna

Whole-time Director &

Company Secretary

K. V. Vaidyanathan

Mumbai, June 10, 2003



Consolidated Cash Flow Statement for the year ended March 31, 2003

	2002-2003	2001-2002
	Rs. Lacs	Rs. Lacs
Cash Flow from Operating Activities :		
Net Profit before Tax	142,68.36	111,34.85
Adjustment for :		
Exchange Loss	21.57	6.27
Depreciation and Amortisation	23,39.50	26,86.35
Interest Expense	1,42.86	1,07.61
Loss/(Gain) on Sale of Investments	51.53	(1,64.76)
Loss on disposal of a Subsidiary	64.61	-
Write-down/Provision of under utilised and idle Fixed Assets	1,60.29	14,80.00
(Gain)/Loss on Sale of Fixed Assets [Net]	(1,15.67)	73.24
Gain on Pre-payment of Sales Tax Deferral Liability	(4,38.13)	-
Interest Income	(18,74.03)	(16,80.77)
Operating Profit before Working Capital Changes	146,20.89	136,42.79
Adjustment (Increase)/Decrease in Working Capital		
Inventories	20,19.90	16,51.06
Sundry Debtors	28,68.46	(27,32.49)
Loans and Advances	2,80.23	17,32.22
Current Liabilities and Provisions	25,86.66	19,16.48
Miscellaneous Expenditure	0.19	-
Cash Generated from Operations	223,76.33	162,10.06
Direct Taxes Paid [Net]	(58,02.79)	(38,74.47)
Net Cash from Operating Activities (A)	165,73.54	123,35.59
Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(7,02.01)	(9,92.24)
Sale of Fixed Assets	2,21.85	77.04
Purchase of Investments	(67,59.00)	(53,05.92)
Sale of Investments	15,79.35	55,84.81
Inter-Corporate Deposits	(55,91.00)	25,94.00
Interest Received	16,20.77	19,19.91
Net Cash from Investing Activities (B)	(96,30.04)	38,77.60
Cash Flow from Financing Activities :		
Long Term Loans Availed	54.00	9,54.10
Sales Tax Deferral (Paid)/Availed [Net]	(3,26.54)	71.83
Interest Paid	(1,66.81)	(99.49)
Dividend Paid	(68,77.57)	(129,61.67)
Dividend Tax Paid	-	(14,91.16)
Net Cash from Financing Activities (C)	(73,16.92)	(135,26.39)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(3,73.42)	26,86.80
Cash and Cash Equivalents at the beginning of the year	104,59.86	77,79.33
	100,86.44	104,66.13
Effect of exchange rate changes	(21.57)	(6.27)
Cash and Cash Equivalents of an erstwhile subsidiary, disposed off during the year	(17.30)	-
Cash and Cash Equivalents at the end of the year	100,47.57	104,59.86



Consolidated Cash Flow Statement for the year ended March 31, 2003 (Contd.)

	2002-2003	2001-2002
	Rs. Lacs	Rs. Lacs
Cash and Cash Equivalents comprise :		
Cash and Cheques on Hand	0.07	11.92
Balances with Scheduled Banks in		
- Current Accounts	45,86.25	56,94.40
- Deposit Accounts	50,53.17	29,07.57
- Unpaid Dividend Accounts	4,08.08	18,45.97
Cash and Cash Equivalents as at March 31, 2003	<u>100,47.57</u>	<u>104,59.86</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", issued by the Institute of Chartered Accountants of India.
2. Previous year's figures have been reclassified to confirm with current year's presentation, where applicable.

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

P. N. Ghatalia

Partner

For and on behalf of

Price Waterhouse

Chartered Accountants

Mumbai, June 10, 2003

For and on behalf of the Board

Vice-Chairman

R. A. Shah

Managing Director

G. Dalziel

Whole-time Director

M. A. Elias

Whole-time Director

V. Kaushik

Director

J. K. Setna

Whole-time Director &

Company Secretary

K. V. Vaidyanathan

Mumbai, June 10, 2003



Schedules forming part of the Consolidated Balance Sheet as at March 31, 2003

	Rs. Lacs	As at March 31, 2003 Rs. Lacs	As at March 31, 2002 Rs. Lacs
Schedule 1 : Share Capital			
Authorised			
13,70,00,000 Equity Shares of Rs. 10 each		<u>137,00.00</u>	<u>137,00.00</u>
Issued, Subscribed and Paid-up			
13,59,92,817 Equity Shares of Rs. 10 each fully paid		<u>135,99.28</u>	<u>135,99.28</u>
Of the above :			
(i) 6,93,56,336 Shares are held by Colgate-Palmolive Company, U.S.A., the Holding Company.			
(ii) 11,18,85,735 Shares of Rs. 10 each were allotted as fully paid Bonus Shares by capitalisation of General Reserve 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	95,07.97		88,10.03
Add : Transfer from Profit and Loss Account	<u>8,86.59</u>		<u>6,97.94</u>
		103,94.56	95,07.97
Profit and Loss Account Balance			
		25,69.96	10,42.45
		<u>142,70.95</u>	<u>118,56.85</u>
Schedule 3 : Loan Funds			
Secured Loans			
Bank Loan		14,06.25	14,06.25
(secured against a first charge of Fixed and Current Assets, Inventories, Receivables and Mortgage over all properties of Colgate-Palmolive (Nepal) Private Limited at Hetauda Industrial District)			
Unsecured Loans			
Loans		2,14.00	1,60.00
Sales Tax Deferral		<u>-</u>	<u>7,64.68</u>
		2,14.00	9,24.68
		16,20.25	23,30.93
Schedule 4 : Deferred Liability			
(Refer Note 9 on Schedule 17)			
Timing Difference between book and tax depreciation		27,49.95	32,03.91
Voluntary Retirement Scheme allowable over a period of five years in Income Tax		(1,79.17)	-
Accrual for expenses allowable only on payment		(10,47.84)	(5,57.89)
Benefit of un-absorbed depreciation		<u>-</u>	<u>(45.50)</u>
		15,22.94	26,00.52



Schedules forming part of the Consolidated Balance Sheet as at March 31, 2003

Schedule 5 : Fixed Assets
(Refer Note 3 on Schedule 17)

(Rs. Lacs)

Particulars	Gross Block		Depreciation/Amortisation/Write-down		Net Book Value		
	As at March 31, 2002	Additions/ Transfers	Deductions/ Transfers	As at March 31, 2003	Upto March 31, 2003	Disposals/ Transfers/ Write-down (Refer Note (iii) below)	As at March 31, 2003
Goodwill and Trademarks	27,29.81	-	-	27,29.81	5,11.84	68.24	21,49.73
Copyrights and Design	13,52.90	-	-	13,52.90	7,24.77	96.63	5,31.50
Technical Know-how	49,83.70	-	-	49,83.70	17,79.89	2,37.32	29,66.49
Land - Leasehold [Refer Note (i) below]	1,27.61	-	11.52	1,16.09	18.15	2.49	96.27
Buildings [Refer Note (ii) below]	81,31.80	1,41.37	1,09.96	81,63.21	9,24.75	1,70.31	66,92.10
Plant and Machinery	152,35.90	4,74.99	11,43.47	145,67.42	82,59.43	10,42.54	46,91.35
Furniture and Equipment	34,19.90	1,42.13	61.80	35,00.23	20,29.61	7,01.30	8,16.93
Vehicles	1,36.25	28.63	42.27	1,22.61	83.89	20.67	52.34
Sub - Total	361,17.87	7,87.12	13,69.02	355,35.97	143,32.33	23,39.50	179,96.71
Less: Provision for under utilised assets	-	-	-	-	18,70.00	-	-
Total	361,17.87	7,87.12	13,69.02	355,35.97	162,02.33	23,39.50	179,96.71
Total Previous Year	352,77.37	12,28.02	3,87.52	361,17.87	122,73.25	12,42.73	162,02.33
Add : Capital Work-in-Progress including advances on [Net of write-off of Rs. 45.04 Lacs (Previous Year : Rs. Nil)]							
Total							2,50.69
							182,47.40
							202,51.34

Notes : (i) Land - Leasehold comprises lease rights in respect of the land at Wajuj and Aurangabad, in the possession of the Company under Lease/Agreements to Lease with the Maharashtra Industrial Development Corporation and City & Industrial Development Corporation of Maharashtra Limited, respectively and at Hetauda Industrial Estate, Hetauda, in possession of the Company under lease with Hetauda Industrial District.

(ii) Buildings comprise : (a) Cost of Premises, including shares and loan stock bonds in a Co-operative Society, (b) 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, (c) Factory buildings at Wajuj, Aurangabad (d) a residential building at Aurangabad, (e) Research Centre at Powai, Mumbai and (f) Factory building at Hetauda, Nepal.

(iii) The net book value of certain under utilised and idle assets, which were identified in the current and the prior years, aggregating to Rs. 20,30.29 Lacs after charging normal depreciation till the relevant dates in the current year, have been written down to the estimated realisable value of those assets. Provision against these assets, aggregating to Rs. 18,70.00 Lacs, made in the prior years has been adjusted, and the net amount of Rs. 1,60.29 Lacs, is expensed in the current year in 'Miscellaneous' under Other Expenses in Schedule 16.



Schedules forming part of the Consolidated Balance Sheet as at March 31, 2003

	As at March 31, 2003 Rs. Lacs	As at March 31, 2002 Rs. Lacs
Schedule 6 : Investments		
(Refer Note 4 on Schedule 17)		
(At Cost, Unquoted unless otherwise stated)		
A. In Government Securities [Short Term, Unquoted]		
5% Nepal Rashtra Bank Bonds of the face value of Rs. 51.06 Lacs	—	41.67
	—	41.67
B. Other Investments at Cost [Long Term, Listed but not quoted, Non-Trade]		
5.20% (Tax-Free) Secured, Redeemable, Non-Convertible Railway Bonds of Indian Railway Finance Corporation Limited (Series 44th 'A') of the face value of Rs. 2,000 Lacs	20,00.00	—
7.80% (Tax-Free) Secured, Redeemable, Non-Convertible Railway Bonds of Indian Railways Finance Corporation Limited (Series 36) of the face value of Rs. 1,500 Lacs	15,00.00	15,00.00
5.25% (Tax-Free) Unsecured, Redeemable, Non-Convertible Bonds of National Bank for Agriculture and Rural Development (Series 4D) of the face value of Rs. 1,000 Lacs	10,00.00	—
8.75% (Tax-Free) Secured, Redeemable, Non-Convertible Bonds of Konkan Railway Corporation Limited (Series 5A) of the face value of Rs. 500 Lacs	5,00.00	5,00.00
6.35% (Tax-Free) Secured, Redeemable, Non-Convertible Bonds of Konkan Railway Corporation Limited (Series 7A) of the face value of Rs. 2,000 Lacs	20,00.00	—
5.10% (Tax-Free) Unsecured, Redeemable, Non-Convertible Bonds of National Bank for Agriculture and Rural Development (Series 4A) of the face value of Rs. 1,500 Lacs	15,00.00	—
9.25% (Tax-Free) Secured, Redeemable, Non-Convertible Bonds of Hudco-Gujarat Punamirman (Series - 1C) of the face value of Rs. 950 Lacs (Additional Bonds of Rs. 250 Lacs purchased during the year)	9,59.00	7,00.00
10.5% (Tax-Free) Redeemable, Non-Convertible Bonds of Hudco (Series V D) of the face value of Rs. 1,500 Lacs (Redeemed during the year)	—	15,44.21
	94,59.00	42,44.21
Total	94,59.00	42,85.88
Aggregate book value of Investments :		
Unquoted	—	41.67
Listed but not Quoted	94,59.00	42,44.21
Schedule 7 : Inventories		
(Refer Note 5 on Schedule 17)		
Stores and Spares	2,25.23	2,87.21
Raw and Packing Materials	16,24.60	16,75.15
Work-in-Process	3,35.02	3,23.83
Finished Goods	38,13.83	57,32.40
	59,98.68	80,18.59



Schedules forming part of the Consolidated Balance Sheet as at March 31, 2003

	As at March 31, 2003 Rs. Lacs	As at March 31, 2002 Rs. Lacs
Schedule 8 : Sundry Debtors		
Unsecured : Considered Good		
Over Six Months	73.82	2,03.83
Others	43,42.93	70,84.67
	<u>44,16.75</u>	<u>72,88.50</u>
Schedule 9 : Cash and Bank Balances		
Cash on Hand	0.07	11.92
Balances with Scheduled Banks in :		
– Current Accounts	45,86.25	56,94.40
– Deposit Accounts	50,53.17	29,07.57
– Unpaid Dividend Accounts	4,08.08	18,45.97
	<u>100,47.57</u>	<u>104,59.86</u>
Schedule 10 : Loans and Advances		
Secured :		
Loans to Employees	2,54.69	2,00.77
Unsecured : Considered Good		
Inter-Corporate Deposits	121,67.00	65,76.00
Advances recoverable in Cash or in Kind or for Value to be Received	7,55.71	13,24.62
Balances with Excise Authorities	25.66	5,08.38
Deposits - Others	25,47.53	18,35.15
	<u>157,50.59</u>	<u>104,44.92</u>
Schedule 11 : Liabilities		
Acceptances	20,79.87	1,11.70
Sundry Creditors	228,88.61	234,10.73
Unclaimed Dividends	4,08.08	18,45.97
Other Liabilities	7,57.26	–
Interest accrued but not Due	–	23.95
	<u>261,33.82</u>	<u>253,92.35</u>
Schedule 12 : Provisions		
Taxation (net of advance tax payments)	29,05.01	18,99.56
Second Interim Dividend (declared subsequent to year end)	27,19.86	23,79.87
Dividend Tax on Second Interim Dividend	3,48.48	–
Leave Encashment [Refer Note 7 on Schedule 17]	5,91.04	6,05.18
Others/Contingency	6,58.52	2,81.64
	<u>72,22.91</u>	<u>51,66.25</u>
	<u>333,56.73</u>	<u>305,58.60</u>



Schedules forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2003

	Rs. Lacs	2002-2003 Rs. Lacs	2001-2002 Rs. Lacs
Schedule 13 : Other Income			
Interest			
– On Bank Deposits		4,13.79	1,93.49
– On Long Term Investments		4,59.88	–
– Others		10,00.36	14,87.28
Cash Discount		1,36.75	87.57
Gain on pre-payment of Sales-Tax Deferral Liability		4,38.13	–
Rent		66.96	–
Bad Debts Recovered		1,70.54	–
Profit on Sale of Investments (Net)		–	1,64.76
Profit on Sale of Assets (Net)		1,15.67	–
Miscellaneous		3,29.63	5,43.47
		<u>31,31.71</u>	<u>24,76.57</u>
Schedule 14 : Cost of Goods Sold			
Opening Stock			
Work-in-Process	3,23.83		1,81.88
Finished Goods	57,32.40		69,45.65
		<u>60,56.23</u>	<u>71,27.53</u>
Raw and Packing Materials Consumed			
Opening Stock	16,75.15		22,81.51
Add : Purchases	175,47.59		233,03.89
	<u>192,22.74</u>		<u>255,85.40</u>
Less : Closing Stock	16,24.60		16,75.15
	<u>175,98.14</u>		<u>239,10.25</u>
Less : Sale of Materials	18,13.24		23,54.40
		<u>157,84.90</u>	<u>215,55.85</u>
		<u>218,41.13</u>	<u>286,83.38</u>
Purchased Finished Goods		341,54.80	355,22.33
Less : Closing Stock			
Work-in-Process	3,35.02		3,23.83
Finished Goods	38,13.83		57,32.40
		<u>41,48.85</u>	<u>60,56.23</u>
		<u>518,47.08</u>	<u>581,49.48</u>
Schedule 15 : Employee Costs			
Salaries, Wages and Bonus [Includes Rs. 6,08.78 Lacs (Previous Year : Rs. Nil) incurred towards Voluntary Retirement Scheme] [Refer Note 7 on Schedule 17)		62,35.68	47,91.85
Contribution to Provident, Gratuity and Other Funds		7,52.03	10,97.09
Staff Welfare Expenses		3,14.64	3,79.10
		<u>73,02.35</u>	<u>62,68.04</u>



Schedules forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2003

	2002-2003	2001-2002
	Rs. Lacs	Rs. Lacs
Schedule 16 : Other Expenses		
Consumption of Stores and Spares	1,97.77	2,23.38
Processing Charges	1,14.62	1,79.12
Power and Fuel	5,67.83	8,06.26
Freight and Forwarding Charges	16,35.26	20,72.51
Rent	3,99.15	4,06.43
Rates and Taxes	82.59	1,03.12
Insurance	1,75.91	1,77.61
Repairs		
– Plant and Machinery	4,98.52	5,92.80
– Buildings	19.94	3.04
– Others	88.72	86.82
	<u>6,07.18</u>	<u>6,82.66</u>
Advertising	185,79.94	231,44.58
Directors' Fees	4.10	3.45
Sales Tax	5,50.09	8,37.23
Royalty	10,45.41	5,61.88
Loss on Sale of Fixed Assets (Net)	–	73.24
Loss on disposal of a subsidiary company (Refer Note 3 on Schedule 22)	64.61	–
Loss on Sale of Long Term Investments	51.53	–
Bad Debts Written-off	1,56.82	3,04.00
Exchange Loss (Net)	41.51	–
Interest on Fixed Loans	1,42.86	1,07.61
Miscellaneous Expenses	50,32.92	60,97.97
	<u>294,50.10</u>	<u>357,81.05</u>



Notes forming part of the Consolidated Balance Sheet as at March 31, 2003 and Consolidated Profit and Loss Account for the year ended March 31, 2003

Schedule 17: Significant Accounting Policies

1. Basis of Accounting

The Consolidated Financial Statements of Colgate-Palmolive (India) Limited (“the Company”) and its wholly owned domestic and foreign subsidiaries (collectively referred to as “the Group”) are prepared under the historical cost convention in accordance with generally accepted accounting principles in India and Accounting Standard 21 on Consolidation of Financial Statements, issued by the Institute of Chartered Accountants of India, 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 not consolidated from the date of their disposal.
- The subsidiaries considered in the consolidated financial statements are :

	Country of Incorporation	% voting power held as at March 31, 2003	% voting power held as at March 31, 2002
Colgate-Palmolive (Nepal) Private Limited	Nepal	100	100
Camelot Investments Company Limited	India	–	100
Passion Trading & Investments Company Limited	India	100	100
Multimint Leasing & Finance Limited	India	100	100
Jigs Investments Limited	India	100	100

Also Refer Note 3 on Schedule 22.

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.

Depreciation is provided pro-rata to the period of use on straight-line method at the higher of the rates, based on estimated useful lives of the assets or those stipulated in Schedule XIV to the Companies Act, 1956, as follows :

Buildings	1.63%	Factory Building	3.34%
Plant and Machinery		Dies and Moulds	33.33%
– Single shift	4.75%	Furniture and Office Equipment	20.00%
– Double shift	7.42%	Computers	20.00%
– Triple shift	10.34%	Vehicles	20.00%

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

Leasehold land is amortised over the period of lease. Goodwill and Trademarks are amortised over a period of 40 years. Copyrights and Design are amortised over a period of 14 years. Technical Know-how is amortised over a period of 21 years.



Notes forming part of the Consolidated Balance Sheet as at March 31, 2003 and Consolidated Profit and Loss Account for the year ended March 31, 2003

Schedule 17 : Summary of Significant Accounting Policies (Contd.)

4. 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.

5. 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. 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.

6. Revenue Recognition

Sales are recognised on despatch to customers and are recorded net of trade discounts, rebates and sales taxes, but including excise duty.

7. Expenditure

Expenses are accounted for on accrual basis and provision is made for all known/potential losses/claims and liabilities on a conservative and consistent basis.

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

Revenue expenditure on Research and Development is charged to the Profit and Loss Account in the year in which it is incurred. Capital expenditure on Research and Development is reflected as additions to Fixed Assets.

The Company provides for Employees' retirement benefits (comprising payments to gratuity fund, provident fund, superannuation fund) and leave encashment entitlements in accordance with the policies of the Company. Annual contributions to the provident and superannuation funds are charged to the Profit and Loss Account as incurred. Liabilities in respect of gratuity and leave encashment are provided on the basis of independent actuarial valuation.

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

8. 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 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, except those relating to acquisition of fixed assets, which are adjusted in the cost of the fixed assets.

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 Rupee. There is no resultant exchange gain/loss on such translation.

9. 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 book profits and tax profits 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 reasonable 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, 2003 and Consolidated Profit and Loss Account for the year ended March 31, 2003

Schedule 21 : Related Party Disclosures

1. Related Party Disclosures, as required by Accounting Standard 18. "Related Party Disclosures", issued by the Institute of Chartered Accountants of India, are given below :

Holding Company	:	Colgate-Palmolive Company, U.S.A.
Group Companies where common control exists	:	Colgate-Palmolive (Malaysia) Mktg. SDN BHD
	:	Colgate-Palmolive, Poland Sp.z.o.o.
	:	Colgate-Palmolive, Russia
	:	Colgate-Palmolive, Philippines, Inc.
	:	Colgate-Palmolive, East Africa Ltd., Kenya
	:	Colgate-Palmolive Pty Ltd., South Africa
	:	Colgate-Palmolive Pty Ltd., Australia
	:	Colgate-Palmolive (Thailand) Ltd.
	:	Colgate-Palmolive (H.K.) Ltd., Hongkong
	:	Colgate-Palmolive (Guangzhou) Co. Ltd., China
	:	Colgate-Palmolive Son Hai Ltd., Vietnam
	:	Colgate Sanxiao (Consumer Products) Company Limited
	:	Colgate-Palmolive (U.K.) Limited
	:	Colgate-Palmolive (Png) Limited
	:	Colgate-Palmolive S.A., Portugal
	:	Colgate-Palmolive Europe (SARL) Limited
	:	Hawley & Hazel Chemical Company (H.K.) Limited
	:	Colgate-Palmolive (Burlington) Limited
	:	Colgate Oral Pharmaceuticals, Inc.
	:	Colgate-Palmolive, Tmizlik
	:	Colgate-Palmolive, Senegal S.A.

Vendors where Key Management Personnel have significant influence	:	Quantum Market Research Private Limited
--	---	---

Key Management Personnel	:	Graeme Dalziel
	:	Moses A. Elias
	:	Vikram Kaushik
	:	K. V. Vaidyanathan

Relatives of Key Management Personnel	:	Dr. (Mrs.) L. Vaidyanathan
	:	Mrs. Pratima Kotiyan

2. The Company has entered into transactions with the holding company, various group companies where common control exists and other related parties as follows :

Holding Company	Nature of transactions	2002-2003 Rs. Lacs	2001-2002 Rs. Lacs
	Dividend	29,47.64	29,47.64
	Royalty and Technical Fees	11,31.25	7,81.52
	Purchase of Assets	—	45.75
	Reimbursement of Expenses (Net)	0.92	—
	Information Technology, Research and Development and Other Services		
	Rendered (net of receipt)	2,30.13	34.07
	Purchase of Goods	—	14.46
	Sale of Goods	0.62	—
	Balance outstanding at year end		
	Payable (Net)	12,58.83	17,07.54



Notes forming part of the Consolidated Balance Sheet as at March 31, 2003 and Consolidated Profit and Loss Account for the year ended March 31, 2003

Schedule 21 : Disclosure of Related Parties (Contd.)

	Nature of transactions	2002-2003 Rs. Lacs	2001-2002 Rs. Lacs
Group Companies where common control exists	Purchase of Goods	1,76.69	2,16.98
	Sale of Goods	2,11.46	4,49.53
	Sale of Fixed Assets	16.15	1.32
	Purchase of Fixed Assets	42.44	-
	Reimbursement of Expenses (Net)	12.11	2.14
	Information Technology Services Received (net of rendered)	8,18.96	7,89.40
	Balance outstanding at year end		
	Receivable	24.41	60.04
	Payable	2,82.55	1,75.50
Vendors where Key Management Personnel have significant influence	Market Research Services	6.5	27.43
	Balance outstanding at year end	-	-
Key Management Personnel	Remuneration	3,78.23	3,08.98
	Rent of Leased Premises	-	1.00
	Sale of Vehicle	-	1.60
	Dividend	0.01	0.01
	Refund of Deposit	14.00	-
	Repayment of Loan	1.20	1.20
	Interest on Loan Received	0.90	0.98
	Balance outstanding at year end		
	Loans	30.97	32.17
	Deposits	-	14.00
Relatives of Key Management Personnel	Rent towards Leased Residential Premises	-	7.62
	Dividend	0.01	0.01
	Balance outstanding at year end	-	-

Schedule 22 : Notes to Accounts

- Colgate-Palmolive (Nepal) Private Limited (referred to as "Colgate Nepal") is eligible for income-tax holiday under The Industrial Enterprises Act, of Nepal. The tax exemption has been denied by the authorities in Nepal citing reasons that Colgate Nepal was registered with the Department of Industry after the aforesaid benefit was withdrawn, vide an amendment to the Industrial Enterprises Act, of Nepal. Colgate Nepal has filed a writ petition in the Hon'ble Supreme Court of Nepal in September 2001 challenging the denial of the tax exemption. Since the approval for incorporating a subsidiary in Nepal was given to the Company before the said amendment to the Industrial Enterprises Act, of Nepal, the grounds on which the tax exemption was denied was challenged by Colgate Nepal. The matter is sub judice.

A sum of Nepalese Rupee 2,51.00 Lacs has been withheld from the value added tax refundable to Colgate Nepal by the Internal Revenue Department as advance tax to cover all tax liabilities till Nepalese financial year 2059-60 (2002-2003). The Tax Office has completed the assessment of the income tax return filed under the self assessment procedure by Colgate Nepal for the financial years 2055-2056 and 2056-2057 and raised an additional demand of Nepalese Rupee 48.97 Lacs. The Company has disputed the demand and has filed an appeal with the Tribunal. Pending a final decision, no provision for additional tax liability has been made.

**Notes forming part of the Consolidated Balance Sheet as at March 31, 2003 and Consolidated Profit and Loss Account for the year ended March 31, 2003****Schedule 22 : Notes to Accounts (Contd.)**

2. The wholly owned subsidiaries Multimint Leasing & Finance Limited, Passion Trading & Investments Company Limited and Jigs Investments Limited, have not yet started any business activity and the Company has decided not to increase the paid up share capital to the minimum extent required in accordance with the provisions of the Act. The Company has opted to comply with the simplified exit scheme introduced by the Government for removal of names of defunct companies from the records maintained by the Registrar of Companies. Hence, the accounts of these companies have not been prepared on a "Going Concern" basis and accordingly all assets and liabilities in the Balance Sheet have been shown at their estimated realisable/payable values.
3. The Company divested its entire shareholding in the wholly owned subsidiary, Camelot Investments Company Limited and the said divestment became effective from March 21, 2003. Accordingly, Camelot Investments Company Limited ceased to be the Company's subsidiary effective March 21, 2003. The excess of net assets Rs. 1,09.61 Lacs and the sale consideration of Rs. 45.00 Lacs has been recognised as loss on sale of investment in a subsidiary company.
4. The financial statements of the subsidiaries have been audited by a firm other than Price Waterhouse.
5. Previous year's figures have been reclassified to confirm with current year's presentation, where applicable.

P. N. Ghatalia
Partner
For and on behalf of
Price Waterhouse
Chartered Accountants
Mumbai, June 10, 2003

For and on behalf of the Board
Vice-Chairman **R. A. Shah**
Managing Director **G. Dalziel**
Whole-time Director **M. A. Elias**
Whole-time Director **V. Kaushik**
Director **J. K. Setna**
Whole-time Director &
Company Secretary **K. V. Vaidyanathan**
Mumbai, June 10, 2003