



▶ Annual Report 2018-19



KEEP INDIA SMILING



COLGATE-PALMOLIVE (INDIA) LIMITED

► Our Products at a Glance



Toothpastes



Toothbrushes

Personal Care



Mouthwashes

Your Trust.
It's what helps us keep India smiling.





India's Most Trusted Oral Care Brand

BRAND EQUITY

Brushing Off The Competition

Here's how Colgate remains the most trusted oral care brand despite other aggressive players in the fray

By Anil Bana

Top 20 Most Trusted Brands Services

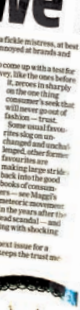
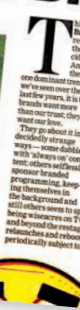
Bisleri	1	Jio
Colgate	2	Airtel
Cadbury Dairy Milk	3	State Bank Of India
Britannia (biscuits)	4	WhatsApp
Maaza	5	Vodafone
Surf Excel	6	Facebook
Ariel	7	LIC
Tata Salt	8	YouTube
Frooti	9	Big Bazaar
Coca-Cola	10	Idea
Samsung (smartphones)	11	BSNL
Glucon-D	12	Amazon

India's largest selling toothpaste continues to be the first choice in the Top 20 Most Trusted Brands. Colgate India has led the market for over 100 years. The brand's success is a testament to its commitment to quality and innovation. Colgate's toothpaste is known for its long-lasting freshness and its ability to protect teeth from decay. The brand's success is a testament to its commitment to quality and innovation. Colgate's toothpaste is known for its long-lasting freshness and its ability to protect teeth from decay.



2018

The Brands We Trust And Love



No. 1 Oral Care Brand

2017



SMILES TO GO

How Colgate stayed off babas, banks, mobiles, other FMCGs and ecommerce to retain the Most Trusted crown

BY RAVI BALAKRISHNAN MUMBAI
"Some people get excited about apps. I get excited about Colgate products," says Isam Barhaal, managing director, Colgate-Palmolive (India), as he unveils the cardboard box housing a tube of toothpaste to reveal a dental wellness chart. In its 80th year in India, the toothpaste brand has battled competition from within the category to be the

2016

BRAND EQUITY

Most Trusted Brands 2015

Chronicle a long, strange year when brands gained and lost trust at an unprecedented rate

1	2	3	4	5	6	7	8	9	10
Colgate	Tata Salt	Dettol	Dove	Lifbuoy	Herbicks	Samsung	Lenovo	Surf Excel	Parle
11	12	13	14	15	16	17	18	19	20
Britannia	Pond's	Samsung	Cadbury Dairy Milk	Airtel	Maaza	Pantene	Bournville	Coca-Cola	Sumit
21	22	23	24	25	26	27	28	29	30
Coca-Cola	Parle	Good Knight	Big Bazaar	Head & Shoulders	Prepocool	Sumit	THE MUCH TALKED ABOUT E-COMMERCE BRANDS ARE	CONSUMER	CHALLENGE

2015

Colgate has been voted as India's #1 Most Trusted Oral Care Brand for 8 consecutive years, from 2011-2018, in The Economic Times Brand Equity Most Trusted Brands Survey - an annual consumer survey conducted by Nielsen.



► Board of Directors



Mukul Deoras
Chairman

Mr. Mukul Deoras is the President, Asia Pacific Division of Colgate-Palmolive. Most recently, Mr. Deoras has served as Chief Marketing Officer of Colgate-Palmolive Company since August 2015. From February 2012 to July 2015, Mr. Deoras served as President, Asia Division of Colgate-Palmolive, and from February 2012 to September 2015, Mr. Deoras served as Chairman of Colgate-Palmolive (India) Ltd. From February 2010 to January 2012, Mr. Deoras served as Managing Director for Colgate-Palmolive (India) Limited. Mr. Deoras has also led Colgate-Palmolive's Thailand business and Global Personal Care Marketing function. Prior to joining Colgate-Palmolive, Mr. Deoras held positions of increasing responsibility in marketing and sales at Hindustan Unilever Limited from 1984 to 2004. Since June 2018, Mr. Deoras is a member of the Board of Directors of Wyndham Hotels and Resorts Inc. Mr. Deoras holds a post graduate degree in Management from the Indian Institute of Management, Ahmedabad. Appointed as Chairman of Colgate-Palmolive (India) Limited in September 2018.



Issam Bachaalani
Managing Director

Mr. Issam Bachaalani has been the Managing Director of Colgate-Palmolive India since October, 2014. He joined Colgate-Palmolive in 1991 as part of the Global Marketing Development Program and later moved to the US Household Surface Care in New York. He has since held a series of significant positions in various divisions and subsidiaries within Colgate-Palmolive globally. In 1996, he joined the Central Europe/Russia Division as Marketing Manager, then in 1999 promoted to Associate Director, Household Surface Care for Colgate-Palmolive Mexico, and then moved as Marketing Director, Colgate-Palmolive Dominican Republic. In 2002, Mr. Bachaalani was promoted to Marketing Director of Colgate-Palmolive South Africa. In 2006, he was promoted as General Manager Colgate-Palmolive Hong Kong. In 2009, he was promoted to General Manager Colgate-Palmolive Malaysia, Singapore and Brunei. From 2012, he was Vice-President & General Manager of the Global Toothbrush Division till he joined Colgate-Palmolive India.



Rajendra Ambalal Shah
Non-executive & Independent Director

Mr. Rajendra Ambalal Shah is a leading Solicitor and a Senior Partner of M/s. Crawford Bayley & Co. He specialises in a broad spectrum of corporate laws. He is also the Chairman and a member of various committees in a number of public limited companies in India. He joined Colgate-Palmolive India Board in 1983.



Pradyot Kumar Ghosh
Non-executive & Independent Director

Mr. Pradyot Kumar Ghosh is a Fellow of the Institute of Chartered Accountants of India (ICAI) and a former Managing Director of Colgate-Palmolive India. Since 1974, he served the Company in various capacities. Mr. Ghosh brings to the Board his rich experience and understanding of the consumer product business. He joined Colgate-Palmolive India Board in 1993.



Vikram Singh Mehta
Non-executive & Independent Director

Mr. Vikram Singh Mehta was the Chairman of the Shell Group of Companies in India from 1994 till 2013. Mr. Mehta began his career as a Member of the Indian Administrative Service of the Government of India and was Advisor to the Public Sector 'Oil India'. He was awarded Asia House's 'Businessmen of the Year' award for the year 2010. Mr. Mehta is on Boards of several other public limited companies. He received an award from Asia Centre for Corporate Governance and Sustainability for 'Best Independent Director' for the year 2016. He was appointed as a Director on the Board in 2001.



Indu Shahani

Non-executive & Independent Director

Dr. Indu Shahani is the President and Chairperson at the Indian School of Design and Innovation (ISDI) and Founding Dean of Indian School of Management and Entrepreneurship (ISME). Formerly Sheriff of Mumbai, Dr. Shahani served as the Principal of H.R. College of Commerce and Economics in Mumbai from 2000 till July 2016. She is on the Board of several Indian companies. A doyen in the field of academics, Dr. Shahani has over three decades of teaching experience at College and University level. Dr. Shahani was awarded an Honorary Doctor of Letters degree by the University of Westminster in London. She is acknowledged worldwide for her significant contribution to education and value-based leadership. She was appointed as a Director on the Board in 2012.



Shyamala Gopinath

Non-executive & Independent Director

Ms. Shyamala Gopinath is the part-time Non-Executive Chairperson of HDFC Bank. As Deputy Governor of RBI for seven years and member of the Board and several Committees of RBI, she guided and influenced national policies in diverse areas of financial sector regulation and supervision, development and regulation of financial markets, capital account management, management of government borrowings, foreign exchange reserves management and payment and settlement systems. During 2001-03, she worked as senior financial sector expert in Monetary Affairs & Exchange Department of IMF (Financial Institutions Division). She was on SEBI's Corporate Bonds & Securitization Advisory Committee (CoBoSAC). She served as Chairperson Advisory Board on Bank, Commercial and Financial Frauds during 2012-14. She was an independent Director on the Boards of Clearing Corporation of India, IOC and GAIL. She is also Chairperson of the Board of Governors of IIM, Raipur, besides being an Independent Director in some other Companies and Not-for-Profit entities. She was appointed as a Director on the Board in 2015.



Sukanya Kripalu

Non-executive & Independent Director

Ms. Sukanya Kripalu is a graduate from St. Xavier's College and IIM Calcutta. She is a consultant in the fields of marketing, strategy, advertising and market research. Her experience includes working with leading corporates like Nestle India Limited, Cadbury India Limited and Kellogg's India. She was also the CEO of Quadra Advisory, a WPP group company. Ms. Kripalu is presently on the Boards of various other companies. She was appointed as Director on the Board in 2018.



Madukkakuzy Sebastian Jacob

Whole-time Director & Chief Financial Officer

Mr. Madukkakuzy Sebastian Jacob joined Colgate-Palmolive India in 1995 in the Continuous Improvement Group. Over the course of 21 years, Jacob served through leadership roles in Finance at Colgate-Palmolive Company's subsidiaries in Thailand, Vietnam and Malaysia as well as at the Asia Pacific Division Head Quarters at Hong Kong. His last assignment was as the Finance Director of Colgate-Palmolive Malaysia. As Finance Director of Colgate-Palmolive India, Jacob provides overall financial leadership including Investor Relations matters. He was appointed as Whole-time Director & CFO in 2016.



Chandrasekar Meenakshi Sundaram

Whole-time Director & Executive Vice-President - Customer Development

Mr. Chandrasekar Meenakshi Sundaram joined Colgate-Palmolive India in 1989 in Sales. During the course of his 27 years tenure, he progressed through increasing levels of responsibility in the Customer Development function in different regional roles of Colgate-Palmolive India, leading to the position of Executive Vice-President - Sales & Customer Development. He was appointed as Whole-time Director on the Board in 2017.

► Message to Shareholders

Dear Colgate Shareholders

We are pleased to share the progress of the Company in FY. 2018-19.

Financial Results FY. 2018-19

We delivered a consistent revenue growth of 7% over the previous year with Net Sales* at ₹4,432.4 crores, for the year ended March 31, 2019. The EBITDA margins were higher by 100 bps and the reported Net Profit After Tax for the year was at ₹775.57 crores, an increase of 15% over the past year. Excluding the impact of Tax reversals and exceptional items, the Net Profit After Tax for FY. 2018-19 increased by 11%, over the last financial year.

Dividend

In pursuance of our commitment to maximize shareholder value, the Board declared a Special third interim dividend for the Financial Year 2018-19, of ₹8/- per share of ₹1/- (Face value). The Total Dividend stands at ₹23/- per share, for FY. 2018-19.

Market Leadership

We maintained our strong leadership positions in both, the toothpaste and toothbrush categories, with volume market shares for the year 2018 at 52.4% and 45.2%, respectively.

Colgate is India's No. 1 Most Trusted Oral Care Brand

For the eighth consecutive year, Colgate ranked as India's #1 Most Trusted Oral Care Brand in The Economic Times Brand Equity Most Trusted Brands Survey - 2018, a consumer survey conducted in collaboration with Nielsen. We sincerely thank you for your trust.

Driving Growth is Our Key Priority

We work towards achieving a sustainable profitable business growth with brand building activities and a sharp focus on innovation, supported by a strong advertising investment.

To reinvigorate Colgate's flagship brand and India's largest selling toothpaste - Colgate Strong Teeth, the brand was re-launched with a thought-provoking consumer communication of 'Andar Se Strong' moment reflected as 'Bahar Se Smiles'. The TV commercials featured the real stories of India's popular icons Deepika Padukone and Mahendra Singh Dhoni, highlighting how they face life's tough moments with self-belief and a smile.

Colgate Total got a brand refresh with an advanced formula of Dual Zinc and Arginine. It provides superior protection to problem causing germs. The brand proposition was communicated through a new campaign persuading people to 'Upgrade to Whole Mouth Health'.

Continuing the momentum in our 'Naturals' segment, a 360° marketing campaign for Swarna Vedshakti leveraged leading celebrities Kajol and Jyothika. Additionally, through strong region-specific communication, Vedshakti asserted its presence at major festivals in India, throughout



the year. It is pertinent to mention that at Kumbh, the world's largest congregation of pilgrims, our campaign, 'Kumbh Se Sampoorana Shuddhi, Colgate Vedshakti Se Sampoorana Suraksha', ensured the exposure of our brand to one in every five visitors through impactful outdoor advertising, Kumbh related utility accessories like Suraksha-wristbands and Suraksha-ropes, and large-scale sampling with sachet packs.

Focusing on the children's portfolio we launched the new Colgate Kids Toothpaste integrated marketing communication of 'Make brushing fun', leveraging the much-loved, popular characters of Batman, Barbie and Motu-Patlu. This new communication was amplified across digital platforms, in addition to in-store engagements and exciting promotions.

We recently introduced Colgate ProClinical 150 Toothbrush in the market. This technology led innovation is a battery operated toothbrush that is tough on plaque yet gentle on gums.

We have expanded the Palmolive equity to a new category of Palmolive Facial Bars. Available in 3 exciting variants of Vitamin C&E, Turmeric & Tamarind, and Charcoal, the facial cleansing bars were launched with a high impact campaign across multiple consumer touch-points in digital and social channels, in-stores and outdoors.

Bringing Alive Colgate's Brand Purpose

In line with our brand purpose - 'Everyone Deserves a Future They Can Smile About', we recently launched Colgate's equity campaign - 'Smile Karo Aur Shuru Ho Jao' or Get Started with a Smile. This brand expression underscores Colgate's message of hope and optimism through the positive power of a smile. While embarking on life's significant new journeys when we feel overwhelmed or unsure, it is our smile that boosts our courage and nudges us to better places. The campaign was

introduced through two new TV commercials, on one of the biggest sporting events in India, the IPL.

Stepping Up the Game

In order to enhance our equity with the 'Profession,' we continue to create relevant opportunities for scientific engagements. We recently organized a lecture series by Dental Experts on Product Technologies, across 40 cities in India, which was much appreciated by the dentist community.

In e-commerce, our focus on understanding shopper trends and catering to their requirements effectively, has tripled our growth in the last year.

And, in traditional trade platforms, our successful implementation of Mission Vistaar has led to a considerable increase in our direct distribution, across the country.

Our Commitment to Social Action

Caring for the health and safety of our environment, people and communities, is an integral part of Colgate. It gives me great pleasure to share with you that Colgate is the first Company in India to be recognized by the Green Business Certification Inc. (GBCI) with TRUE Zero Waste Platinum certification for all four of our manufacturing sites. The principles of 'Reduce -Reuse- Recycle' have become a way of life for all of us at Colgate.

For over eighty years we have been committed to Keep India Smiling through several community programs that aim to create a significant positive impact in the lives of people.

Our long running, pan-India flagship program Bright Smiles, Bright Futures™ (BSBF), which has been providing foundational oral health education, since 1976, to school children across urban and rural India has reached over 162 million children so far.

Oral Health Month (OHM), an annual initiative that we started in 2004 to offer free dental consultation and check-ups to people across the country, has benefitted about 40 million people so far.

Seva Mandir, an Udaipur based NGO, partnered with Colgate in 2013. Together, we have supported the cause of education for underprivileged children from tribal areas of Rajasthan. As part of this association, in 2016, we launched the 'Colgate Seva Mandir Education Scholarship Program' which supports children with overall grooming and quality education at the Vidya Mandir school. Additionally, Colgate also helps to enhance Vidya Mandir's learning facilities and infrastructure.

Taking this partnership with Seva Mandir further, recently, we also started a livelihood-based women-empowerment program in nine tribal villages of Udaipur. For the beneficiaries, the income from this

program is not only a means to build their self-reliance, but also to improve their quality of life and of those around them.

Saksham, our employability-linked skill development program to empower the underprivileged and marginalised youth, has trained more than 900 candidates across the states of Uttar Pradesh, Bihar and West Bengal, since 2016.

Colgate has partnered with NGO, ActionAid to support children, primarily girls, from marginalised communities in villages around Baddi in Himachal Pradesh. The program focuses on building their computer and language skills and helps with their personality grooming. More than 500 children have been enrolled in FY.2018-19 in mixed-model schools run together by the government and community.

'Save Water' is the cornerstone of Colgate's sustainability mission. We realise that people in regions without water, struggle with their basic daily existence. Through our partnership with NGO, Water for People - India Trust, water availability has been enabled in regions of Bihar, West Bengal, and most recently, in Amravati district of Maharashtra. Additionally, Colgate's water augmentation program with NGO Seva Mandir, ensures water accessibility to tribal villages of Udaipur, Rajasthan.

We will continue to grow and develop our community programs with the objective of building strong foundations to create a meaningful difference in people's lives.

Outlook

We remain focused on maximizing growth and productivity. Guided by our ethics and core values of Caring, Teamwork, and Continuous Improvement, we continue to draw upon our foundational strategies of investing in our brands and delivering innovative products. With our pragmatic and committed teams, we are confident that we will continue to create value for our shareholders over the long-term.

I wish to thank all Colgate people for their unstinted efforts, year on year, towards attaining our goals. I would also like to express my sincere appreciation for the trust and support that we receive from our customers, suppliers, shareholders and directors which enables us to continue striving to Keep India Smiling.



Issam Bachaalani

Managing Director

Colgate-Palmolive (India) Limited

DIN: 06975320

* Prior period numbers restated for GST impact, for comparison purposes.

Committees

Management Committee

I. Bachaalani	Managing Director
M. S. Jacob	Finance
M. Chandrasekar	Customer Development
S. Sharma	Legal
A. Chintamani	Marketing
V. Ganesh	Customer Service & Logistics
M. K. Ajay	Human Resources
A. Lara	Supply Chain (Toothpaste)
M. Kumar	Supply Chain (Toothbrush)
E. Ambundo	Technology

Company Secretary

K. Randhir Singh	Company Secretary & Compliance Officer
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Board Committees

I. Audit Committee

R. A. Shah	Chairperson
P. K. Ghosh	Member
V. S. Mehta	Member
Dr. I. Shahani (Ms.)	Member
S. Gopinath (Ms.)	Member
S. Kripalu	Member
K. Randhir Singh	Secretary

II. Stakeholders' Relationship Committee

S. Gopinath (Ms.)	Chairperson
P. K. Ghosh	Member
I. Bachaalani	Member
M. S. Jacob	Member

III. Corporate Social Responsibility Committee

Dr. I. Shahani (Ms.)	Chairperson
I. Bachaalani	Member
M. Chandrasekar	Member

IV. Nomination & Remuneration Committee

R. A. Shah	Chairperson
M. Deoras	Member
V. S. Mehta	Member

V. Risk Management Committee

P. K. Ghosh	Chairperson
V. S. Mehta	Member
S. Gopinath (Ms.)	Member
I. Bachaalani	Member
M. S. Jacob	Member
S. Sharma	Member
M. K. Ajay	Member

► True Zero Waste



Sricity, Andhra Pradesh

Toothbrush Plant
Inaugurated in 2016

LEED Gold Certified by
India Green Building Council



Sanand, Gujarat

Toothpaste Plant
Inaugurated in 2014

LEED Gold Certified by
India Green Building Council



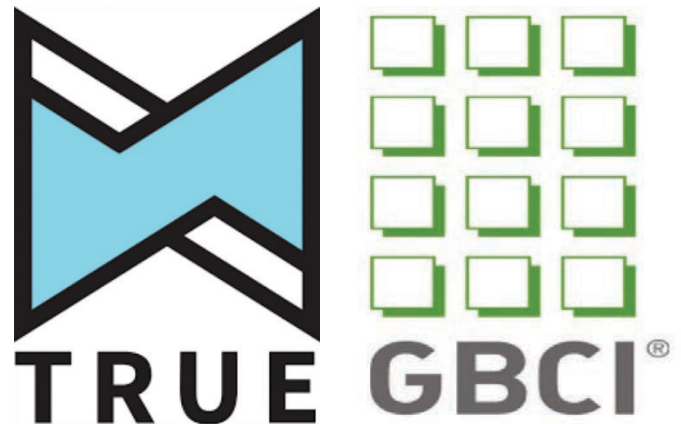
Goa

Toothpaste Plant
Inaugurated in 2009



Baddi, Himachal Pradesh

Toothpaste Plant
Inaugurated in 2005



Colgate is the first company in India to receive TRUE Zero Waste Platinum certification. All the four manufacturing plants of Colgate India - in Baddi (Himachal Pradesh), Goa, Sanand (Gujarat), and Sricity (Andhra Pradesh), have achieved TRUE Zero Waste Platinum certification, the highest level of accreditation from Green Business Certification Inc. (GBCI), the premier organization that independently recognizes excellence in green business industry performance and practice, globally.

GBCI administers TRUE Zero Waste certification, a program for businesses to assess performance in reducing waste and maximizing resource efficiency. Facilities earn TRUE certification by achieving minimum program requirements and attaining points; the program operates on a ranking system, with 'Platinum' being the highest certification level.

The TRUE Zero Waste certification program is meant to enable facilities to define, pursue and achieve their zero waste goals, cutting their carbon footprint and supporting public health. TRUE-certified spaces support sustainability, and facilities that achieve the highest level of the rating system are acknowledged for minimizing their waste to landfill, incineration (waste-to-energy) or to the environment.

► Contributing to the Society

Bright Smiles, Bright Futures™

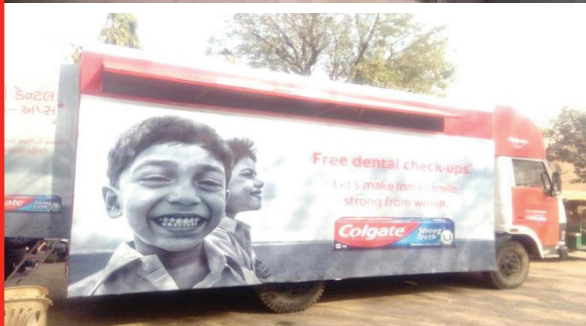


This program was launched in 1976, in partnership with the Indian Dental Association (IDA). It spreads oral care awareness among school children by teaching them the right dental care habits. The program covers both urban and rural India, and has reached over 160 million children so far.



Oral Health Month

The program started in 2004, in partnership with the Indian Dental Association (IDA). It offers free dental consultation and check-ups to people across the country, and has benefited over 40 million people so far.



ActionAid



Colgate's Education Program with the NGO, ActionAid aims to bring a positive impact in the lives of the children, particularly girls, by empowering them with computer literacy and communication skills.

Save Water Initiative

Colgate has partnered with the NGO, Water for People - India Trust, to enable water availability in Bihar and West Bengal, and most recently in Amravati district of Maharashtra.



Saksham

Launched in 2016, this program empowers underprivileged and marginalized youth through an employability-linked skill development program and has trained more than 900 candidates from Uttar Pradesh, Bihar and West Bengal.



Seva Mandir

Colgate partnered with the NGO Seva Mandir in 2013 to support programs that help with education for children, women empowerment, and conservation of natural resources for the marginalized communities in Udaipur, Rajasthan. Colgate also launched a scholarship program to enable quality education for children.

Most recently, Colgate launched a livelihood-based women-empowerment program in Udaipur. For the beneficiaries, the income from this program is a means to build self-confidence, self-reliance, and an improved quality of life.



► Key Highlights

Andar Se Strong



The Andar Se Strong campaign is Colgate's promise to guard and nurture your smile and to keep your teeth strong from within, with the new Colgate Strong Teeth toothpaste.



Colgate Strong Teeth is Colgate's flagship brand and the most distributed toothpaste in the country.

The Andar Se Strong campaign highlights the superior protection that Colgate Strong Teeth provides by making one's teeth strong from within. The campaign has been supported by three new TVCs, two of which feature Bollywood actress Deepika Padukone, and Indian cricketer Mahendra Singh Dhoni and his wife Sakshi Dhoni, respectively, talking about their real-life stories of strength.

Kumbh Mela

Colgate launched the 'Kumbh Se Sampoorana Shuddhi, Colgate Vedshakti Se Sampoorana Suraksha' campaign at the Kumbh Mela 2019 in Prayagraj, Allahabad, to create oral hygiene awareness and also to ensure a safe visit for all pilgrims.

The campaign was custom-made to provide a complete all-round protection to pilgrims through a range of activities and utility elements such as:

- Oral care drives, to spread awareness about the importance of good oral hygiene
- Brushing stations for pilgrims



- Large-scale sampling of Colgate Vedshakti for millions of people at Kumbh
- Suraksha Wristbands for children to write/wear their emergency contact details on their wrist
- Sampoorana Suraksha Ropes given to big groups and families to hold on to, to ensure that they walk together without getting lost in the crowd

Colgate Active Salt (CAS)



Colgate Active Salt has followed a multi-pronged regional strategy. This included a regional campaign with actress Samantha Akkineni in South and with actress Nusrat Jahan in West Bengal, Assam and the rest of North East. We plan to continue on this path of regional activations for the brand and stay true to the cultural context of our consumers.



► Exciting Launches



Colgate Strong Teeth



Colgate Total

Colgate Super Flexi Sensitive



Palmolive Facial Bars



Colgate Pro Clinical 150



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Registered Office

Colgate Research Centre
Main Street
Hiranandani Gardens
Powai
Mumbai 400 076
(CIN-L24200MH1937PLC002700)

Statutory Auditors

S R B C & Co LLP
Chartered Accountants
(Firm Regn. No. 324982E/E300003)
12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028

Registrars & Share Transfer Agents

Link Intime India Private Limited
C-101, 247 Park
L.B.S. Marg
Vikhroli (West)
Mumbai 400 083
(CIN- U67190MH1999PTC118368)

Secretarial Auditor

S. N. Ananthasubramanian & Co.
Company Secretaries
(Firm Regn. No. P1991MH040400)
10/26, Brindaban
Thane 400 601

Ten-Year Highlights

₹ In Lakhs

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16*	2016-17*	2017-18*	2018-19*
A. Operating Results :										
Sales	2,024.65	2,317.40	2,736.17	3,244.51	3,757.38	4,211.20	4,318.98	4,489.85	4,299.89	4,432.44
Other Operating Revenue and Other Income	98.46	106.80	120.06	129.63	84.25	60.34	69.64	71.47	66.00	67.65
Net Profit After Tax	423.26	402.58	446.47	496.75	539.87	558.98	581.17	577.43	673.37	775.57
Total Comprehensive Income**	-	-	-	-	-	-	579.98	572.26	674.45	775.67
Cash Profits	460.83	436.83	485.78	540.45	590.62	634.00	691.39	705.50	830.96	934.83
B. Financial Position :										
Net Fixed Assets#	253.14	267.31	329.91	437.46	736.62	943.66	1,092.25	1,305.70	1,332.74	1,400.65
Investments	21.00	38.74	47.12	47.12	37.13	37.13	31.16	31.16	31.16	31.15
Other Assets / (Liabilities) (Net)	56.56	78.05	58.36	5.01	(173.89)	(210.47)	(92.37)	(63.06)	160.71	14.95
TOTAL ASSETS	330.70	384.10	435.39	489.59	599.88	770.32	1,031.04	1,273.80	1,524.61	1,446.75
Share Capital***	13.60	13.60	13.60	13.60	13.60	13.60	27.20	27.20	27.20	27.20
Reserves and Surplus	312.51	370.45	421.79	475.99	586.28	756.72	1,003.84	1,246.60	1,497.41	1,419.55
SHAREHOLDERS' FUNDS	326.11	384.05	435.39	489.59	599.88	770.32	1,031.04	1,273.80	1,524.61	1,446.75
Loan Funds	4.59	5	-	-	-	-	-	-	-	-
TOTAL CAPITAL EMPLOYED	330.70	384.10	435.39	489.59	599.88	770.32	1,031.04	1,273.80	1,524.61	1,446.75
C. Equity Share Data :										
Earnings Per Share (₹) ***	31.12	29.60	32.83	36.53	39.70	41.10	21.37	21.23	24.76	28.52
Dividend Per Share (₹) ***	20.00	22.00	25.00	28.00	27.00	24.00	10.00	10.00	24.00	23.00
Number of Shares (in Lakhs)	13.60	13.60	13.60	13.60	13.60	13.60	27.20	27.20	27.20	27.20
Number of Shareholders (in '000s)	1,24	1,26	1,22	1,29	1,32	1,35	1,81	1,76	1,69	1,76

Including Capital Advances.

* The figures reported for F.Y. 2015-16 onwards are Ind AS compliant.

** Total Comprehensive Income is required to be reported under Ind AS from F.Y. 2015-16 onwards and hence not reported for earlier years which are IGAAP compliant.

*** Issue of bonus shares in the ratio 1:1 during F.Y. 2015-16. Consequently, number of shares has increased from 13,60 Lakhs to 27,20 Lakhs that is reflected in Earnings Per Share and Dividend Per Share for the F.Y. 2015-16.

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

Notice

COLGATE-PALMOLIVE (INDIA) LIMITED

Registered Office:

Colgate Research Centre,

Main Street, Hiranandani Gardens,

Powai, Mumbai 400 076

CIN : L24200MH1937PLC002700

Email : investors_grievance@colpal.com

Website : www.colgatepalmolive.co.in

Tel. No. : 022-6709 5050/60

Fax No. : 022-2570 5088

NOTICE is hereby given that the Seventy-Eighth Annual General Meeting of COLGATE-PALMOLIVE (INDIA) LIMITED will be held on Wednesday, August 28, 2019 at 3.30 p.m. (IST) at Mukesh R. Patel Auditorium, NMIMS Building, JVPD Road No. 2, Vile Parle (West), Mumbai- 400 056 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Chandrasekar Meenakshi Sundaram (DIN: 07667965), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Approval for Commission to Independent Directors**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and the rules made thereunder (including statutory modification(s) or re-enactment thereof for the time being in force) and Article 115(2)(b) of the Articles of Association of the Company, the approval of the Members of the Company be and is hereby accorded for payment and distribution of such sum as may be determined by the Board of Directors (“the Board”) not exceeding 1% per

annum of the net profits of the Company in any financial year, calculated in accordance with the provisions of Section 198 of the Act, by way of commission to each Non-executive Independent Director, in such amounts or proportion not exceeding ₹ 15.00 Lakhs each per annum for a period of 3 years commencing from April 1, 2019.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable.”

4. **Appointment of Mr. Ram Raghavan (DIN : 0008511606) as Managing Director**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and the rules made thereunder (including statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Act and the Articles of Association of the Company and subject to such other approvals, as may be required, consent of the Members of the Company be and is hereby accorded for the appointment of Mr. Ram Raghavan (DIN : 0008511606), as the Managing Director of the Company, liable to retire by rotation, for a period of 5 (five) consecutive years with effect from August 1, 2019, on the terms and conditions, including remuneration, as are set out in the draft agreement to be entered into between the Company and Mr. Ram Raghavan, a copy of which, initialed by the Company Secretary & Compliance Officer of the Company for the purpose of identification, is placed before the meeting, with liberty to the Board of Directors of the Company (“the Board”) or duly constituted committee thereof, to alter and vary the terms and conditions thereof in such manner as may be agreed to between the Board and Mr. Ram Raghavan, subject to the applicable provisions of the Act, or any amendment thereto or any re-enactment thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during his tenure as Managing Director, Mr. Ram Raghavan be paid the aforesaid remuneration as minimum remuneration for that year.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable.”

By Order of the Board

K. Randhir Singh
Company Secretary & Compliance Officer
(Membership No. F-6621)

Place: Mumbai

Date : July 18, 2019

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. HOWEVER, A PERSON APPOINTED AS A PROXY MAY ACT ON BEHALF OF SUCH MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 for Item Nos. 3 and 4 of the Notice is appended hereto.

A brief Profile of Mr. M. Chandrasekar, who offers himself for re-appointment as a Director, has also been appended hereto.
3. Electronic copy of the Annual Report 2018-19 is being sent to those Members whose e-mail addresses are registered with the Company / Depositories for communication purpose, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses physical copies of the Annual Report are being sent by the permitted mode. Members may note that this Annual Report will also be available on the Company's website viz. www.colgatepalmolive.co.in
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 22, 2019 to Wednesday, August 28, 2019 (both days inclusive).
5. Members, Proxies and Authorized Representatives are requested to bring to the Meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DPID and Client ID/Folio No.
6. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office on all working days, during the office hours except Saturdays, Sundays and all public holidays upto the date of the Meeting. Further, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the AGM.
8. Members are requested to send all communications relating to shares, unclaimed dividends, change of address, etc. to the Registrar & Share Transfer Agent of the Company, at their address: M/s. Link Intime India Private Limited, C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400 083.
9. Members are requested to notify immediately any change in their addresses to the Registrar & Share Transfer Agent of the Company at the above address, if shares are held in physical form, and to the respective depository participants, if shares are held in electronic mode.
10. The Company, following the introduction of the Depository System ('DS'), entered into agreements with National Securities Depository

Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). The Members, therefore, have the option of holding and dealing in the shares of the Company in dematerialized form through NSDL or CDSL.

11. The DS aims to eliminate several problems inherent 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 the concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.
12. The Securities & Exchange Board of India ('SEBI'), amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') pursuant to which after March 31, 2019 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. The Members holding shares in physical form are advised to dematerialize their shares.
13. To prevent fraudulent transactions, we urge the Members to exercise due diligence and notify the Company of any change in address / stay abroad or demise of any Member as soon as possible. Members are requested not to leave their demat account dormant for long. Periodic statements of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
14. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
15. Electronic Clearing Service ('ECS') enables quick receipt of dividend without the potential for loss or delay in postal transit. Members who are not already enrolled in ECS are requested to fill in the form which is available either on the Company's website or with the Company's Registrar & Share Transfer Agents and forward the same to the Company's Registrar & Share

Transfer Agents if the shares are held in physical form and to the applicable Depository Participant in case the shares are held in dematerialized form.

16. During the financial year 2018-19, unclaimed dividends declared for the years 2010-11 and 2011-12 in the amounts of ₹ 45,17,316/-, ₹ 63,69,748/- and ₹ 81,13,275/- have been transferred to the Investor Education and Protection Fund ('IEPF') on May 21, 2018, August 03, 2018 and February 06, 2019, respectively.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which came into force from September 7, 2016 (including any amendment thereto or re-enactment thereof for the time being in force), all equity shares in respect of which dividend has not been paid or claimed by the Member(s) for seven consecutive years or more are required to be transferred to the IEPF Authority, a Fund constituted by the Government of India under Section 125 of the Companies Act, 2013. The Company has communicated individually to the concerned Members to claim their unpaid / unclaimed dividend amount(s) and that failure to claim the same would lead to their equity shares being transferred to the IEPF Authority without any further notice. In accordance with the aforesaid IEPF Rules, during the financial year 2018-19, the Company has transferred shares pertaining to interim dividends which remained unpaid and unclaimed, being declared for the years 2010-11 and 2011-12 to the IEPF Authority.

The unclaimed dividends and corresponding shares including all benefits accruing on such shares, if any, once transferred to the IEPF Authority can only be claimed back from the IEPF Authority, for which details are available at www.iepf.gov.in

The details of Members whose dividends have remained unclaimed / unpaid for seven consecutive years have been placed on the website of the Company. Members are requested to refer to the "Investors" section on the website of the Company at <http://www.colgateinvestors.co.in/shareholder-information/unclaimed-dividends>.

17. The Company has designated an exclusive e-mail ID called investors_grievance@colpal.com to redress Shareholders' complaints / grievances. In case you have any queries / complaints, then please write to us at investors_grievance@colpal.com. The Company has nominated Mr. K. Randhir Singh, Company Secretary & Compliance Officer, as its Nodal Officer for the purpose of co-ordination with the IEPF Authority and the contact details of the Nodal Officer is available on the Company's website.

18. Members desirous of obtaining any information/ clarification(s), intending to raise any query concerning the financial statements and operations of the Company, are requested to send the same to the Company at the registered office at least 5 days before the AGM so that the same may be addressed to appropriately.

19. **Webcast Facility**

The Shareholders are informed that the Company will be providing a webcast facility to view the live streaming of the 78th AGM Webcast on the NSDL website. You may access the same at <https://www.evoting.nsdl.com> by using your remote e-voting credentials. The link will be available in shareholder login where the EVEN of Company will be displayed.

The Webcast facility will be available from 3.30 p.m. (IST) onwards on Wednesday, August 28, 2019.

For any further clarifications in this regard, you may contact the undersigned or the following NSDL officials as under:

- Ms. Pallavi Mhatre, Manager at (022) 2499 4545; and
- Mr. Amit Vishal, Senior Manager at (022) 2499 4360.

20. **Voting Instructions:**

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL on all the resolutions set forth in this Notice.

Members who have not cast their vote through remote e-voting shall be allowed to vote at the ensuing AGM.

The Members who have cast their vote by e-voting shall not be entitled to cast their vote again at the AGM, however, such Members will be entitled to attend the AGM. If any Member casts votes through both modes, then votes cast through remote e-voting only will be counted.

A. The instructions for e-Voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

- Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
- Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your

8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- C. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- D. The e-Voting period commences on Sunday, August 25, 2019 (8.00 a.m. IST) and ends on Tuesday, August 27, 2019 (5.00 p.m. IST) (both days inclusive). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of August 21, 2019, may cast their vote by e-Voting. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, Member shall not be allowed to change it subsequently. E-Voting shall not be allowed beyond the said date and time.

General Guidelines for Members / Shareholders:

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@snaco.net with a copy marked to evoting@nsdl.co.in
- 2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- 3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-Voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact Ms. Pallavi Mhatre, Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 at telephone no. +91 22 2499 4545 or email id: evoting@nsdl.co.in
- B. Any person who acquires shares of the Company after the dispatch of the Notice of 78th AGM and holding shares as of the cut-off date i.e. August 21, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in If already registered with NSDL for remote e-Voting, can use existing user ID and password / PIN for casting vote.
- E. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 21, 2019.
- F. The Company has appointed Mr. S. N. Ananthasubramanian, Practicing Company Secretary (Membership No. F-4206) to act as the Scrutinizer for the 78th AGM. The Scrutinizer will ensure that the e-Voting process is conducted in a fair and transparent manner.
- G. The Scrutinizer shall, immediately after the conclusion of the voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through e-Voting in the presence of at least two (2) witnesses not in the employment of the Company and make within forty eight hours' from the conclusion of the AGM, a consolidated Scrutinizers' Report of the total votes cast in favour or against, on each resolution, to the Chairman, or an authorized person by him, of the Company.
- H. The results shall be declared after receiving consolidated Scrutinizers' Report from the Scrutinizer. The results declared along with the Scrutinizers' Report shall be placed on the Company's website www.colgatepalmolive.co.in and on the websites of Stock Exchanges and NSDL.
- I. The resolutions shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of Voting results (i.e. remote e-Voting and the voting held at the AGM).

Annexure to the Notice

Details of Director seeking re-appointment:

Mr. Chandrasekar Meenakshi Sundaram joined Colgate-Palmolive (India) Limited in 1989 in Sales. During the course of his 29 years at Colgate, he progressed through increasing levels of responsibility in the Customer Development function in different regional roles of Colgate-Palmolive (India) Limited leading to the position of Executive Vice-President – Customer Development. Mr. M. Chandrasekar holds a B.Sc. degree in Mathematics from American College, Madurai.

Mr. M. Chandrasekar was appointed as a Whole-time Director of the Company for a term of 5 (five) consecutive years effective January 2, 2017. As per the terms of his appointment he is liable to retire by rotation and being eligible he is seeking re-appointment.

The following information about Mr. M. Chandrasekar is provided pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard – 2 on General Meetings:

Name of the Director	Mr. Chandrasekar Meenakshi Sundaram
DIN	07667965
Date of Birth	22.04.1966
Nationality	Indian
Qualification	Bachelor of Science in Mathematics from American College, Madurai.
Expertise in specific areas	Customer Development & Sales
Date of first appointment on the Board	02.01.2017
Number of shares held in Colgate-Palmolive (India) Limited	400 Equity Shares
Directorship/ Chairmanship / Membership on the Board of other Companies	None

Inter-se relationship between Directors	There is no inter-se relationship between Mr. M. Chandrasekar, other Members of the Board and Key Managerial Personnel of the Company.
Terms of Appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable.	Appointment as the Whole-time Director of the Company for a term of five years effective January 2, 2017 on terms and conditions as were approved by the Members at their AGM held on August 3, 2017.
Number of Board meetings attended	5 (Five) in the F.Y. 2018-19

Explanatory Statement pursuant Section 102 of the Companies Act, 2013

Item No. 3

The Members of the Company at their Meeting held on August 03, 2017 had approved by way of a Special Resolution payment of commission to the Non-Executive Independent Directors (NEIDs) not exceeding 1% of the Net Profits of the Company in any financial year, subject to a sum not exceeding ₹ 10.00 Lakhs, per Non-executive Independent Director.

As per the Companies Act, 2013 and Rules made thereunder, a company can pay commission up to 1% of the net profit to the Non-executive Directors (all of them together). Article 115(2)(b) of the Articles of Association of the Company authorizes the Company to pay commission to the NEIDs by passing a special resolution.

The NEIDs on the Board have been providing invaluable services and are of high stature and knowledge. The Company has immensely benefited from their experience, knowledge and guidance from time to time. In view of the increased responsibilities of the NEIDs, it is proposed to pay an amount of commission not exceeding ₹15.00 Lakhs per annum to each of the NEIDs of the Company for three years commencing from April 1, 2019.

However, the Company will ensure that the overall payment of commission to NEIDs shall not exceed 1% of the net profits of the Company as provided under Section 197 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than the Non-Executive Independent Directors, is concerned or interested, financially or otherwise, in the resolution at Item No. 3 of this Notice.

The Board recommends passing of Special Resolution at Item No. 3 of this Notice for your approval.

Item No. 4

Consequent to the elevation of Mr. Issam Bachaalani as Vice President & General Manager of Colgate-Palmolive Company's Eurasia Hub, the Board of Directors ("the Board") at their meeting held on July 18, 2019, has appointed Mr. Ram Raghavan (DIN: 0008511606) as Managing Director of the Company, liable to retire by rotation, for a period of 5 (five) consecutive years with effect from August 1, 2019 subject to the approval of the Members of the Company and such other approvals as may be required.

Brief Profile of Mr. Ram Raghavan is as under:

Mr. Raghavan has served as Vice-President Marketing of Asia Pacific Division of Colgate-Palmolive. Mr. Raghavan joined C-P India in 1997 as a Management Trainee and assumed increasing responsibilities in Customer Development and Marketing. Over the years, he progressed through a series of leadership roles across various divisions and subsidiaries of Colgate-Palmolive. In 2003, he moved to Hong Kong to join the Asia-Pacific Division. In 2004, he moved to C-P China and sequentially managed the Toothbrush and Toothpaste businesses with innovative products. In 2008, he became Marketing Director for C-P Canada. In 2009, he returned to China as Marketing Director. In 2013, he became the General Manager for the Latin America CIC, where he was instrumental in developing the platform-based innovation model supporting Latin America organic growth. Mr. Raghavan holds a bachelor's degree in Accounting from Narsee Monjee College of Commerce and Economics and an MBA from Jamnalal Bajaj Institute of Management Studies, both located in Mumbai, India.

Mr. Raghavan does not hold any other directorship in India. He does not hold any shares in the Company.

Considering the rich experience and expertise of Mr. Raghavan, the Nomination & Remuneration

Committee in their meeting held on July 4, 2019, has recommended his appointment as Managing Director of the Company.

The material terms of the Agreement to be entered into between the Company and Mr. Raghavan are given below:

The remuneration payable to Mr. Raghavan shall be determined by the Board or a duly constituted committee thereof from time to time within the maximum limits set forth under the applicable provisions of Companies Act, 2013 and as per the Remuneration Policy of the Company:

- a) Salary: Up to ₹ 50,00,000/- (Rupees Fifty Lakhs only) per month.
- b) Commission or Performance Linked Incentive or Bonus: Not exceeding 1% of the net profit of the Company in any financial year as the Board may determine from time to time but shall not exceed the amount equivalent to the salary for the relevant period; it may be paid pro-rata on a monthly basis at the absolute discretion of the Board.
- c) Perquisites: He shall be entitled to furnished/ non-furnished accommodation or house rent allowance in lieu thereof, gas, electricity, water, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-tax Rules, 1962 being restricted to ₹ 2,00,00,000/- (Rupees Two Crores only) per annum.
- d) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.
- e) In addition to the perquisites referred to above, he will be eligible to the following perquisites which shall not be included in the computation of the ceiling on perquisites:
 - i) Children's Education: Reimbursement of actual expenses on education of children

for a maximum of two children, studying in or outside India.

- ii) Holiday Passage for children: Entitlement to cost of return airfare for children studying abroad to visit India, twice in a year, by economy class.
- iii) Leave Travel Concession: For self and family once in a year for any destination in India. In case leave is to be spent in home country, return passage will be allowed for self and family in accordance with the Rules specified by the Company.
- iv) Reimbursement of expenses incurred on joining duty and for returning to home country after completion of tenure: Actual expenses incurred on travel, temporary living expenses and on packing, forwarding, loading/unloading, as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with the moving of personal effects for self and family for joining duty in India. After completion of the tenure, such expenses may be reimbursed if Mr. Ram Raghavan is finally leaving the employment of the Company. In case he joins any other affiliated entity of Colgate-Palmolive Co., such affiliated entity would bear such expenses.
- f) Annual Leave: Earned/Privilege leave on full pay and allowances as per Rules of the Company but not more than six weeks leave for every twelve months of service. Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.
- g) The provision of a car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long

distance calls on telephone and use of car for private purposes shall be billed by the Company to Mr. Ram Raghavan.

- h) Mr. Ram Raghavan shall be entitled to be reimbursed the travelling and entertainment expenses actually and properly incurred by him in or about the business of the Company and approved by the Board.

In the event of absence or inadequacy of profits in any year, Mr. Ram Raghavan will be paid the aforesaid remuneration and perquisites as minimum remuneration for that year in accordance with the provisions of the Companies Act, 2013. The Board shall have the discretion and authority to modify the foregoing terms of remuneration within the parameters of the applicable provisions of the Companies Act, 2013. As Managing Director, Mr. Ram Raghavan will have requisite powers and authorities to enable him to manage the Company on a day-to-day basis. The appointment will be for a period of 5 (five) consecutive years, which may be terminated by either party by giving to the other ninety days' notice in writing or in the case of the Company, by payment of ninety days' salary as compensation in lieu of such notice. Upon such termination, Mr. Ram Raghavan shall cease to be a Director of the Company.

Mr. Raghavan has furnished to the Company all the necessary disclosures and declaration as required under the Companies Act, 2013 and the SEBI Listing Regulations. Further, he is also not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

A copy of the draft Agreement referred in the resolution would be available for inspection by the Members at the Registered Office of the Company during the business hours on all working days, except Saturdays, Sundays and all public holidays upto the date of the Meeting.

The following information about Mr. Ram Raghavan is provided pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard – 2 on General Meetings:

Name of the Director	Mr. Ram Raghavan
DIN	0008511606
Date of Birth	14.08.1973
Nationality	Indian
Qualification	Bachelor's Degree in Accounting and MBA
Expertise in specific areas	Customer Development & Marketing
Date of first appointment on the Board	01.08.2019
Number of shares held in Colgate - Palmolive (India) Limited	Nil
Directorship / Chairmanship / Membership on the Board of other Companies	Nil
Inter-se relationship between Directors	There is no inter-se relationship between Mr. Ram Raghavan, other Members of the Board and Key Managerial Personnel of the Company.
Terms of Appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable.	As per the resolution at Item No. 4 of the Notice convening this AGM read with explanatory statement as above.
Number of Board meetings attended	N.A.

The Company has received a notice from a Member proposing the candidature of Mr. Ram Raghavan for the office of Director of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Ram Raghavan, being the appointee, is concerned or interested, financially or otherwise, in the resolution at Item No. 4 of this Notice.

The Board recommends passing of Ordinary Resolution at Item No. 4 of this Notice for your approval.

By Order of the Board

K. Randhir Singh
Company Secretary & Compliance Officer
(Membership No. F-6621)

Place: Mumbai
Date : July 18, 2019

Report of the Directors

To,
The Members,

Colgate-Palmolive (India) Limited

Your Directors are pleased to present their Report and Audited Accounts of the Company for the year ended March 31, 2019.

1. Financial Results

		(₹ In Crore)
	F.Y. 2018-19	F.Y. 2017-18*
Total Revenue (a+b+c)	4,500.09	4,365.89
Sales (a)	4,432.44	**4,299.89
Other Operating Revenue (b)	29.99	28.53
Other Income (c)	37.66	37.47
Profit Before Exceptional Item and Tax	1,112.05	994.68
Profit Before Taxation	1,142.56	983.03
Tax Expense	366.99	309.66
Profit for the year	775.57	673.37
Other Comprehensive Income (net of Tax)	(0.10)	(1.08)
Total Comprehensive Income	775.67	674.45
Balance brought forward	1,094.33	843.82
Profit available for appropriation	775.67	674.45
Balance transferred to Retained Earnings from Share Options Outstanding Account	1.09	1.62
Appropriation :		
Dividend	(707.16)	(353.58)
Dividend Distribution Tax	(145.36)	(71.98)
Balance carried forward	1,018.57	1,094.33

* Previous year's figures have been re-grouped to conform with current year's presentation, wherever applicable.

** Including Excise Duty, refer footnote of Note No. 26 of the Financial Statements.

2. Business Performance

Reported Net Sales for the financial year 2018-19 stood at ₹ 4,432.44 crores against the ₹ 4,299.89 crores of previous year. Net Sales (excl. excise duty) increased by 7% in comparison to the previous year. Reported Net Profit after tax for the financial year 2018-19 was ₹ 775.57 crores, an increase of 15% over the previous year. Excluding the impact of tax reversals and exceptional items, Net Profit after tax for the financial year 2018-19 increased by 11% over the previous year.

Despite challenging business and economic environment, your Company continues to sustain its leadership position in both the Toothpaste and Toothbrush categories during the financial year 2018-19.

3. Dividend

Your Company's Board declared two interim dividends and one special interim dividend, aggregating to ₹ 23/- per share, for the financial year 2018-19. The first interim dividend of ₹ 8/- per share was declared in October 2018, the

second interim dividend of ₹ 7/- per share was declared in March 2019 and the special third interim dividend of ₹ 8/- per share was declared in May 2019. The first and second interim dividend was paid on November 22, 2018 and April 22, 2019 respectively and the special third interim dividend would be paid on June 20, 2019. Having declared three interim dividends, your Company's Board has not recommended a final dividend for the financial year 2018-19.

4. **Colgate ranked India's #1 Most Trusted Oral Care brand (8th consecutive year)**

Your Company is the market leader in Oral Care and has been ranked as the Most Trusted Brand in the Oral Care category for the 8th year in a row, as per the India's Most Trusted Brands Survey 2018, conducted by Nielsen and commissioned by Economic Times - Brand Equity. Colgate is the only brand to feature in the top three ranks from 2001-2018 since inception of the survey. This has been possible only due to the trust of our consumers that helps us "Keep India Smiling!"

5. **Focus on Innovation and New Launches / Campaign**

Your Company is focused on delivering insight-driven innovation that provides value-added new products across all price points.

In the financial year 2018-19, following products were launched/re-launched:

Colgate Strong Teeth: Colgate's most selling toothpaste brand in India has been re-launched on an evocative platform of "Daant Banaye Andar se Strong - Strengthens Teeth from within". Refreshed with a new packaging, the re-launch of Colgate Strong Teeth is unveiling new elements.

Colgate Total: Colgate Total was re-launched with a new Advanced Formula that provides superior protection for problem causing germs not just for your teeth but also for your tongue, cheeks and gums. The advanced formula contains Dual Zinc and Arginine and works with the chemistry and biology of the mouth to proactively fight germs, food acids and stains which give you Whole Mouth Health.

New Motu Patlu & Colgate Kids Toothpaste Variant: Strengthening Colgate's existing Kids toothpaste portfolio, which is built around exciting characters like Spiderman, Barbie and

Minions, Colgate launched another themed toothpaste – Motu Patlu with Fun & Fruity flavours for children.

SuperFlexi Sensitive Toothbrush: The latest addition to the toothbrush portfolio is SuperFlexi Sensitive Toothbrush. Its premium ultrasoft bristles and flexible neck handle ensures complete yet gentle cleaning for sensitive teeth & gums. It comes in a 1st ever premium window hanger to stand out in-store.

Palmolive Facial Bar: Launched in selected markets of Kerala and Delhi, Palmolive Facial Bar has been developed with nature's goodness and Palmolive's expertise, in 3 exciting variants – Vitamin C & E, Turmeric & Tamarind and Charcoal. Its unique formula, enriched with fruit oil & natural extracts creates luxurious foam on usage, cleansing the skin from deep within to make it healthy and radiant.

Colgate's 'Kumbh Se Sampoorana Shuddhi, Colgate Vedshakti Se Sampoorana Suraksha' campaign:

During the year, Colgate has endeavoured to ensure a complete protection or 'sampoorna suraksha' of the pilgrims at Kumbh Mela, which is the world's largest human congregation, where more than 15 crore people come for a holy dip in the Prayag, at Allahabad. The main aim of the said campaign was to create oral hygiene awareness and also ensure a safe visit for all pilgrims.

This completely localised campaign was custom-made to provide a complete all-round protection to pilgrims through a range of Kumbh specific activities and utility elements such as:

- Brushing stations for pilgrims to brush their teeth;
- Oral Care importance drives to spread the awareness of good oral hygiene;
- Free, large-scale sampling of Colgate Vedshakti for millions of people at Kumbh;
- Suraksha Wristbands for children to write/ wear their emergency contact details on a safety wristband; and
- Sampoorana Suraksha Ropes given to big groups and families to hold on to, to ensure that they walk together without getting lost in the crowd.

6. Sustainability

Your Company is an environmentally conscious Company that believes in protecting the environment and building a sustainable society. The Company is committed to doing business with integrity and respect for all people, and for the world around. Achieving economic, social and environmental performance in today's business climate requires a long term sustainability strategy that is executed with discipline year after year. Colgate's sustainability strategy is focussed on the three areas of People, Performance and Planet.

- I. **People:** Promoting healthier lives, Contributing to the Communities where we live and work:
 - Your Company is committed to continuously improve employees' health and reduce their health risks and encouraging healthier living for employees and their families.
 - Colgate employees have been provided with free health check-up facilities coupled with various 'Live Better' initiatives for promoting healthy lifestyle.
- II. **Performance:** Growing the business with innovative, more sustainable products that make the lives of consumers healthier and more enjoyable:
 - Your Company endeavors to improve the sustainability profile of new products and product updates, drive sustainability with breakthrough product and process innovation, increase the recyclability of our packaging and increased recycled content, have a positive impact by expanding access to affordable health and wellness products for millions of people in underserved communities and use the power of our brands to build awareness and drive engagement in product sustainability.
- III. **Planet:** Conserving Earth's finite resources, addressing climate change and maintaining the well-being of our planet for generations to come:
 - Your Company is committed to address environmental issues key to the Company such as energy use, carbon emissions, water use and waste generation as well as deforestation.

- Colgate has robust policies in place for sustainable use of and environmentally sound disposal of waste generated during our processes and making every drop of water count and reducing our impact on the climate and the environment. More information on conservation of energy and measures undertaken by your Company are mentioned in **Annexure – 3** to this report.

Your Company has received TRUE Zero Waste Platinum certification, for all its four manufacturing sites in India, from Green Business Certification Inc. (GBCI), the premier organization independently recognizing excellence in green business industry performance and practice globally. Your Company is the first in India to receive such certification. GBCI administers TRUE Zero Waste certification, a program for businesses to assess performance in reducing waste and maximizing resource efficiency. Facilities earn TRUE certification by achieving minimum program requirements and attaining points; the program operates on a ranking system, with 'Platinum' being the highest certification level.

7. Responsibility Statement

Pursuant to Section 134 sub-section (3)(c) read with sub-section (5) of the Companies Act, 2013, your Company's Directors, based on the representations received from the Management, confirm that:

- a) in the preparation of the Annual Accounts for the financial year ended March 31, 2019, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- b) they have, in selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments 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) 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the Annual Accounts on a going concern basis;
- e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

8. Corporate Governance

A separate report on Corporate Governance along with the Auditors' Certificate on its compliance with the corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is attached as **Annexure - 1** to this Report.

9. Corporate Social Responsibility

Your Company is engaged in a variety of corporate social activities which focus on promoting oral health, education, skills building and enhancing access to water. These social initiatives reflect your Company's core values of caring, global team work and continuous improvement. These initiatives are carried out through a variety of effective programs in accordance with the requirements of Schedule VII of the Companies Act, 2013, by the Company's employees in partnership with reputed NGOs.

The Board of Directors and the CSR Committee closely review and monitor, from time to time, the various CSR activities undertaken by the Company.

The following are the key CSR programs undertaken by your Company during the financial year 2018-19:

- i) Bright Smiles, Bright Futures™
- ii) Oral Health Month
- iii) Read India program with Pratham
- iv) Education & Women Empowerment program with Seva Mandir
- v) A Positive Step program with NTP+
- vi) "Saksham" program
- vii) Water program with Water for People India Trust
- viii) Education Program with Action Aid

A detailed description of the above programs/ activities is contained in the Annual CSR Report attached as **Annexure - 2** to this Report.

The contents of the CSR Policy as well as the CSR programs undertaken by the Company are available on the Company's website at <http://www.colgate.co.in/app/Colgate/IN/Corp/CommunityPrograms/HomePage.cvsp>

10. Employee Relations

The Employee Relations in the Company continued to remain healthy, cordial and progressive in the financial year 2018-19.

At Colgate, we consider every employee as one of the most valuable resources contributing towards the long term success of the Company. Our employees are committed to acting with compassion, integrity, honesty and high ethics in all situations. As per Colgate's core values, all employees are treated with equality and fairness and provided with opportunities to develop their career aspirations while working with the Company in India and, where possible, outside of India on assignments with group companies of Colgate.

Your Company has zero tolerance towards any kind of harassment, including sexual harassment, or discrimination. Your Company has constituted an Internal Complaints Committee (ICC) to investigate and resolve sexual harassment complaints. Employees are encouraged to speak up and report any such incidences to the ICC. Your Company has also implemented a Policy on Prevention of Sexual Harassment which is reviewed by the ICC at regular intervals. Any complaint made to the ICC is treated fairly and confidentially.

There were nil pending complaints carried forward to the financial year 2018-19 from the earlier financial year 2017-18. During the financial year 2018-19, three complaints were received and investigated out of which two complaints were resolved by the ICC and one complaint is under investigation.

Your Company also recognizes and follows “Managing with Respect Principles” which are applicable not only within Colgate but also while its employees are dealing with its customers, suppliers, vendors etc. Managing with Respect is the way Colgate people put our values into action. It is creating an environment where people feel free to offer suggestions, contribute ideas and resources and help grow the business. Managing with Respect creates an environment where people genuinely care about each other and work well together to reach their full potential.

11. Trade Relations

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

12. Energy Conservation, Technology Absorption and Foreign Exchange

The information required under Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings/ outgo is attached as **Annexure - 3** to this Report.

13. Particulars of Employees

Information as per Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure - 4** to this Report.

The statement containing the names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the aforementioned Rules are available for inspection at the Registered Office of the Company during business hours on any working day of the Company up to the date of 78th AGM.

14. Directors and Key Managerial Personnel

During the year, following changes took place in the Board of Directors and the Key Managerial Personnel (in the order of their occurrence):

- i) The Board of Directors at its meeting held on May 21, 2018 appointed Ms. Sukanya Kripalu as an Independent Director on the Board with effect from June 1, 2018 which was approved by the shareholders at the 77th AGM held on July 26, 2018.
- ii) Mr. Vinod Nambiar, resigned from the office of Director and Chairman of the Board of Directors of the Company with effect from September 1, 2018. Your Board places on record its appreciation for the outstanding contribution and guidance provided by Mr. Vinod Nambiar during his tenure as Director and Chairman of the Board.
- iii) The Board of Directors of the Company appointed Mr. Mukul Deoras as the Chairman of the Board of Directors of the Company with effect from September 1, 2018.

The Board of Directors at its Meeting held on May 27, 2019 has approved a Policy on Retirement of Directors effective from April 1, 2020 which, inter alia, provides as under:

- Independent directors shall have a maximum tenure of ten (10) years on the Board of the Company consisting of maximum two terms of up to five (5) years each, as appointed under the Companies Act, 2013;
- Non-executive Directors including Independent directors shall retire on attaining the age of seventy five (75) years or on completion of ten (10) years tenure on the Board, whichever is earliest;
- Managing Director and Whole-time Director(s) shall retire as per the Company's Policy applicable from time to time.

Accordingly, based on the recommendation of the Nomination & Remuneration Committee, the Board at its meeting held on May 27, 2019, considered and approved the following, subject to approval of shareholders:

- i) Continuation of Mr. R.A. Shah and Mr. P.K. Ghosh as Independent Directors of the Company upto their present tenure i.e. July 24, 2019 and their re-appointment as Independent Directors of the Company for a second term effective from July 25, 2019 to March 31, 2020; and

- ii) Re-appointment of Mr. V.S. Mehta and Dr. (Ms.) I. Shahani as Independent Directors of the Company for a second term of 5 (five) consecutive years effective from July 25, 2019 to July 24, 2024.

The Board has approved a Notice of Postal Ballot for seeking approval of the shareholders for the aforesaid continuation and re-appointment of Independent Directors.

The Company has received the necessary disclosures under the Act and SEBI Listing Regulations including declarations from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

Pursuant to the provisions of Section 152 of the Act, Mr. M. Chandrasekar, retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

Mr. I. Bachaalani, Managing Director, Mr. M.S. Jacob, Whole-time Director & CFO, Mr. M. Chandrasekar, Whole-time Director and Mr. K. Randhir Singh, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company in terms of Section 203 of the Companies Act, 2013.

A detailed profile of all the Directors of your Company is available on the Company website at <http://www.colgateinvestors.co.in>

15. Familiarization Program

Your Company has been regularly familiarizing the Independent Directors on its Board with detailed presentations by its business functional heads on the Company operations, strategic business plans, new products and technologies. Apart from above, Independent Directors are also familiarized through various regulatory developments, change in laws. A detailed description of the familiarization programs extended to the Independent Directors during the financial year is disclosed on the Company website at <http://www.colgateinvestors.co.in/policies>

16. Policies

The Board of Directors of your Company, from time to time, has framed and revised various

Polices as per the applicable Acts, Rules, Regulations and Standards for better governance and administration of your Company. Some of the important Policies that were framed by your Board include the following:

- i) **Nomination & Remuneration Policy:** This policy sets the objective, terms of reference, functions and scope of the Nomination & Remuneration Committee for determining qualifications, experience, independence etc. relating to the appointment and remuneration for the Directors, Key Managerial Personnel and Senior Management employees of the Company.
- ii) **Corporate Social Responsibility ('CSR') Policy:** This policy sets out the role of the CSR Committee of the Board of Directors, which includes identification of the areas where the CSR activities will be performed, evaluation of CSR activities, review the CSR spending vis-a-vis the activities implemented and monitoring the process of CSR projects/ programs of the Company.
- iii) **Risk Management Policy:** This policy provides the framework for identification of risks of the Company, risk assessment and prioritization, loss prevention measures and other risk management measures for the Company.
- iv) **Related Party Transactions Policy:** This policy regulates the entry into transactions between the Company and its related parties and the required corporate approvals as per the laws and regulations applicable to the Company from time to time.
- v) **Policy on Determination of Materiality of Event or Information:** This Policy lays down the criteria for determining the materiality of an event or information of the Company for purposes of making required disclosures to the stock exchanges pursuant to the SEBI Listing Regulations.
- vi) **Records Management Policy:** This policy establishes general guidelines for retaining, preserving and archiving important documents and information.
- vii) **Code of Conduct for dealing in the Company's Securities:** Pursuant to the SEBI (Prohibition of Insider Trading)

Regulations, 2015, your Company has framed a Code of Conduct on prohibition of insider trading.

- viii) Dividend Distribution Policy: This policy describes the circumstances under which a Member may or may not expect a dividend and the financial parameters and internal and external factors which are considered by the Board of Directors for declaration of dividend.

17. Number of Board Meetings

During the financial year 2018-19, 5 (five) Board meetings were held. The details of the meetings are provided in the Corporate Governance Report that forms part of the Board's Report.

18. Committees

The Board of Directors of your Company has established various Board committees to assist in discharging their duties. These include the Audit Committee, the Nomination & Remuneration Committee, the Risk Management Committee, the Stakeholders' Relationship Committee and the Corporate Social Responsibility Committee. The Board has approved the terms of reference for each of these committees. All the committees of the Board hold their meetings at regular intervals and make their recommendations to the Board from time to time.

The broad terms of reference of the said Committees are stated in the Corporate Governance Report that forms part of the Board's Report.

19. Annual Performance Evaluation by the Board

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

20. Vigil Mechanism

Your Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct. The Code of Conduct of your Company serves as a guide for daily business interactions, reflecting your Company's standard for appropriate behaviour and living corporate values. The Code of Conduct applies to all Colgate people, including Directors, Officers,

and all employees of the Company. Even your Company's vendors and suppliers are subject to the Third Party Code of Conduct requirements as adherence to the same, to the extent applicable, is a prerequisite for conducting business with your Company. The Code of Conduct Hotline is available on the Company website to report any concerns about unethical behaviour, any actual or suspected fraud or violation of Company's Code of Conduct. No adverse action will be taken against anyone for complaining about, reporting, participating or assisting in the investigation of a suspected violation of the Code of Conduct, unless the allegation made or information provided is found to be intentionally false. Your Company conducts various training and awareness sessions on Code of Conduct on a continuous basis. Senior Leadership Members at various occasions emphasize the importance of adherence to Company's Code of Conduct and its ethical ways of working.

21. Public Deposits

During the financial year 2018-19, your Company has not accepted any Public Deposits under Chapter V of the Companies Act, 2013.

22. Loan, Guarantees and Investment

Particulars of loans, guarantees and investment made by the Company pursuant to Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

23. Related Party Contracts & Arrangements

All related party transactions done by the Company during the financial year were at arm's length and in ordinary course of business. All related party transactions were reviewed and approved by the Audit Committee. During the financial year 2018-19, your Company has not entered into any material related party transaction as per the SEBI Listing Regulations with any of its related parties. Disclosures pursuant to the Accounting Standards on related party transactions have been made in the notes to the Financial Statements. To regulate related party transactions, the Company has also framed a policy on related party transactions and the same is available on the Company's website.

As there were no related party transactions which were not in the ordinary course of the business or not on arm's length basis and also since there was no material related party transaction as stated above, disclosure under Section 134(3) (h) in Form AOC-2 of the Companies Act, 2013 is not applicable.

24. Auditors

M/s. S R B C & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 324982E/E300003), were appointed as Statutory Auditors of the Company at the 76th AGM held on August 3, 2017, for a period of five consecutive years from the conclusion of the 76th AGM till the conclusion of the 81st AGM, subject to ratification by Members of the Company at every AGM to be held thereafter. Further, in view of the amended provisions of Section 139 of the Companies Act, 2013, notified on 7th May 2018, the Members in their 77th AGM have ratified the appointment of M/s. S R B C & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 324982E/E300003) as Statutory Auditors of the Company for their remaining tenure i.e. upto the conclusion of the 81st AGM, without requiring yearly ratification thereof.

The Audit report for the financial year 2018-19 does not contain any qualification, reservation or adverse remarks. Further, during the financial year 2018-19, the Statutory Auditors have not reported any instances of fraud to the Audit Committee or Board as per Section 143(12) of the Companies Act, 2013.

25. Secretarial Auditor & Secretarial Audit Report

The Board had appointed M/s. S.N. Ananthasubramanian & Co., Company Secretaries in practice, to carry out the Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013. The report of the Secretarial Auditor in Form MR-3 is attached as **Annexure - 5** to this Report. The Secretarial Auditors' Report for the financial year 2018-19 does not contain any qualification, reservation or adverse remarks.

26. Extract of Annual Return

The Extract of the Annual Return of the Company has been placed on the website of the Company and can be accessed at link <https://www.colgateinvestors.co.in/annual-report-extracts/>

27. Business Responsibility Report

The Business Responsibility Report for the financial year 2018-19, as stipulated under Regulation 34 of the SEBI Listing Regulations is attached as **Annexure - 6** to this Report.

28. Significant and Material Orders passed by the Regulators or Courts

During the financial year 2018-19, there were no significant or material orders passed by the

Regulators or Courts or Tribunals impacting the going concern status and operations of the Company in the future.

29. Compliance with Secretarial Standards

Your Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings and Dividends.

30. Adequacy of Internal Financial Controls

Your Company has an adequate and talented team of internal auditors that oversees the internal financial processes, policies, and recommends robust internal financial controls from time to time. These internal financial controls helps to put in place checks on the implementation of the internal financial controls, policies & procedures that are adopted by the Company for ensuring an orderly and efficient conduct of its business. These internal financial controls helps in safeguarding of assets, prevention & detection of frauds and/or errors, maintaining the accuracy and completeness of the accounting & financial records. These controls help in the timely preparation of transparent, complete and accurate financial information and statements as per the laid down accounting standards and principles. The Audit Committee of your Company evaluates the internal financial controls system periodically.

31. Acknowledgements

Your Directors wish to convey their deepest appreciation for the unstinted dedication, professionalism, commitment and resilience displayed by the Company's employees at all levels and business partners, customers, vendors etc. Your Directors also wish to express their gratitude towards the Shareholders for their continued trust, support and confidence.

On behalf of the Board

R.A. Shah Director (DIN : 00009851)	I. Bachaalani Managing Director (DIN : 06975320)
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M.S. Jacob Whole-time Director & CFO (DIN : 07645510)	M. Chandrasekar Whole-time Director (DIN : 07667965)
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Place : Mumbai
Date : May 27, 2019

Corporate Governance Report

Annexure 1

Your Company has a strong foundation that reflects Colgate's values and established standards governing our ethical behaviour. Your Company continues to lay great emphasis on the principles of Corporate Governance. Our pursuit towards achieving good governance is an on-going process. The Company fully complies with the requirements under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

I. Company's philosophy on Code of Governance

Your Company believes that good Corporate Governance is essential for achieving long-term corporate goals and enhancing stakeholder value. At the core of your Company's philosophy on Corporate Governance is a strong emphasis on transparency, accountability and integrity. Your Company has set high standards of ethical behaviour. All directors and employees are bound by a Code of Conduct that sets forth the Company's policies on important issues, including its relationship with Customers, Suppliers, Contract Manufacturers, Shareholders and Government.

II. Board of Directors

- a. The Board of Directors of the Company ('Board') has an optimum combination of Executive, Non-executive & Independent Directors including Women Directors. As on March 31, 2019, the

Board comprises of three Executive Directors (Managing Director and two Whole-time Directors) and seven Non-executive Directors including the Chairman of the Board. Six of the seven Non-executive Directors are Independent Directors. Accordingly, the composition of the Board is in conformity with the SEBI Listing Regulations.

Except the Non-executive Directors and the Managing Director, all the remaining Executive Directors are liable to retire by rotation.

During the financial year 2018-19, five (5) Board Meetings were held on the following dates:

Sr. No.	Dates
1.	May 21, 2018
2.	July 26, 2018
3.	October 29, 2018
4.	January 24, 2019
5.	March 29, 2019

The table below contains the following information on the Board of Directors:

- Board Meetings and Annual General Meeting attendance;
- Composition of the Board and Directorships/Committee positions in other Companies; and
- Other relevant details

Name of Director	Category	No. of Board Meetings during the financial year 2018-19		Attendance at Last AGM	No. of other Directorships excluding Private Limited Companies, Foreign Body Corporates and Section 8 Companies	No. of Memberships of other Board Committees [#]	No. of other Board Committees of which the Director is a Chairperson
		Held	Attended				
Mr. V. Nambiar	Non-executive & Non-Independent	5	2*	Yes	-	-	-
Mr. M. Deoras	Non-executive & Non-Independent	5	3 [^]	No	-	-	-
Mr. R. A. Shah	Non-executive & Independent	5	5	Yes	8	4	3
Mr. P. K. Ghosh	Non-executive & Independent	5	5	Yes	-	-	-
Mr. V. S. Mehta	Non-executive & Independent	5	5	Yes	6	-	-

Name of Director	Category	No. of Board Meetings during the financial year 2018-19		Attendance at Last AGM	No. of other Directorships excluding Private Limited Companies, Foreign Body Corporates and Section 8 Companies	No. of Memberships of other Board Committees [#]	No. of other Board Committees of which the Director is a Chairperson
		Held	Attended				
Dr. (Ms.) I. Shahani	Non-executive & Independent	5	4	Yes	4	6	1
Ms. S. Gopinath	Non-executive & Independent	5	5	Yes	6	2	3
Ms. S. Kripalu	Non-executive & Independent	5	4 [@]	Yes	5	3	1
Mr. I. Bachaalani	Executive	5	5	Yes	-	-	-
Mr. M. S. Jacob	Executive	5	5	Yes	-	-	-
Mr. M. Chandrasekar	Executive	5	5	Yes	-	-	-

[#] Membership of Audit Committee and Stakeholders' Relationship Committee are taken into consideration. Committee Membership(s) excludes Chairpersonship.

^{\$} Includes participation via video conference/telepresence.

^{*} Ceased to be a Non- executive & Non- Independent Director with effect from September 01, 2018.

[^] Appointed as a Non- executive & Non- Independent Director with effect from September 01, 2018.

[@] Appointed as a Non-Executive & Independent Director with effect from June 01, 2018.

Directors of the Company have following directorships in other listed companies:

1. Mr. R. A. Shah: Procter & Gamble Hygiene and Healthcare Limited (Independent Director), BASF India Limited (Independent Director), Pfizer Limited (Independent Director), Godfrey Philips India Limited (Non-executive Non-Independent Director), Atul Limited (Non-executive Non-Independent Director), The Bombay Dyeing & Manufacturing Company Limited (Independent Director), Lupin Limited (Independent Director), and Abbott India Limited (Independent Director).
2. Mr. V. S. Mehta: Mahindra & Mahindra Limited (Independent Director), Larsen & Toubro Limited (Independent Director), Apollo Tyres Limited (Independent Director), HT Media Limited (Independent Director), and Jubilant FoodWorks Limited (Independent Director).
3. Dr. (Ms.) I. Shahani : Bajaj Electricals Limited (Independent Director), Clariant Chemicals (India) Limited (Independent Director), and United Spirits Limited (Independent Director).
4. Ms. S. Gopinath: HDFC Bank Limited (Independent Director), Tata Elxsi Limited (Independent Director) and BASF India Limited (Independent Director).

5. Ms. S. Kripalu: Ultratech Cement Limited (Independent Director), Entertainment Network (India) Limited (Independent Director), Aditya Birla Fashion and Retail Limited (Independent Director), and Huhtamaki PPL Limited (Independent Director).

Other Directors do not hold directorship in any other Company.

- b. The Directors of your Company are from diverse fields and have expertise and long standing experience and expert knowledge in their respective fields which are relevant and of considerable value for the Company's business growth. The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and sector(s) for it to function effectively:
 - i. Knowledge of the industry in which the Company operates;
 - ii. Knowledge on Company's businesses & major risks;
 - iii. Behavioural skills - attributes & competencies to use their knowledge and skills to contribute effectively to the growth of the Company;
 - iv. Understanding of socio-political, economic and Legal & Regulatory environment;

- v. Corporate Social Responsibility;
 - vi. Business Strategy, Sales & Marketing;
 - vii. Corporate Governance, Administration; and
 - viii. Financial Control, Risk Management.
- c. The Independent Directors of your Company fulfil the conditions as specified in SEBI Listing Regulations and the Companies Act, 2013 and are independent of the management. None of the Directors of your Company are related to each other. None of the Directors of your Company holds any share in the Company, except Mr. P.K. Ghosh, who holds 14,676 equity shares (including joint holdings) and Mr. M. Chandrasekar, who holds 400 equity shares of the Company as on March 31, 2019.
- d. The Company conducts familiarization programs for Independent Directors with regard to their roles, rights, responsibilities towards the Company, the business operations of the Company etc. Details of the familiarization programs extended to the Independent Directors during the year are disclosed on the Company website from time to time at <http://www.colgateinvestors.co.in/policies>

In line with the amended SEBI Listing Regulations, the Company has obtained a certificate from Mr. S.N. Ananthasubramanian, Company Secretary in practice, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI /Ministry of Corporate Affairs or any such statutory authority.

III Committees of the Board

i) Audit Committee

The Audit Committee (AC) consists of six Independent Directors of the Company. The Members of the Committee are well versed in finance matters, accounts, company law and general business practices.

During the financial year 2018-19, four (4) AC Meetings were held on the following dates:

Sr. No.	Dates
1.	May 21, 2018
2.	July 26, 2018
3.	October 29, 2018
4.	January 24, 2019

The constitution and attendance details of the AC are as under:

Name of Director	Status	No. of AC Meetings attended out of 4 held during the financial year 2018-19
Mr. R. A. Shah	Chairperson	4
Mr. P. K. Ghosh	Member	4
Mr. V. S. Mehta	Member	4
Dr.(Ms.) I. Shahani	Member	4
Ms. S. Gopinath	Member	4
Ms. S. Kripalu [#]	Member	3

[#] Appointed as a Member of Audit Committee effective from June 01, 2018.

The Chairman of the Board, Managing Director, Whole-time Directors & Chief Financial Officer, Legal Director, Internal Auditor and the Statutory Auditors are invitees to the Committee Meetings.

Mr. K. Randhir Singh, Company Secretary & Compliance Officer acts as the Secretary to the Committee.

The role/charter of the Audit Committee is as under which is in line with the regulatory requirements:

- a) To review any change in accounting policies and practices;
- b) To confirm whether major accounting entries are based on exercise of judgments by management;
- c) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- d) To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- e) To check whether there are any qualifications made in the draft Auditors' Report;
- f) To review whether there are any significant adjustments arising out of audit;
- g) To confirm whether the accounts are prepared on going concern basis;

- h) To confirm whether the accounts are prepared by applying applicable accounting standards;
- i) To review whether the financial statements comply with the Stock Exchange and Legal requirements;
- j) To check whether there are any related party transactions which may have potential conflict with the interests of the Company;
- k) To discuss with the auditors whether they have any post audit concerns;
- l) To check whether there are any defaults in payment to creditors and shareholders;
- m) To evaluate internal financial controls and risk management systems of the Company;
- n) To review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and to report the matter to the Board;
- o) To approve the appointment of the CFO (i.e. the Whole-time Finance Director or any other person heading the Finance function or discharging that function) after assessing the qualifications, experience, background, etc. of the candidate; and
- p) Such other matters as may be required under the Companies Act, 2013 and the SEBI Listing Regulations.

ii) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee (SRC) consists of four Members, of which two Members are Independent Directors.

The SRC met once during the financial year on March 29, 2019.

The constitution and attendance details of the SRC are as under:

Name of Director	Status	No. of SRC Meetings attended during the financial year 2018-19
Ms. S. Gopinath#	Chairperson	1
Mr. P. K. Ghosh	Member	1
Mr. I. Bachaalani	Member	1
Mr. M. S. Jacob	Member	1

Appointed as a Member and Chairperson of Stakeholders' Relationship Committee effective from July 26, 2018.

The Chairperson of the Committee was present at the last AGM of the Company held on July 26, 2018.

The Share Transfer Committee constituted by the SRC, meets at regular intervals to approve the transfer of shares and related activities and updates the SRC from time to time.

During the financial year 2018-19, complaints were received from Members / Investors, the details of which are as under:

Nature of complaints	Number of complaints received	Number of complaints redressed
Non-receipt of dividends / Interest / Redemption Warrant	65	65
Non Receipt of Share Certificate(s) - Transfer / Exchange / Bonus	311	311
Others	284	279
Total	660	655

In general, all complaints have been resolved to the satisfaction of the complainants except for disputed cases and sub-judice matters, which gets resolved upon final disposal by the Courts or by authorities before whom they are pending.

The Role/Charter of Stakeholders' Relationship Committee is as under which is in line with the regulatory requirements:

- a) To note the minutes of the Share Transfer Committee Meetings;
- b) To note the synopsis of the complaints received and redressed;
- c) To approve allotment of shares, if any;
- d) To consider and resolve the grievances of the security holders;

- e) Review of measures taken for effective exercise of voting rights by shareholders;
- f) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- g) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- h) To address other important issues related to shareholders; and
- i) Any other matter as may be assigned by the Board of Directors from time to time.

iii) Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee consists of three Members of which one Member is an Independent Director.

During the financial year 2018-19, two (2) CSR Committee Meetings were held on the following dates:

Sr. No.	Dates
1.	May 21, 2018
2.	January 24, 2019

The constitution and attendance details of the CSR Committee are as under:

Name of Director	Status	No. of CSR Committee Meetings attended out of 2 held during the financial year 2018-19
Dr. (Ms.) I. Shahani	Chairperson	2
Mr. I. Bachaalani	Member	2
Mr. M. Chandrasekar	Member	2

The Role/Charter of the Corporate Social Responsibility Committee is as under which is in line with the regulatory requirements:

- a) To identify and recommend to the Board, the programs to be carried out during the financial year;
- b) To carry out evaluation of the CSR activities;
- c) To review and monitor the CSR programs undertaken by the Company;
- d) To recommend the amount of expenditure to be incurred on the activities;
- e) To review and monitor the spending on the CSR activities;
- f) To give inputs to enhance quality of the CSR activities;
- g) To develop new areas for CSR activities;
- h) To seek advice from external experts or consultants on CSR related matters; and
- i) To monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Company's CSR Policy can be accessed at the Company's website at <https://www.colgateinvestors.co.in/policies> and the CSR Report for the financial year 2018-19 forms part of this Annual Report.

iv) Risk Management Committee

The SEBI Listing Regulations mandate the constitution of the Risk Management Committee (RMC). The RMC consists of 7 Members out of which three Members are Independent Directors.

The Board of Directors has adopted a Risk Management Policy to identify, assess and determine the risks and potential threats to the Company and also inform the Board of the procedures for minimization of such risks and threats.

During the financial year 2018-19, two (2) RMC Meetings were held on the following dates:

Sr. No.	Dates
1.	October 29, 2018
2.	March 29, 2019

The constitution and attendance details of the RMC are as under:

Name of Director	Status	No. of RMC Meetings attended out of 2 held during the financial year 2018-19
Mr. P. K. Ghosh	Chairperson	2
Mr. V. S. Mehta	Member	2
Ms. S. Gopinath	Member	2
Mr. I. Bachaalani	Member	2
Mr. M. S. Jacob	Member	2
Mr. F. Giwa [#]	Member	1
Mr. S. Sharma [#]	Member	1
Mr. M. K. Ajay	Member	2

[#] Mr. Surender Sharma was appointed as Member of the Committee effective from January 24, 2019 in place of Mr. Femi Giwa.

The Role/Charter of Risk Management Committee is as under which is in line with the regulatory requirements:

- To identify, assess and mitigate the existing as well as potential risks to the Company and to recommend the strategies to the Board to overcome them;
- To develop and implement action plans to mitigate the risks;
- To oversee at such intervals as may be necessary, the adequacy of Company's resources to perform its risk management responsibilities and achieve its objectives;
- To review on a half-yearly basis the Company's performance against the identified risks of the Company;
- To formulate the strategies towards identifying any areas that may materially affect the Company's overall risk exposure and to review the Risk Management Policy;
- To regularly review the risk management framework for the operations of the Company that are deemed necessary;
- To perform such other activities related to this Policy as requested by the Board of Directors or to address issues related to any significant subject within its term of reference; and

- To review Cyber Security Risks associated with the Company.

v) Nomination & Remuneration Committee

The Nomination & Remuneration Committee (NRC) consists of three Members of which Two Members are Independent Directors.

During the financial year 2018-19, four (4) NRC Meetings were held on the following dates:

Sr. No.	Dates
1.	May 21, 2018
2.	August 21, 2018
3.	October 08, 2018
4.	March 29, 2019

The constitution and attendance details of the NRC are as under:

Name of Director	Status	No. of NRC Meetings attended out of 4 held during the financial year 2018-19
Mr. R. A. Shah	Chairperson	4
Mr. V. S. Mehta	Member	4
Mr. V. Nambiar [#]	Member	2
Mr. M. Deoras [*]	Member	1

[#] Ceased to be a Member of the Committee effective from September 01, 2018.

^{*} Appointed as a Member of the Committee effective from September 01, 2018.

The Committee has adopted a policy relating to the Nomination & Remuneration for the Directors, Key Managerial Personnel and Senior Management employees.

The Role/Charter of Nomination & Remuneration Committee is as under which is in line with the regulatory requirements:

- The appointment and remuneration of new Directors on Board, Key Managerial Personnel and Senior Management employees shall be made on the basis of core competencies, expertise, experience, qualifications, etc.;
- Evaluation of the performance of the Executive Directors shall be based on the parameters such as accomplishment of assigned goals, their professional

contributions towards the Company and the overall performance. On the basis of the evaluation, the remuneration of the Executive Directors will be determined;

- c) Evaluation of the overall performance of the Non-executive & Independent Directors of the Company shall be determined by the terms of the policy;
- d) Remuneration of the Senior Management employees and Key Managerial Personnel will be fixed annually considering performance and achievements corresponding to their goals set during the year; and
- e) Any other role or responsibility as per the Companies Act, 2013 and the SEBI Listing Regulations.

IV Remuneration of Directors

a) Executive Directors

The Nomination & Remuneration Policy is directed towards rewarding performance. It is aimed at attracting and retaining high potential talent. The Company has an incentive compensation plan which is linked to performance and achievement of the Company's objectives. The Company has no stock option scheme relating to its shares. However, the stock options of the Parent Company i.e. Colgate-Palmolive Company, USA have been allotted to selected employees. For more information on share-based compensation, refer Note No. 38 to the Financial Statements. The Nomination & Remuneration Committee of the Company, inter-alia, evaluates the performance of the Executive Directors and the remuneration payable to the Executive Directors and Senior Management employees.

Details of remuneration paid/payable to the Executive Directors of the Company during the year ended March 31, 2019 are given below:

Sr. No.	Particulars of Remuneration	Name of MD/WTD			Total Amount (₹ in Lakhs)
		Mr. I. Bachaalani	Mr. M. S. Jacob	Mr. M. Chandrasekar	
1.	Gross Salary	5,61.80	98.94	1,08.53	7,69.27
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2,24.34	78.57	85.07	3,87.98
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option*	2,72.99	23.59	23.58	3,20.16
3.	Sweat Equity	-	-	-	-
4.	Commission As % of profit Others specify Executive Incentive Compensation Plan/Bonus	74.73	81.96	90.31	2,47.00
5.	Others, please specify: Employer contribution to Provident Fund	31.27	11.86	13.02	56.15
	Total	11,65.13	2,94.92	3,20.51	17,80.56
	Ceiling as per Section 198 of the Companies Act, 2013				113,04.39

*Includes exercise of stock options and of restricted stock awards in the current financial year, which were granted in prior years by Colgate-Palmolive Company U.S.A. the Parent Company, pursuant to its incentive compensation plan.

Note:

- i. Other than Mr. M. Chandrasekar, who holds 400 equity shares, no other Executive Director holds any shares in the Company.
- ii. The appointment of each of the three Executive Directors is as per the employment agreement executed between the Executive Directors and the Company. As per the said agreement, either party shall be entitled to terminate the agreement at any time by giving ninety days' advance notice in writing to the other party without the necessity of showing any cause, and in case of the Company, by payment of ninety days' salary as compensation in lieu of such notice.

b) Non-executive & Independent Directors

The Company has no pecuniary relationship or transaction with its Non-executive & Independent Directors other than payment of sitting fees to them for attending the meetings of the Board, the Committees, including meetings of Independent Directors and Commission as approved by the Members for their invaluable contribution to the Board. The Company pays fees for professional services rendered by a firm of Solicitors and Advocates of which a Non-Executive & Independent Director is a Partner. The fees are, however not material in nature.

The Shareholders of the Company at the AGM held on August 03, 2017 has approved payment of commission to Independent Directors in such amounts or proportion not exceeding ₹ 10,00,000/- (Rupees Ten Lakhs) per annum, to each of the Independent Directors, for a period of three years commencing from April 1, 2016.

The Independent Directors met twice during the year on October 29, 2018 and March 29, 2019.

Details of the sitting fees and commission to the Non-Executive & Independent Directors in the financial year 2018-19 are as under:

(₹ In Lakhs)

Sr. No.	Particulars	Mr. R.A. Shah	Mr. P.K. Ghosh	Mr. V.S. Mehta	Ms. I. Shahani	Ms. S. Gopinath	Ms. S. Kripalu%
a)	Sitting Fees	8.70	8.45	9.20	7.15	8.45	6.10
b)	Commission*	10.00	10.00	10.00	10.00	10.00	8.33
	Total	18.70	18.45	19.20	17.15	18.45	14.43

Note: Commission of ₹ 10 Lakhs for the financial year 2017-18 was paid to each Independent Director in the financial year 2018-19.

* Commission for the financial year 2018-19 is payable in 2019-20.

% Appointed as Independent Director effective from June 01, 2018.

V Annual Performance Evaluation of the Board

Pursuant to provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI Listing Regulations, the Board has carried out a formal process of performance evaluation of the Board, its Committees and Individual Directors. The performance was evaluated based on the parameters such as Composition and Quality of Board Members, Effectiveness of Board/Committee, process and functioning, Contribution of the Members, Board culture and dynamics, fulfilment of key responsibilities, ethics and compliance etc. A structured questionnaire was prepared covering the above areas of competencies. All the responses were evaluated by the Nomination & Remuneration Committee as well as by the Board of Directors and the results reflected high satisfactory performance.

VI General Body Meetings

- a) A brief summary of last three Annual General Meetings (AGM) held and Special resolutions passed, if any, is given below:

Financial Year	Date	Location of the Meeting	Time	No. of Special Resolution(s) passed at the AGM
2015-16	August 08, 2016	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.	1
2016-17	August 03, 2017	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.	2
2017-18	July 26, 2018	Mayfair Banquet, Worli, Mumbai	3.30 p.m.	0

- b) In the 75th AGM held on August 8, 2016, a Special Resolution was passed to keep and maintain the Registers of Members and other related books/documents at the Registered Office of the new Registrar & Share Transfer Agents, M/s. Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078.

c In the 76th AGM held on August 03, 2017, there were two Special Resolutions passed as under:

- i. For increase in payment of Commission to each Non-executive Independent Director not exceeding ₹ 10 Lakhs per annum for a period of 3 years commencing from April 1, 2016.
- ii. To keep and maintain the Registers of Members and other related books / documents at the new Registered Office of M/s. Link Intime India Private Limited at C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400 083.

d) No Special Resolution through postal ballot was passed during the year 2018-19.

e) The Board at its Meeting held on May 27, 2019, had approved the Notice of Postal Ballot as stated in Point No. 14 of the Directors' Report. Mr. S.N. Ananthasubramanian of M/s. S.N. Ananthasubramanian & Co, Company Secretaries was appointed as the Scrutinizer for carrying out the Postal Ballot process in a fair and transparent manner. The procedure for Postal Ballot is as under:

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the relevant Rules, the Company provides electronic voting (e-Voting) facility, in addition to Physical Ballot Forms, to all its Members. For this purpose, the Company avails the services of National Security Depository Limited. Postal Ballot Notice and Forms are dispatched, along with postage-prepaid business reply envelopes to registered Members / beneficiaries. The same notice is sent by email to Members who have registered their email ids with the Depositories and the Company. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-Voting option are requested to vote

before the close of business hours on the last date of e-Voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are declared by the Chairman / authorized officer. The results are also displayed on the Company website, www.colgatepalmolive.co.in besides being communicated to the Stock Exchanges, Depository and Registrar and Share Transfer Agent. The last date for the receipt of Postal Ballot Forms or e-Voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

VII Means of Communication

a) Publication of quarterly results

Quarterly, half yearly and annual financial results of the Company are published in widely circulated national newspapers such as the Financial Express and Loksatta in vernacular language as required under Regulation 47 of the SEBI Listing Regulations.

b) Website

The Company's website contains a separate dedicated section "Investors" provides comprehensive information sought by shareholders like copy of the Annual Report, quarterly, half yearly and annual financial results, Stock Exchange filings, applicable Corporate Governance policies and details about the Company, the Board of Directors and Management. Members may visit the website at www.colgatepalmolive.co.in

c) Filing with Stock Exchange

All periodical compliances required to be filed with the Stock Exchanges, such as the Corporate Governance Report, Shareholding Pattern and other corporate announcements are filed electronically with the National Stock Exchange of India Limited and BSE Limited.

d) Presentation(s) to Analysts and Institutional Investors

Presentations made to analysts and institutional investors are displayed on the Company's website.

VIII General Shareholder Information:

a) 78th Annual General Meeting

Day, Date and Time	Wednesday, August 28, 2019 at 3.30 p.m. (IST)
Venue	Mukesh R. Patel Auditorium, NMIMS Building, JVPD Road No. 2, Vile Parle (West), Mumbai- 400 056.
Record Date	N.A.
Date of Book Closure	Thursday, August 22, 2019 to Wednesday, August 28, 2019 (both days inclusive).
Financial Calendar	The Company follows April – March as its financial year. The financial results for every quarter beginning from April are declared within 45 days from the end of the quarter except for the last quarter, for which the results are declared within 60 days from the end of the financial year i.e. on or before May 30 as permitted under the SEBI Listing Regulations.

b) Financial Year: April 1 to March 31

c) Dividend Payment Dates

For the financial year 2018-19, the Company declared the following three interim dividends as detailed below:

Dividend for 2018-19	Payment Date
First Interim	November 22, 2018
Second Interim	April 22, 2019
Third Interim	June 20, 2019

d) Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges:

Name of the Stock Exchange	Stock Code	ISIN (International Securities Identification Number)
BSE Limited, Mumbai (Physical & Demat)	500830	INE259A01022
National Stock Exchange of India Limited, Mumbai (Physical & Demat)	COLPAL	INE259A01022

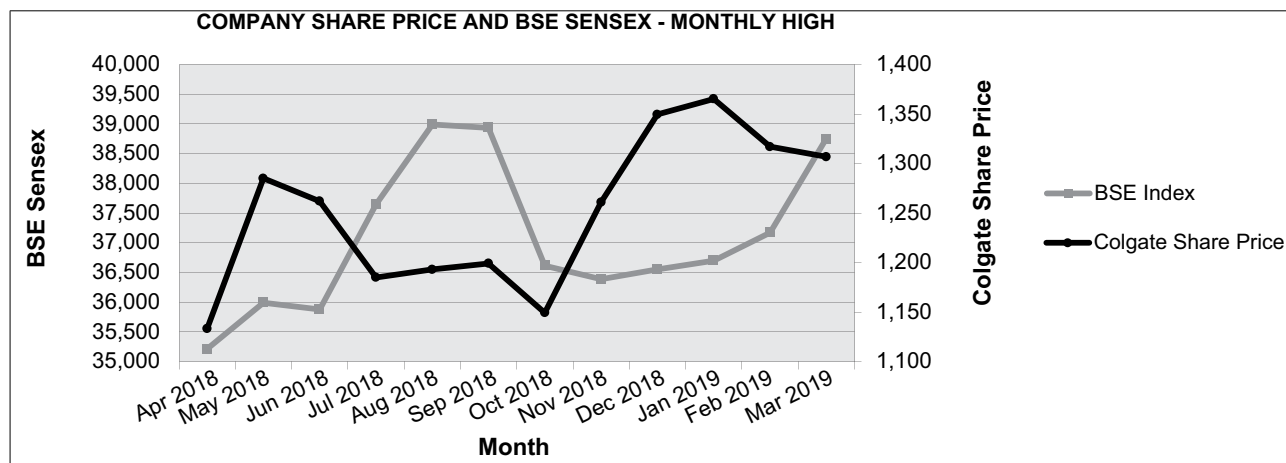
The Company has paid the Annual Listing fees for the financial year 2018-19.

e) Market Price Data

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

Month	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2018	1,133.35	1,052.25	1,133.00	1,050.25
May 2018	1,285.00	1,075.00	1,281.70	1,084.55
June 2018	1,262.00	1,145.00	1,263.95	1,147.75
July 2018	1,185.00	1,067.50	1,187.30	1,067.55
August 2018	1,193.15	1,111.50	1,195.05	1,112.05
September 2018	1,199.20	1,056.60	1,198.40	1,055.40
October 2018	1,149.45	1,020.10	1,150.00	1,018.30
November 2018	1,261.00	1,087.00	1,263.65	1,088.00
December 2018	1,349.50	1,182.95	1,354.80	1,190.00
January 2019	1,365.20	1,254.80	1,350.00	1,254.05
February 2019	1,316.95	1,205.90	1,317.45	1,212.00
March 2019	1,306.80	1,227.05	1,308.50	1,227.20

Performance in comparison to BSE Sensex



f) Registrar and Share Transfer Agents

The Company's share transfer and other related transactions are operated through its Registrar and Share Transfer Agents (RTA) i.e M/s. Link Intime India Private Limited having their Office at the following address:

M/s. Link Intime India Private Limited
C-101, 247 Park,
L.B.S Marg, Vikhroli (West)
Mumbai- 400 083.
Tel : 91-22-4918 6000
Fax : 91-22-4918 6060
E-mail : rnt.helpdesk@linkintime.co.in

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please write to our RTA at the aforesaid registered address.

An exclusive e-mail ID, investors_grievance@colpal.com, has been created for redressal of investor complaints and the same is available on the Company's website.

For the benefit of shareholders, documents will also be accepted at the registered office of the Company during working hours from Monday to Friday (9:00 a.m. to 5:00 p.m.), except public holidays:

Colgate-Palmolive (India) Limited
CIN: L24200MH1937PLC002700
Colgate Research Centre, Main Street,
Hiranandani Gardens, Powai,
Mumbai - 400 076
Tel : 91-22-6709 5050
Website : www.colgatepalmolive.co.in

For the convenience of our investors, in addition to the above mentioned registered office address, our RTA will accept the share transfer documents and other related documents at the following locations:

Location	Address
Ahmedabad	5 th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off CG Road, Navrangpura, Ahmedabad – 380 009. Tel : 079-2646 5179 Fax : 079-2646 5179 E-mail : ahmedabad@linkintime.co.in

Location	Address
Coimbatore	Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028. Tel : 0422-2314792 Fax : 0422-2314792 E-mail : coimbatore@linkintime.co.in
Kolkata	59 C, Chowringhee Road, 3 rd Floor, Kolkata - 700020 Tel : 033-22890540 Fax : 033-22890539 E-mail : kolkata@linkintime.co.in
New Delhi	44, Community Centre, 2 nd Floor, Naraina Industrial Area, Phase I, Near PVR Naraina, New Delhi - 110 028 Tel : 011-41410592/93/94 Fax : 011-41410592/93/94 E-mail : delhi@linkintime.co.in
Pune	Block No. 202, 2 nd Floor, Akshay Complex, Near Ganesh Temple, Off: Dhole Patil Road, Pune - 411 001. Tel : 020-26161629 Fax : 020 -26163503 E-mail : pune@linkintime.co.in
Vadodara	B-102 & 103 Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020 Tel : 0265-2356573 Fax : 0265-2356791 E-mail : vadodara@linkintime.co.in

g) Share Transfer System

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

Shares held in the dematerialised form are electronically traded through the Depositories. The Registrar & Share Transfer Agents of the Company periodically receive updated beneficiary holdings from the Depositories so as to enable them to update their records and send corporate communications, dividend warrants and other documents to beneficiaries.

Request for dematerialization of physical shares are processed and completed within the statutory timelines, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the Members.

h) Shareholding Pattern (as at March 31, 2019)

Category of Shareholders	Number of Shares	% of Total Shares
Promoter and Promoter Group (A)	138,712,672	51.00
Public Shareholding (B)		
Mutual Funds	1,62,46,425	5.97
Alternate Investment Funds	5,16,987	0.19
Financial Institutions/Banks	4,86,982	0.18
Central Government/State Government	5,38,186	0.20
Insurance Companies	1,04,21,055	3.83
Foreign Banks	400	0.00
Foreign Portfolio Investor	4,18,11,751	15.37
UTI	6,625	0.00
Individuals	5,09,09,468	18.72
NBFC registered with RBI	17,780	0.01
Any Other (comprises of following categories) - IEPF - Trust - Foreign Nationals - Hindu Undivided Family - Non-Resident Indians (Non Repatriable) - Non-Resident Indians (Repatriable) - Foreign Portfolio Investor - Overseas Body Corporate - Clearing Member - Bodies Corporate	1,23,17,303	4.53
Total Public Shareholding	13,32,72,962	49.00
Total Shareholding (A+B)	27,19,85,634	100.00

Distribution of Shareholding (as at March 31, 2019)

Description	Holders			
	No. of Shareholders	%	Shares	%
1 - 500	1,60,564	88.1	1,37,55,540	5.06
501 - 1000	9,076	4.98	67,20,059	2.47
1001 - 2000	6,105	3.35	88,03,898	3.24
2001 - 3000	3,317	1.82	85,46,359	3.14
3001 - 4000	804	0.44	28,21,825	1.04
4001 - 5000	621	0.34	28,04,011	1.03
5001 - 10000	1,183	0.65	74,04,010	2.72
10001 & above	590	0.32	22,11,29,932	81.30
Total	1,82,260	100.00	27,19,85,634	100.00

i) Dematerialisation of shares and liquidity (as at March 31, 2019)

Particulars of Equity Holding	Equity Shares of ₹ 1/- each	
	Number	% of Total
Dematerialized form:		
-NSDL	25,57,42,330	94.03
-CDSL	1,06,69,186	3.92
Sub-total	26,64,11,516	97.95
Physical form	55,74,118	2.05
Total	271,985,634	100.00

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

j) Outstanding GDRs/ADRs/Warrants or any convertible instruments

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments as at March 31, 2019.

k) Commodity Price Risk or Foreign Exchange Risk & Hedging activities

Please refer Note No. 40 of the Notes to the Financial Statements.

l) Plant Locations

Location	Address
Baddi, Himachal Pradesh	Plot No 78, EPIP Phase 1, Jharmajri, Baddi, District Solan, [H.P.] 174 103.
Kundaim, Goa	Plot Nos. 154, 158 & 160, Kundaim Industrial Estate, Kundaim, Goa 403 115.
Sanand, Gujarat	Plot No SM-02, Sanand - II, GIDC Industrial Area, Near BOI, Village Sanand, Gujarat 382 170.
Sri City, Andhra Pradesh	6000 Central Expressway, Sricity, Satyavedu, Chittoor District, Andhra Pradesh 517 588.

IX Management Discussion and Analysis Report

The Management Discussion and Analysis Report is appended to this report.

X Disclosures:

a) Policy on Dividend Distribution

Pursuant to Regulation 43A of the SEBI Listing Regulations, the Company has formulated

a policy on dividend distribution which is placed on the Company's website <http://www.colgateinvestors.co.in/policies>

b) Policy on materially significant Related Party Transactions

During the financial year, there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. Refer to Note 37 to the Financial Statements for disclosure of related parties.

The Company has formulated policy on dealing with related party transactions. This policy is placed on the Company's website <http://www.colgateinvestors.co.in/policies>

c) Policy on determination of Materiality of event and information

In accordance with the requirements of the SEBI Listing Regulations, the Company has formulated a Policy on determination of materiality of event or information which is placed on the Company's website: <http://www.colgateinvestors.co.in/policies> This Policy prescribes 'quantitative' and 'qualitative' criteria for determining the materiality of an event.

d) Policy for Record Management

The Company has framed a Policy for preservation of documents. This policy prescribes the nature of documents and the period for which the same should be preserved.

The Archival policy which forms part of the Records Management Policy is placed on the Company's website: <http://www.colgateinvestors.co.in/policies>

e) Policy for Prohibition of Insider Trading

In line with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for prohibition of insider trading. The objective of the policy is to ensure the prohibition of insider trading practices in the Company. Mr. K. Randhir Singh, Company Secretary, is the Compliance Officer for the purpose of this policy. This policy has been placed on the Company's website: <http://www.colgateinvestors.co.in/policies>

- f) The Company has adopted a Code of Conduct for its Directors, Senior Management and employees. The Code of Conduct of the Company serves as a guide for daily business interactions, reflecting the Company's standards for appropriate behaviour and its corporate values. The Code of Conduct has been communicated to the Company's Directors, Senior Management and Employees and each of them have affirmed compliance with the same. A certificate from Mr. I. Bachaalani, Managing Director, to this effect has been obtained.
- g) The Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct. The Code of Conduct of the Company serves as a guide for daily business interactions, reflecting the Company's standard for appropriate behavior and living Corporate Values. The Colgate-Palmolive Ethics Line phone number and email address are available on the Company's website at <http://www.colgateinvestors.co.in/policies> to report any genuine concerns about unethical behavior, any actual or suspected conduct, fraud or violation of the law, or activities in conflict with the Company's Code of Conduct.
- h) 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.
- i) There have been no instances during the year where recommendations of the Committees of the Board were not accepted by the Board.
- j) The total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part for the financial year 2018-19 is ₹ 114.67 Lakhs.

- k) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under.

	Particulars	No. of Complaints
a.	Number of complaints filed during the financial year	3
b.	Number of complaints disposed off during the financial year	2
c.	Number of complaints pending as on end of the financial year	1

XI Compliance with Discretionary Requirements

The Company has separate positions for the Chairperson and the Managing Director of the Company. To this extent, the Company has adopted the applicable requirements as specified in Part E of Schedule II of the SEBI Listing Regulations.

XII Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification:

As required under Regulation 17(8) of the SEBI Listing Regulations, the CEO and CFO of the Company have certified the accuracy of the Financial Statements, the Cash Flow Statement and adequacy of Internal Control Systems for financial reporting for the year ended March 31, 2019.

Declaration

The Company has made adequate disclosures as required under Regulations 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI Listing Regulations.

For Colgate-Palmolive (India) Limited

Place: Mumbai
Date: May 27, 2019

I. Bachaalani
Managing Director
(DIN: 06975320)

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of Colgate-Palmolive (India) Limited
Colgate Research Centre,
Main Street, Hiranandani Gardens,
Powai, Mumbai - 400076

1. The Corporate Governance Report prepared by Colgate-Palmolive (India) Limited (hereinafter the "Company") and initialled by us for identification purpose only, contains details as required by the provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock Exchanges and to be sent to the Members of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants

of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on 31st March, 2019 and verified that atleast one women director was on the Board during the year;
 - iv. Obtained and read the minutes of the following meetings held during the period from April 1, 2018 to March 31, 2019:
 - (a) Board of Directors meeting;
 - (b) Audit Committee;
 - (c) Annual General meeting;
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders' Relationship Committee;
 - (f) Corporate Social Responsibility Committee; and
 - (g) Risk management Committee;
 - v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and

- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test check basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report 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.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number:
324982E/E300003

per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN:19037924AAAABZ4239

Place of Signature: Mumbai
Date: July 17, 2019

Management Discussion and Analysis Report

Appendix

(within the limits set by the Company's competitive position)

Our Company operates in the Personal Care business, which accounts for more than 50% of FMCG sales in India. This includes Oral Care that contributes over 90% of the Company's sales turnover. Within Oral Care, the Company continues to sustain the leadership position both in the Toothpaste and Toothbrush categories for the year ended March 31, 2019 despite challenging business and competitive environment.

As a leading consumer products company, we are also deeply committed to advancing technology that can address changing consumer needs. This is consistent with our Company's sustained endeavour which is to leverage technology to create products that will improve the quality of life for our consumers.

The Company follows a closely defined business strategy to develop and increase market leadership positions in its key products categories. On an on-going basis, management focuses on a variety of key indicators to monitor business health and performance. These indicators include market share, net sales, gross profit margin, operating profit and net profit after tax, as well as measures used to optimize the management of working capital, capital expenditures, cash flow and return on capital. The monitoring of these indicators and the Company's Code of Conduct and corporate governance practices help to maintain business health and strong internal controls.

To achieve its business and financial objectives, the Company focuses the organization on initiatives to drive and fund growth. The Company seeks to capture significant opportunities for growth by identifying and meeting consumer needs within its core categories, through its focus on the introduction of innovative products and the deployment of valuable consumer and shopper insights in the launch of successful new products.

In line with our focus on evolving consumer demands our company had major launches/re-launches in the portfolio, including-

Colgate Strong Teeth: Colgate's best-selling toothpaste brand in India has been re-launched on an evocative platform of "Daant Banaye Andar se Strong" - Strengthens Teeth from within. Refreshed with a new packaging and on-pack messaging, the

re-launch of Colgate Strong Teeth is strategically aimed at resonating with the virtues of being strong from within.

Colgate Total: Colgate Total was re-launched with a new advanced formula that provides superior protection for problem-causing germs not just for your teeth but also for your tongue, cheeks and gums. The advanced formula contains Dual Zinc and Arginine, which help fight germs, food acids and stains to give you Whole Mouth Health.

New Motu Patlu & Colgate Kids Toothpaste Variant: Strengthening Colgate's existing Kids toothpaste portfolio, which is built around exciting characters like Spiderman, Barbie and Minions, Colgate launched themed toothpaste – Motu Patlu with Fun & Fruity flavours for children which is sure to resonate with Indian consumers.

SuperFlexi Sensitive Toothbrush: The latest addition to the toothbrush portfolio is SuperFlexi Sensitive toothbrush. This has premium ultrasoft bristles and a flexible neck handle to ensure complete yet gentle cleaning for sensitive teeth & gums. It also comes in a first-ever premium window hanger to stand out in-store.

Palmolive Facial Bar: Launched in select markets of Kerala and Delhi, Palmolive Facial Bar has been developed with nature's goodness and Palmolive's expertise, in 3 exciting variants – Vitamin C&E, Turmeric & Tamarind, and Charcoal. Its unique formula, enriched with fruit oil & natural extracts creates luxurious foam on usage, cleansing the skin from deep within to make it healthy and radiant.

Above launches were complemented by our existing best-in-class distribution network across the country through many distributors who were our pillars for many years including challenging times. This long term association and the trust that was built over the years helped our company increase the stores that we directly distributed our products to an unprecedented level of +30% on an existing strong reach in a short span of time. Trust is the foundation of our company's partnership which helps us collaborate with key customers in Modern Trade and e-commerce. Our company, in line with its reputation in the industry, has developed key initiatives to build strong relationships

with consumers, dental professionals and customers. With increased focus, the Company has strengthened its capabilities in e-commerce, including developing its relationships with online-only retailers and enhancing its digital marketing capabilities.

As a testament to the above, Colgate ranked as India's #1 Most Trusted Oral Care Brand as per India's Most Trusted Brands Survey 2018, conducted by Nielsen and commissioned by Economic Times - Brand Equity.

The investments needed to support growth are developed through continuous, Company-wide initiatives to lower costs and increase effective asset utilization. Through these initiatives, which are referred to as the Company's funding-the-growth initiatives, the Company seeks to become even more effective and efficient throughout its businesses. These initiatives are designed to reduce costs associated with direct materials, indirect expenses, distribution and logistics, and advertising and promotional materials, among other things, and encompass a wide range of projects, examples of which include raw material substitution, reduction of packaging materials, consolidating suppliers to leverage volumes and increasing manufacturing efficiency through SKU reductions and formulation simplification.

In India, almost one-third of the population does not have access to modern oral care. With its market leadership in the Oral Care category, there is an enormous opportunity for the Company to expand its business as oral care habits improve. We had initiated many activities in 2018 including our Colgate's '**Kumbh Se Sampoorana Shuddhi, Colgate Vedshakti Se Sampoorana Suraksha**' campaign

Colgate had endeavoured to ensure complete protection or 'sampoorna suraksha' of the pilgrims at Kumbh Mela, which is the world's largest human congregation, where more than 15 crore people come for a holy dip in the Prayag, at Allahabad. The main aim of the said campaign was to create oral hygiene awareness and also ensure a safe visit for all pilgrims.

This completely localised campaign was custom-made to provide a complete all-around protection to pilgrims through a range of Kumbh specific activities and utility elements such as:

- Brushing stations for pilgrims to brush their teeth;
- Oral care importance drives to spread the awareness of good oral hygiene;

- A free, large-scale sampling of Colgate Vedshakti for millions of people at Kumbh;
- Suraksha Wristbands for children to write/wear their emergency contact details on a safety wristband; and
- Sampoorana Suraksha Ropes given to big groups and families to hold on to, to ensure that they walk together without getting lost in the crowd.

In recent years, the Company has experienced heightened competitive activity, particularly within the Naturals segment. Such activity includes aggressive marketing claims, as well as increased promotional spending and geographic/distribution expansion. In addition, while the Company is focused on growing in its other Personal Care categories, due to the high concentration of the Company's business in Oral Care, the Company could be significantly impacted by any major disruption in the Oral Care category.

Looking forward, the Company expects challenging market conditions and favourable macro economic conditions to continue. The Company believes it is well prepared to meet the challenges ahead due to its strong financial condition, experience operating in challenging environments and continued focus on the Company's key priorities: continuous investment behind brands, growing sales through engaging with consumers, delivering world-class innovation and working with its distributors and retail partners; driving efficiency on every line of the income statement to increase margins; generating strong cash flow performance and utilizing that cash effectively to enhance total shareholder returns; and leading to win by staying true to the Company's culture and focusing on its stakeholders. The Company's commitment to these priorities, together with the strength of the Company's brands, its best-in-class distribution network and its cost-saving initiatives, should position the Company well to increase stakeholder value over the long term.

The Company believes that adequate internal control systems are in place. The discussion on the Company's financial performance, including segment-wise performance, is covered in the Board's Report. There were no material developments on human resources during the financial year 2018-19 and industrial relations continue to be positive. The number of people employed by the Company as on March 31, 2019 was 2,305.

Details of changes in key financial ratios as compared to immediately previous financial year are given below:

Particulars	2018-19	2017-18
Debtors Turnover	21.58	25.14
Inventory Turnover	6.56	5.74
Interest Coverage Ratio*	0	0
Current Ratio	0.96	1.08
Debt Equity Ratio*	0	0
Operating Profit Margin (%)	24	23
Net Profit Margin (%) (after tax)	17	16

The Company's key financial ratios continue to be very healthy. The Return on Net Worth in the financial year 2018-19 has increased to 52% from 48% in the immediately previous financial year driven by improvement in Net Profit in the current year.

* Debt and Interest expense appearing in the Financial Statements wholly relate to the finance lease of equipment (Ind AS-17), which commenced in Q4 of the financial year 2018-19.

Annual CSR Report

Annexure 2

1. A brief outline of the Company's CSR policy, including overview of projects or programs undertaken and a reference to the web-link to the CSR policy and projects or programs:

Founded in 1937, Colgate-Palmolive (India) Limited ('Colgate') has always focused on 'Building a Future to Smile About'. Colgate continues to make great strides towards this long-standing commitment, through various programs and partnerships that bring our brands and values to life, across the nation.

Colgate's success is linked to the Company's core values of Caring, Global Teamwork and Continuous Improvement.

Colgate ensures that all its stakeholders, including customers, shareholders, employees, business partners and the national community, are cared for. We work towards protecting the environment, as well as continually improving and enhancing the quality of life of individuals and communities through a multitude of partnerships and associations.

The Colgate family is committed to working together across the country not only to achieve sustained profitable growth but also to bring about a positive impact in the lives of many underserved communities.

At Colgate our priority and objective is to remain focused on delivering innovations, enhancing effectiveness and efficiency, and giving back to the communities where we live and work, in line with our core values.

An overview of the Company's CSR programs / projects is available on the Company's website at <http://www.colgateinvestors.co.in/policies> and appended hereto.

2. The Composition of the CSR Committee : Dr. (Ms.) I. Shahani (Chairperson)
Mr. I. Bachaalani
Mr. M. Chandrasekar
3. Average net profit of the Company for last three financial years : ₹ 901.87 crore
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 18.04 crore
5. CSR expenditure spent during the financial year : ₹ 18.21 crore
 - a. Total amount to be spent for the financial year : ₹ 18.04 crore
 - b. Amount unspent, if any : Nil

c. Manner in which the amount spent during the financial year is detailed below:

(₹ In Crore)							
Sr. No.	CSR Project or activity Identified	Sector in which the Project is covered	Projects or programs Local area or other Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program –wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent: direct or through implementing agency
I.	Bright Smiles, Bright Futures™	Promoting preventive health care	Across India	12.73	12.94	12.94	Direct as well as through implementing agency
II.	Oral Health Month	Promoting preventive health care	Across India	1.86	1.77	1.77	
III.	Read India Program with Pratham	Promoting education	Mumbai, Maharashtra	0.10	0.10	0.10	Through Registered Trust / Society / NGO
IV.	Education & Women Empowerment Program with Seva Mandir	Promoting Education, Empowering Women, Conservation of Natural Resources	Udaipur, Rajasthan	0.85	0.90	0.90	
V.	“A Positive Step Program” with NTP+	Addressing inequalities	Thane, Maharashtra	0.15	0.15	0.15	
VI.	“Saksham” Program with SEEDS & their Implementation Partner IL&FS Skills	Vocational and skills training for upliftment of economically weaker youth	Uttar Pradesh, Bihar & West Bengal	0.65	0.60	0.60	
VII.	Water Program with Water for People, India Trust	Conservation of Natural Resources	Maharashtra	1.40	1.40	1.40	
VIII.	Education Program with Action Aid	Promoting Education	Himachal Pradesh	0.30	0.35	0.35	
	TOTAL			18.04	18.21	18.21	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report : NOT APPLICABLE
7. The CSR Committee confirms that the implementation and monitoring of the CSR activities is in compliance with the CSR objectives and the CSR Policy of the company.

1. **Colgate Bright Smiles, Bright Futures™ Program:**

At Colgate, we understand that oral health plays a significant role in people's overall health. Thus we recognize the importance of a healthy smile and following continued good oral health care practices. Importantly, developing good habits at an early age helps children get a good start towards a lifetime of oral health.

As India's leader in oral care, Colgate is committed to improving children's oral health and considers it as the Company's responsibility to bring healthy, bright smiles to the children of India through oral health awareness and education.

One of the most impactful oral health initiatives by Colgate is Bright Smiles, Bright Futures™ (BSBF). A flagship initiative by the Company, it was created with an aim to spread awareness among children about the correct oral health habits, basic hygiene and diet and reduce the prevalence of dental caries. Since the inception of the program in 1976, the Company has been delivering oral health education to children by reaching out to influencers – like school teachers and the anganwadi workers in the community to promote preventive oral care education.

Children between the age group of 6 to 14 years studying in primary schools are taught good oral hygiene habits, the right techniques of brushing with the use of a tooth model and a toothbrush, and the importance of brushing at night through an interactive module, where the importance of a good mouth cleaning regimen is strongly instilled in them. At the end of the program, each child is given a 'Dental Health Pack' consisting of a toothpaste and a toothbrush, along with attractive charts depicting valuable oral care information in order to encourage these children to brush twice a day and take care of their oral care hygiene. A chart containing oral care information is left in each classroom as a reminder to the children, and for the teachers to reiterate the oral care message. School teachers are trained and provided with a 'Teacher's Guide' to help them instill good oral care habits on an on-going basis. The Teacher's Guide is a detailed booklet that pictorially provides the details of a tooth's anatomy and the different stages of decay, and the causes of gum diseases, to help teachers advocate the importance of healthy teeth.

As a pilot in the year 2017-18, along with the preventive oral health awareness for children, dental checkups were added in the ongoing BSBF program in two cities, predominantly in the government or municipal schools. This pilot program was successfully implemented for approximately 2.5 million children. We aim to continue to scale this initiative in the future too.

BSBF has, so far, touched the lives of 162 million plus children between the ages of 6 and 14 years in schools across India since inception of the program.

In the financial year 2018-19 alone, the BSBF program reached 11.5 million children across the country with oral health awareness and education.

2. **Oral Health Month:**

India's first National Oral Health Survey, which was conducted by the Dental Council of India and the Ministry of Health & Family Welfare, focused on improving the standards of oral health care in India. Colgate, along with Indian Dental Association (IDA), rolled out Oral Health Month (OHM) in 2004 as a 6-city program with 70 participating dentists. Spanning two months every year, OHM promotes oral health care by offering free, preventive dental check-ups across the country.

The program was further strengthened with the introduction of mobile vans to service under-privileged areas. OHM has also made oral care check-ups more accessible to people, and also helps to address any in-clinic fears that people may harbor.

This oral care health drive now encompasses free in-clinic dental check-ups, school contact programs, free dental check-ups in mobile dental vans, a retailer outreach program and other community outreach initiatives. In the past 13 years, OHM has grown phenomenally, emerging as a leading campaign for promoting oral health care in India. In the financial year 2018-19, in the months of November to January, almost 35,000 dentists participated in the program across India. In our estimate, this campaign benefited almost 6 million people across the country, contributing actively towards improving oral health care in India in the financial year 2018-19.

3. A Positive Step Program with Network in Thane by People Living with HIV (NTP+):

At Colgate, we recognize the seriousness of HIV/AIDS and its overall impact on the workplace and on the society. Our HR policy focuses on non-discrimination and confidentiality, prevention, access to treatment, partnerships with third parties and providing proactive organizational support. We work to limit the impact of HIV/AIDS and maintain an environment at Colgate that is open and conducive to acceptance.

Colgate initiated 'A Positive Step', a program in collaboration with 'Network In Thane By People Living With HIV' (NTP+), a non-governmental organization promoting education for the HIV infected and affected children.

The program supports education, nutrition and the overall personality grooming of the infected and affected children with the help of NGO partners. The program that had started with a handful of children has grown to support approximately 90+ children now.

In the financial year 2017-18, the focus was on computer literacy and personality development programs for these infected and affected children who form a part of the Positive Step Program. Based on their need assessment the Knowledge Garden initiative (a creative library) was introduced to the program. The Knowledge Garden initiative has encouraged and helped children develop a desire to learn through creative ways. Colgate employee volunteers spend their time in engaging with these children through creative and fun based learning sessions which has helped these children sharpen their skills and given them the confidence to face challenges bravely and more positively. In the financial year 2018-19, we took another step in the Knowledge Garden initiative and launched a Mentorship program for senior children, who aspire to choose their career path. The mentorship programs aim to enable these young, aspiring children with better guidance.

Every year, Colgate also organizes a special event on 'World AIDS Day', wherein these children are invited to spend a day at the Colgate office and interact with their sponsors, volunteers, and with the entire Colgate family. This occasion is also a platform for the children to showcase their talents and for Colgate People to salute their spirit. More information about the NGO is available on <https://ntpplus.org>

4. Programs with Seva Mandir:

Seva Mandir is a non-profit organization, working in and around Udaipur, in Rajasthan. It works in the fields of education, health, empowerment of women and youth, village institutions and towards natural resource development.

Our association with Seva Mandir has supported programs in various domains like education for children, women empowerment and conservation of natural resources for the marginalized communities in the rural and tribal areas of Udaipur, Rajasthan.

'Colgate Seva Mandir Education Scholarship Program' was launched in financial year 2017-18 for children from tribal and rural areas of Rajasthan. The children enrolled in this program are primarily girls from less privileged families. Colgate supports the entire program cost including children's school fees, hostel stay, cost for study material, uniforms, travel, special coaching, remedial classes and other support. Children study in Vidya Bhawan School in Udaipur, which focuses on an all-round development of children through academics, sports and also by building in them a strong value system, through various engaging activities and initiatives. The academic scores of the sponsored children have progressed a lot as compared to their baseline assessment scores. In addition, with a focus on sports and fitness, few girls in the program have also qualified for District and State level Hockey tournaments.

Colgate has also supported Seva Mandir and Vidya Bhawan to build a better infrastructure and facilities for the children in the form of well-lit classrooms, uniforms, residential and storage spaces, availability of safe drinking water, renovation of toilets and washing facilities, availability of computers and infrastructure for libraries, creation of a Volley ball court and common areas in some of its two hostels. The aim of the program is to support the accessibility to quality education, sports and build an overall, enriching experience for the children and to enable them to aspire for a brighter future ahead.

In the financial year 2017-18, Colgate partnered with Seva Mandir to design and support the Women Empowerment program through livelihood activities like backyard poultry, Floriculture and Water augmentation.

This program focuses on the economic and social empowerment of communities, specifically of women from 9 tribal villages in Udaipur, Rajasthan. The structure of the program has multiple dimensions like formation and strengthening of women self-help groups, technical trainings for vaccinations, floriculture, and various other collaborations. The program was launched formally in the financial year 2018-19 in one of the tribal village of Alsigarh block, Udaipur, Rajasthan.

The initial results of the program are encouraging and the beneficiaries have started generating income. 178 women beneficiaries and their families have been directly benefited through floriculture or backyard poultry or both and about 3000 villagers have benefited directly or indirectly through water augmentation work. We have planned additional interventions to strengthen the program. We aim to continue to empower women and communities of tribal and rural areas to enhance their economic and social well-being and to enable them to look forward to a better future for themselves and their families.

Colgate employees volunteer and partner with Seva Mandir to support these causes through various volunteering initiatives. More information about the NGO is available on www.sevamandir.org

5. Read India with Pratham:

Colgate has been associated with Pratham, an NGO working towards providing quality education to the underprivileged children in India. 'Every child in school and learning well', has been Pratham's endeavor since its modest beginnings in Mumbai in 1994. Pratham tries to supplement the Government initiatives of primary education.

Colgate has partnered with Pratham under their initiative "Read India". Under this initiative Colgate extends its support to educate 10 communities in Mumbai. Employee volunteers engage with the children in these communities through learning camps and help them learn language, skills, etc. More information about the NGO is available on www.pratham.org.

6. 'Saksham' Program with SEEDS:

Realizing the need to make the future generation more employable and self-reliant, Colgate

launched 'Saksham', a pragmatic initiative for the social and economic empowerment of the youth from lesser privileged backgrounds, through employability linked skill development program. Colgate launched this program in 2016 in partnership with NGO SEEDS and its implementation partner IL&FS Skills.

Through an extensive mobilization process, candidates from rural and urban clusters are enrolled for the program. The focus is on enrolling candidates who have the potential and willingness to learn, but may be lacking the financial resources, exposure and guidance. The curriculum is imparted through multimedia enabled content, by trained faculty Members. Efforts are made to arrange opportunities for experiential learning through interactions, engaging sessions and visits from Colgate teams and other people from different walks of life, including business partners, etc. This helps to build the confidence of the candidates.

The 'Saksham' journey started with an enrolment of 55 candidates at Lucknow, Uttar Pradesh. The program has now expanded to Kanpur, Varanasi, Allahabad, Moradabad in Uttar Pradesh, Patna in Bihar and Kolkata in West Bengal. Till March 2019, more than 900 candidates have been trained and certified and 650 candidates have been facilitated with employment opportunities through the NGO and its implementation partner and rest are undergoing the process. More information about the NGO is available on www.seedsimpact.org

7. Water with 'Water for People, India Trust:

Water is one of the key pillars of Colgate's sustainability initiatives. To build a culture of Save Water many initiatives have been carried out within Colgate's manufacturing facilities and offices across India, which have helped not only in the recycling, reuse, and zero discharge of water but also in water conservation and sensitization towards the cause of Save Water.

To strengthen our commitment towards water and to support communities, Colgate has expanded its partnership with Water for People, India Trust (an NGO) and launched Water program for rural and tribal villages of district Amravati in Maharashtra. Water for People India Trust focuses on comprehensive water management approach.

In Amravati district, an in-depth feasibility assessment was conducted to shortlist the villages which have multiple challenges with respect to water. The level of water in the local water source starts depleting from the month of February, due to which the women and girls of the local communities have to fetch water from distant water sources. Additionally, other challenges like water quality and accessibility need redressal too. A comprehensive roadmap and implementation plan is made to address these challenges in the select villages based on need prioritization, etc.

The program aims to support a projected cumulative coverage of approximately 36 villages over the next 3 years from now. The key components of this program are: water availability, accessibility, quality of water, rain water harvesting and support in sanitation (in schools/communities area as per plan) and education on hygiene and conservation of water through the WASH program based prioritization, sustainability, partnership of local communities and stakeholders and building capacities. The work has started in 10 villages and we aim to implement program as per roadmap in these villages in next one year.

We aim to build sustainable practices and mechanisms on water conservation through Water for People and bring about a positive impact in the lives of communities in the targeted areas. More information about the NGO is available on <https://www.waterforpeople.org>.

8. Education Program with Action Aid:

This program aims to impact the lives of the children from low income group families by empowering them with computer-literacy, communication skills and personality grooming. Efforts are made to encourage enrolment of girl children in the program. The program has started in villages in and around Baddi, Himachal Pradesh.

As per assessment, it was found that inspite of an interest and the potential to learn, children from villages and less privileged families are not well versed with computers and lack communication skills. In the initial phase, approximately 500 children will be taken into the program through a mixed model of community center school and government schools. The program will also help to sensitize communities and engage employees and other stakeholders through volunteering and other opportunities. More information about the NGO is available on www.actionaidindia.org.

On behalf of the Board

I. Shahani
Chairperson of the CSR
Committee
(DIN : 00112289)

I. Bachaalani
Managing Director
(DIN : 06975320)

Place : Mumbai
Date : May 27, 2019

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014.

A) Conservation of Energy and Water:

Your Company continues its endeavor to improve energy & water conservation and utilization. Some of the steps taken by the Company for conservation of energy & water at its manufacturing plants during the financial year 2018-19 are outlined below:

Sanand Plant

• **Conservation of Energy:**

- At regular intervals Plant conducts a workshop viz. 'Energy Treasure Hunt' to encourage ideas on energy conservation from its employees. The ideas generated for energy conservation are being implemented, which has generated saving of 13% on per MT of production, quantifies to 25.3 Lakhs kWh of electricity saving in 2018. Further, during the financial year 2018-19 plant had invested ₹ 82 Lakhs on identified projects which will save additional 6 Lakhs kWh of electricity on an annual basis.

• **Conservation of Water:**

- Last year Plant had harvested about 46,694 Cubic Meters (Cu M) of rain water, based on 2018 rainfall data. Further, Plant reuses waste water after treating it in Effluent Treatment Plant for gardening. Last year, the plant had used 35,161 Cu M of treated water. In total the Plant had saved 81,855 Cu M of water which is more than the water consumed by site (77,198 Cu M) from GIDC.
- Plant had also conducted a water workshop viz. 'Water Treasure Hunt' to explore water conservation ideas amongst employees. During the year many water saving projects were implemented which resulted in saving of about 18% on per MT of production which quantifies to 8,023 Cu M of water saving.

Goa Plant

• **Conservation of Energy:**

- Installed seven Dust Extraction System with high efficiency blower motors (IE3) controlled by VFDs to regulate the speed automatically, thus saving power in abrasive loading area.
- CFL lights are replaced with LED Lamps in flex making floor of the plant. This has reduced the making lighting load by 50% and overall reduced the lighting load.

• **Conservation of Water:**

- Conservation of around 1,800 KL rain water was recharged to ground.
- Site explored use of Gamma Jet Spray ball which reduces consumption of water in manufacturing equipment during cleaning and sanitization process.
- Water sprinklers were added in main lawn to optimize water consumption.

Plant added new AHU Condensate Recovery line to the utility cooling towers thereby saving upto 3-5 KL of water per day depending on the season.

Baddi Plant

• **Conservation of Energy:**

- Installed the VFD and pressure transducer on 35 KL (utility) Tank Motor and interlocked it with the Line Pressure. The pump now delivers only required volumes to utility equipments like boilers, cooling towers, chillers etc., resulting in reduced operational time of the pump.
- Secondary water system and 66 KV Lights interlocked with motion sensor.
- Making system's Local CIP Pump interlocked with SCADA and enabled time settings for the operations resulting in energy conservation.

• **Conservation of Water:**

- Cooling tower make up water reduction by optimizing the TDS (using RO water low TDS mixing with raw water) which has resulted around savings of 20,000 Ltrs of water per month.

- The reuse of chlorine sensor circulation water as raw water for the utilities purpose, had reduced the overall ground water consumption by 25,000 Ltrs per month and also the load on the Effluent Treatment Plant.
- Vacuum Pump water reduction by 25,000 Ltrs per month after doing modification on the cooling circuits of all the vacuum pumps being used for the mixers.
- Making system's Local CIP Pump interlocked with Timer which has resulted in reduction of water consumption by 50,000 Ltrs per month.
- Reuse of Back wash water of MGF after filtration as raw water in the utility RO system which has resulted in reduction of water consumption from bore wells by 1,00,000 Ltrs per month.

Sricity Plant

• Conservation of Energy :

- The Company has taken many initiatives in the Plant, majorly by investing in Solar Power plant of 1,284 KW capacity for captive consumption to ensure commitment towards green power, sustainability and saving initiatives. Many other initiatives were also taken in driving the productivity, process, utilities and ancillary equipment changes which delivered reduction in energy index over 20 %.
- Installation and commissioning of 1,284KW Solar Power in the plant achieved an annual savings of 1,872 MWh.
- Implementation of Common Dust extraction system for 10 End rounding machines by inter-connecting 2 machines' dust extraction to One Dust collector. This initiative has helped to achieve an annual savings of about 134 MWh.
- Arresting of Air leakages in machines by conducting external Air Audit and identified 179 air leaks and resulted annual savings of 196 MWh.
- By inter-connecting Chilled water lines of 2 Vertical Injection moulding machines had helped to reduce 1 MTC instead of 2 MTC. This initiative has helped to achieve an annual savings of about 179 MWh.

- Time based scheduling of Ventilation system in locker room resulted annual savings of 59 MWh from 5 Ventilation fans.
- Through optimization of continuous running of AHUs' with 50 Hz frequency was reduced to 35 & 40 Hz in 2 AHUs' which resulted annual savings of 14 MWh.
- Three Solar Street lights installed near Solar plant which is saving of 0.7MWh

• Conservation of Water:

- Level sensors fixed in cooling towers to avoid water overflow from 850TR & 350TR Cooling towers
- Waterless urinals were installed to save 24 KL water and planned to install in all our Urinals in 2019 which will save around 750 KL.
- Reduction in evaporated water from cooling towers by reducing the fan frequency from 50 Hz to 15 Hz, This resulted in reduction of Power consumption and also saving of Water evaporation
- Implemented quality based back wash instead of time based which resulted in annual savings of 120KL.

B. Technology Absorption:

The Company continues its efforts on various Research & Development (R&D) activities including absorption of technology received from Colgate-Palmolive Company, U.S.A., for development and manufacture of oral care products The technology received by the Company is being absorbed and adapted to the demands of the local market.

The following are some R&D and technology absorption efforts made by the Company during the year:

1. Adapted technology for products using both local and / or imported raw materials and flavours.
2. Prepared laboratory and pilot plant batches and set tentative product specifications.
3. Completed product stability tests, microbiological tests, analytical tests and method validation.
4. Optimized various manufacturing processes and filling trials.

- | | |
|---|---|
| <p>5. Tested new product or formula among sensory expert panel Members and consumers.</p> <p>6. Finalized product formulations, process and product quality specifications.</p> <p>7. Identified alternate local raw material vendors.</p> <p>8. Reviewed and approved product claims and provided clinical documentation support.</p> <p>9. Worked in partnership with the Early</p> | <p>Research and Product Development partners in the U.S. to bring new actives/ ingredients into the toothpaste</p> <p>10. Worked with the cross category research team in the U.S. on highly advanced instrumentation techniques to generate scientific data support to the products.</p> <p>New technologies allowed the Company to have a strong presence in key benefit segments of the Oral Care market viz., Cavity Protection, Gum Health, Tooth Pain Relief, Anti-Sensitivity, Natural Protection and Freshness.</p> |
|---|---|

The details of technology imported by the Company during last three years are as follows:

Technology Imported	Year of Import	Has the technology been fully absorbed?	If not fully absorbed, areas where absorption has not taken place, and reasons thereof
Colgate Cibaca Vedshakti relaunch	2018-19	Yes	Not applicable
Technology for Colgate Cibaca toothpaste	2018-19	Yes	Not applicable
Colgate Total DZA Advanced Health and Colgate Total DZA Charcoal toothpaste	2018-19	Yes	Not applicable
Palmolive Skin Therapy Facial Bar (3 variants)	2018-19	Yes	Not applicable
Plax Mouthwash Relaunch with Freezestorm technology (All variants)	2018-19	Yes	Not applicable
Technology for next generation anticavity toothpaste technology	2018-19	No	Product not yet commercialized
New MaxFresh Red with Freezestorm technology	2017-18	Yes	Not Applicable
Colgate Kids Minions Toothpaste specifically designed for kids	2017-18	Yes	Not Applicable
Colgate Swarna Vedshakti Toothpaste as a premium natural segment Toothpaste	2017-18	Yes	Not Applicable
Technology for Colgate Dental Cream Toothpaste	2017-18	Yes	Not Applicable
Colgate MaxFresh Power Freeze High Impact Flavour Technology	2016-17	Yes	Not Applicable
Colgate Cibaca Vedshakti Toothpaste Herbal Cocktail Technology	2016-17	Yes	Not Applicable
Technology for a High Foaming Formula for Colgate Sensitive Clove Toothpaste	2016-17	Yes	Not Applicable

Details of expenditure on R&D are given below:

		₹ In Lakhs
		Financial year 2018-19
Expenditure on R&D		
Capital		3,18.03
Recurring		6,10.59
Total		9,28.62

C) Foreign Exchange Earnings and Outgo:

During the year, the Company was able to generate export earnings of ₹ 200,72 Lakhs and the Foreign exchange outgo was ₹ 719,09.58 Lakhs.

On behalf of the Board

R.A. Shah
Director
(DIN : 00009851)

I. Bachaalani
Managing Director
(DIN : 06975320)

M.S. Jacob
Whole-time Director & CFO
(DIN : 07645510)

M. Chandrasekar
Whole-time Director
(DIN : 07667965)

Place : Mumbai
Date : May 27, 2019

Disclosure pursuant to Section 197 (12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year is as follows:**

Sr. No.	Name of the Executive Director	Ratio
1.	Mr. I. Bachaalani	95:1
2.	Mr. M. S. Jacob	24:1
3.	Mr. M. Chandrasekar	26:1

Employees for the above purpose include all employees excluding Associates at the manufacturing locations of the Company.

Non-executive Directors:

The Non-executive Independent Directors of the Company are paid only 'Sitting fees' for attending the Meetings of the Board, the Committees including meetings of Independent Directors. They are also paid a fixed Commission of ₹ 10 Lakhs per annum as per the Shareholders approval. The Non-executive Non-Independent Director of the Company does not receive any remuneration from the Company.

- The percentage increase in remuneration of each Executive Director and Key Managerial Personnel in the financial year is as follows :**

Sr. No.	Name of the Executive Director	Approx. increase in percentage in the financial year 2018-19 as compared to the financial year 2017-18 (without earnings from exercise of ESOPs)
1.	Mr. I. Bachaalani (Managing Director)	-5.8%
2.	Mr. M. S. Jacob (Whole-time Director & CFO)	20.8%
3.	Mr. M. Chandrasekar (Whole-time Director)	16.4%
4.	Mr. K. Randhir Singh* (Company Secretary & Compliance Officer)	N.A.

* Being associated as Company Secretary & Compliance Officer of the Company only for part of the financial year 2017-18, hence figures are not comparable with the financial year 2018-19.

- The percentage increase in the median remuneration of employees in the financial year:**

The percentage of increase in the median remuneration of all the Salaried & Clerical (S&C) employees in the financial year 2018-19 was 12.9% as compared to financial year 2017-18.

- The number of permanent employees on the rolls of the Company:**

The number of permanent employees on the rolls of the Company as on March 31, 2019 is 2,305.

- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

In financial year 2018-19 there is an average increase of 5.3% in the fixed remuneration of all the employees (other than the managerial personnel) as compared to increase of 3.6% in the fixed remuneration of all the Executive Directors.

- Affirmation:**

Remuneration paid by the Company to its Executive Directors, Key Managerial Personnel and Senior Management employees is as per the Nomination & Remuneration Policy and other relevant policies of the Company.

On behalf of the Board

I. Bachaalani
Managing Director
(DIN : 06975320)

M.S. Jacob
Whole-time Director & CFO
(DIN : 07645510)

Place : Mumbai

Date : May 27, 2019

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

[Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Colgate-Palmolive (India) Limited
CIN:L24200MH1937PLC002700
Colgate Research Centre, Main Street,
Hiranandani Gardens, Powai,
Mumbai - 400076.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Colgate-Palmolive (India) Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended 31st March 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2019** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Provisions of Overseas Direct Investment and External Commercial Borrowings are not applicable;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not applicable as the Company has not issued any shares during the year under review;
 - e. The Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014) - Not applicable as the Company has not granted any shares/options under the said guidelines/ regulations during the financial year under review;
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the Company has not issued and/or listed any debt securities during the financial year under review;

- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted/ has proposed to delist its equity shares from any stock exchange during the financial year under review;
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back / has proposed to buy-back any of its securities during the financial year under review.
- vi. The Company has identified and confirmed the following laws as being specifically applicable to the Company:
1. The Hazardous Wastes (Management and Handling) Rules 1989;
 2. Factories Act, 1948;
 3. The Drugs and Cosmetics Act, 1940;
 4. The Legal Metrology Act, 2009;
 5. The Legal Metrology (Packaged Commodities) Rules, 2011;
 6. Plastics Waste Management Rules, 2016;
 7. The Legal Metrology (Packaged Commodities) Amendment Rules, 2017;
 8. Local laws as applicable to various offices and plants.

We have also examined compliance with the applicable Clauses/Regulations of the following:

- (i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that based on the review of the compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Company Secretary/ Functional Heads taken on record by the Board of Directors at their meeting(s), we are of the opinion that management has adequate systems and processes placed in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

- As informed, the Company has responded to notices for demands, claims, penalties etc., levied by various statutory/regulatory authorities and initiated actions for corrective measures, wherever found necessary.

We further report that during the audit period, no events/actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. have taken place.

This report is to be read with our letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

For S. N. ANANTHASUBRAMANIAN & CO.

Company Secretaries
Firm Registration No.P1991MH040400

S.N.ANANTHASUBRAMANIAN

PARTNER

FCS: 4206

C.P. No: 1774

Date: 20th May, 2019

Place: Thane

Annexure A

To,
The Members,
Colgate-Palmolive (India) Limited
CIN:L24200MH1937PLC002700
Colgate Research Centre, Main Street,
Hiranandani Gardens, Powai,
Mumbai-400 076

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For S. N. ANANTHASUBRAMANIAN & CO.

Company Secretaries
Firm Registration No.P1991MH040400

S. N. ANANTHASUBRAMANIAN

PARTNER

FCS: 4206

C.P. No: 1774

Date : 20th May, 2019

Place : Thane

Business Responsibility Report

Annexure 6

Colgate-Palmolive (India) Limited ('Colgate' / 'Company') maintains the highest ethical standards in every aspect of its business practices. Maintaining the Company's reputation and nurturing the trust that our consumers and trade partners place in us is of utmost importance. Every year, Colgate invests a considerable amount of time and resources in training employees on the Code of Conduct, Ethics and Compliance and Sustainability, in order to uphold our values. While this is the responsibility of Colgate's employees, it is also strictly applicable to Colgate's suppliers, distributors, clearing and forwarding agents, vendors and other third party associates, as a pre-condition to doing business with Colgate.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24200MH1937PLC002700
2.	Name of the Company	Colgate-Palmolive (India) Limited
3.	Registered address	Colgate Research Centre, Main Street, Hiranandani Gardens, Powai, Mumbai – 400 076, Maharashtra, India
4.	Website	www.colgatepalmolive.co.in
5.	E-mail ID	investors_grievance@colpal.com
6.	Financial Year reported	April 1, 2018 - March 31, 2019
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company's business segment is "Personal Care" (including Oral Care).
8.	List three key products/services that the Company manufactures/provides (as in the Balance Sheet):	i. Toothpaste ii. Toothbrush iii. Mouthwash
9.	Total number of locations where business activity is undertaken by the Company (i) Number of International Locations (ii) Number of National Locations	- None - 8 (Factories, Head Office & Branches)
10.	Markets served by the Company - Local / State / National / International	All

Section B: Financial Details of the Company

(₹ In Lakhs)

1.	Paid up Capital (₹)	27,20
2.	Total Turnover (₹)	4,432,44
3.	Total profit after taxes (₹)	775,57
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%
5.	List of activities in which expenditure in 4 above has been incurred	Kindly refer the Annual CSR Report in Annexure-2 to the Board's Report

Section C: Other Details

1. **Does the Company have any Subsidiary Company/Companies?**
 - The Company does not have any Subsidiary.
2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the Parent Company? If Yes, then indicate the number of such Subsidiary Company(s).**
 - Not applicable.
3. **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If Yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**
 - Yes, the Company shares its ethical business practices, Third Party Code of Conduct and Global Anti-Bribery Policy with its contract manufacturers, warehouse agents, suppliers and other third parties associated with the Company.

Section D: BR Information

1. Details of Director/Directors responsible for Business Responsibility

- a) Details of the Director/ BR Head responsible for implementation of the BR Policy/policies

Sr. No.	Particulars	Details
1.	Name	Mr. I. Bachaalani
2.	DIN Number (if applicable)	06975320
3.	Designation	Managing Director
4.	Telephone number	022 - 6709 5050
5.	e-mail ID	investors_grievance@colpal.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N)

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the well-being of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Questions	Business Ethics	Sustainability	Employees' Well-being	Stakeholders' Welfare	Human Rights	Environment	Regulatory Policy	Equitable Development	Customer Responsibility
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words) #	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director? *	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	#	#	#	#	#	#	#	#	#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	N	N	N	N	N	Y	N	Y

<https://www.colgatepalmolive.com/en-us/core-values/code-of-conduct>

* Colgate has a globally applicable Code of Conduct policy.

2a. If answer to S. No. 1 against any principle, is 'No', please explain why:

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within the next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meets to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**
 - The Committee meets at such frequency as may be deemed necessary to evaluate the BR performance of the Company. Also the Audit Committee of the Company assesses the BR performance on a quarterly basis.
- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
 - The Company publishes the 'information on sustainability' in the Board's Report which forms a part of the Annual Report of the Company. The hyperlink to view the Annual Report is as below:

<http://www.colgateinvestors.co.in/annual-report>

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

Yes, Colgate is committed to dealing legally and ethically in all aspects of business dealings. Colgate's goal is to ensure that Colgate People and the third parties with whom we work reflect the same high ethical standards and demonstrate a commitment to compliance with all applicable laws. Colgate's reputation depends on the conduct of its employees as well as the conduct of its third parties.

Colgate has a stringent anti-bribery policy viz. Global Anti-bribery Policy that recognizes the local anti-bribery laws of the country in which we do business as well as the US Foreign Corrupt Practices Act which has extra-territorial jurisdiction. The Company rigorously follows

the Policy in true letter and spirit without any deviation and expects all of its third party partners to comply with the Global Anti-Bribery Policy as a strict mandate.

Colgate People as well as all third party partners acting on behalf of Colgate or in connection with Colgate business are strictly required to follow the Colgate Global Anti- Bribery Policy in letter and spirit without any deviation. For this purpose, Colgate employees are provided online training on the Policy, its expectations and reporting mechanism on an annual basis. They are also informed on the importance of monitoring its third party/ies engaged on behalf of Colgate from time to time.

In addition to prohibiting bribery of government officials, Colgate also recognizes the importance of sensitizing its employees and third parties against commercial bribery and strictly prohibits from engaging in bribery of private parties.

Colgate has a robust Anti-Bribery Due Diligence process for its Vendors, Suppliers and other stakeholders dealing with the Government or statutory authorities on behalf of the Company, in accordance with its Global Anti-Bribery Policy. Colgate has a zero tolerance for any breach of its Policy.

2. **How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management?**

The Company received 7 (seven) code of conduct complaints during the financial year 2018-19 which was duly investigated and appropriate action was taken. The numbers of complaints under POSH Act and before the Consumer Dispute Redressal Forums are provided in further sections of this report.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**
 - Colgate is committed to improving the sustainability profile of its packaging, through regular evaluation of materials and processes. For example, cartons that have lower thickness contribute to improved biodegradability and recyclability.

- Most of the toothpaste cartons of the Company are made of recycled paper board which can be further re-cycled. Additionally, all shippers are made from recycled paper and can be further recycled.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

We ensure sourcing raw material and packaging material from the suppliers who are located close to our manufacturing facilities. In most of the cases, we source packaging material locally. The secondary and tertiary packaging material has the potential of being reused and recycled

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

We have conducted Water Treasure Hunt initiatives at our manufacturing plants in India. The key objectives of such initiative was to identify, quantify and implement pragmatic water saving ideas and most importantly inculcate the culture of saving water. Through this initiative, the Company has been able to save a considerable amount of water and we continue to make efforts to save water. Along with this initiative, the sensitization to build a 'save water culture' is carried out through various mediums like quiz contests, messages from the leadership and sharing updates with reference to Water.

We also generated funds through a week long initiative of 'Joy of Giving', which supported the cause of safe sanitation for girls in Ashramshalas in the Amravati District of Maharashtra.

Since 2013, we have supported communities in West Bengal and Bihar with water programs with the help of Water for People. Through this initiative we have empowered 1,508 Water User Committees, trained 144 Jalbandhus and Nirmalbandhus with a 50% Women representation and also replenished 757,114,638 Litres of water.

The Company launched a Save Water Cause Campaign in partnership with Metro across their stores in India. Through this campaign, we were able to support communities with piped water connections in one village, and in three schools across three villages in the Amravati District of Maharashtra. The initiative was implemented by the NGO - Water for People, India Trust.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

Most of our plants are situated close to the suppliers of raw material and packaging material suppliers, thereby reducing transportation and carbon emission.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Colgate's 'Enhance Supplier Management' program helps suppliers to improve their quality, efficiencies, productiveness and waste reduction through regular audits, recommendations and an inspection process.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so

Yes, more than 90% of the waste generated during the manufacturing process at the Company's plants is being diverted to recycling. Company has also contracted with a waste management Service Provider entity named NEPRA Environmental Solutions Pvt. Ltd. The said Service Provider is responsible for collection, sorting, processing, and recycling of an uncontaminated multi layered packaging waste. This will help in diverting the Industrial waste towards recycling and co-processing of the waste to avoid landfills.

Also, the containers of our primary packaging material are reused and recycled. Most of the material used for transportation of primary and secondary packaging material is recycled and reused.

Solid waste / sludge from Waste Water Treatment Plants and process waste from the factories located at Sanand, Gujarat; Kundaim, Goa; and Baddi, Himachal Pradesh are sent to cement manufacturing companies which is co-processed to be converted into cement. A small portion of the waste is not environment friendly and is therefore disposed in a controlled manner to government approved Common Hazardous Waste Treatment Storage and Disposal Facility (CHWTSDF).

The goal of the program is to divert all solid waste from landfill, incineration and the environment.

All 4 of our manufacturing sites are TRUE Zero Waste Rating System certified sites from GBCI (Green Business Certification Inc.) and the highest certification status of "Platinum" has been conferred. "Colgate is the first company with TRUE-certified facility in India."

Principle 3: Businesses should promote the well-being of all employees.

Colgate's commitment to caring for people is manifested in the workplace through a variety of programs designed to promote and reward individual and team achievement and specifically in matters of employment:

- It is the policy, practice and aim of Colgate to provide employment opportunities to all qualified persons on an equal basis. The Company does not discriminate against any employee or applicant for employment on the basis of race, religion, disability, ethnicity, marital status or any other characteristic protected by law.
- The Company does not employ / engage child labour.
- It provides training, education and promotion opportunities that permit development and career advancement to the Company's workforce.
- It prohibits sexual harassment by any person in the workplace or while conducting Company's business.
- It provides wellness programs for the employees.
- Free health check-ups are arranged for the employees.

1. Please indicate the Total number of employees:

Total number of employees: 2,305

2. Please indicate the Total number of employees hired on temporary / contractual / casual basis:

The total number of employees hired on temporary / contractual / casual basis: 789

3. Please indicate the Number of permanent women employees:

Number of permanent women employees: 158

4. Please indicate the Number of permanent employees with disabilities:

Number of permanent employees with disabilities: NIL

5. Do you have an employee association that is recognized by management?

There is one union/employee association recognized by the management at Goa Factory.

6. What percentage of your permanent employees is Members of this recognized employee association?

There are 2,305 permanent employees as of March 31, 2019. Of these, about 457 employees are a part of the majority union at Goa Factory. Approximately 19.82% of the permanent employees are Members of this union.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as at the end of the Financial Year.

The Company has not received any complaint relating to child labour, involuntary labour and on discriminatory employment during the financial year 2018-19. Further, during the Year, three complaints under sexual harassment were received and investigated out of which two complaints were resolved by the Internal Complaints Committee. There is only one complaint under investigation at the end of the financial year 2018-19.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees : 100%
- Permanent Women Employees : 100%
- Contractual Manpower : 100%
- Employees with Disabilities : N.A.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders?

Yes, the Company has mapped its internal and external stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company has focused some of its CSR initiatives on the education livelihoods, water and employability linked skill training to less privileged Members of society in urban, rural and tribal geographies. Also, Company supports a program called 'A Positive Step' with an NGO working for the well-being of children infected / affected by HIV. Under the said program, the Company took another step in Knowledge Garden Initiative and launched a mentorship program for senior children who aspire to choose path for their career/life. Other initiatives taken by the Company like its Saksham program are mentioned in the Annual CSR Report forming part of the Board's Report.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The policy for human rights forms part of the Third Party Code of Conduct of the Company. The Third Party Code of Conduct extends to the contract manufacturers, suppliers and other third parties associated with the Company.

Colgate strongly opposes the use of child labour, forced or bonded labour, human exploitation, and all other forms of unacceptable treatment of workers.

2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?

We have not received any complaints regarding human rights in the past financial year.

Principle 6: Business should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

The policy extends to the major third parties associated with the Company through the Third Party Code of Conduct.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If Yes, please give hyperlink for webpage etc

Yes, the Company does have strategies/ initiatives to address global environmental issues. The hyperlink for the same is: <https://www.colgatepalmolive.co.in/core-values/sustainability>

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company identifies and assesses potential environmental risks through the Risk Management Committee of the Company's Board of Directors.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

At present, the Company does not have a project related to Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y / N. If Yes, please give hyperlink for web page etc.

For details kindly refer the **Annexure-3** of the Board's Report for financial year 2018-19 i.e. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the Financial Year being reported?

Yes, the Emissions / Waste generated by the Company are within the permissible limits given by the Central Pollution Control Board / State Pollution Control Board for the financial year 2018-19. In one case there was high TDS (Total Dissolved Solids) at out plant in Sanand i.e. 2190 against limit of 2100.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

We have not received any show cause notice to any of the sites from CPCB / SPCB in the financial year 2018-19.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a Member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is associated / is a Member of the following Associations:

- a) The Advertising Standards Council of India – ASCI
- b) Indian Beauty & Hygiene Association - IBHA
- c) The Associated Chambers of Commerce and Industry of India - ASSOCHAM
- d) American Chamber of Commerce in India – AMCHAM
- e) Confederation of Indian Industry – CII
- f) Bombay Management Association – BMA
- g) Federation of Indian Chambers of Commerce and Industry – FICCI
- h) Bombay Chamber of Commerce and Industry – BCCI
- i) Council for Fair Business Practices - CFBP
- j) Ayurvedic Drug Manufacturer's Association – ADMA

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if Yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).

Although the Company is Member of the Associations, it has not lobbied in the above areas.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If Yes, details thereof

Yes, the Company has programmes / initiatives / projects in pursuit of the policy related to Principle 8. Please refer to Annual CSR Report in **Annexure-2** to the Board's Report for financial year 2018-19.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

The Company has engaged with NGOs / registered non-profit Trusts / Societies that support the aforesaid programs such as NGO - Water for People India Trust, which works towards water availability, accessibility, quality of water, education on hygiene and conservation of water through WASH and Sustainability aspects. The Program with NGO NTP+ supports the education, nutrition and overall personality grooming of the children infected/affected with HIV. NGO SEEDS with their implementation partner helps in empowerment of the less privileged and marginalized youth through employability linked skill development program. Our association with NGO Seva Mandir has supported programs in various domains like education for children, women empowerment and conservation of natural resources for the communities in the tribal and rural areas. Colgate supports NGO Pratham for their initiative "Read India" to support the cause of education. Our Program with NGO Action Aid aims to bring positive impact in the lives of the children, by empowering them with

computer literacy and communication skills. Company through an agency and its direct resources implements 'Bright Smiles & Bright Future' Program and Oral Health Month Program to spread oral hygiene awareness and right brushing techniques for children.

3. Have you done any impact assessment of your initiative?

The NGOs/registered non-profit Trusts/Societies supported by the Company conduct assessment of the impact of the programs /initiatives.

4. What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken?

The details of the community development programs/ projects and CSR expenditure are available in the CSR Report under **Annexure-2** to the Board's Report for financial year 2018-19.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The NGO's collaborate with the communities and make efforts to engage and build sustainability in the programs through this engagement in all of our partnership programs. The details of the community development projects are available in the CSR Report under **Annexure-2** to the Board's Report for financial year 2018-19.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Since the Company's business is consumer products, our success depends upon consumer satisfaction, trust and goodwill. When a consumer expresses dissatisfaction, we address the problem promptly, courteously and fairly, and make every responsible effort to sustain or regain the consumers' goodwill and brand loyalty. The Company believes that the consumer opinions, concerns and inquiries communicated to the Company regarding its products are important sources of information. To further strengthen its customer care system, the Company has set up a call centre at Pune by partnering with Aegis Limited, which acts as a contact centre for our consumers, providing inbound and outbound customer care support. The Company understands consumer needs and delivers world-class products that cater to the evolving needs of consumers. The Company has fair, equitable and transparent terms for all its customers.

1. What percentage of customer complaints / consumer cases is pending as on the end of Financial Year:

As on March 31, 2019, total 7 consumer cases were pending before various consumer courts. All these cases are sub-judice.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).

Yes, the Company displays product information on the product label, over and above what is mandated as per local laws. A few examples are the efficacy of the product, the technology used in the product and the consumer benefits attributed to the product.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of Financial Year? If so, provide details thereof, in about 50 words or so.

Apart from the routine consumer cases mentioned above, there are no pending cases against the Company regarding unfair trade practices or anti-competitive behaviour. The company had received in the normal course, some complaints with respect to its online / TVC commercials through the Advertising Standards Council of India (ASCI). All these routine complaints have been resolved satisfactorily.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Yes, the Company regularly conducts consumer surveys and monitors consumer satisfaction trends.

On behalf of the Board

R.A. Shah
Director
(DIN : 00009851)

I. Bachaalani
Managing Director
(DIN : 06975320)

M.S. Jacob
Whole-time Director & CFO
(DIN : 07645510)

M. Chandrasekar
Whole-time Director
(DIN : 07667965)

Place : Mumbai

Date : May 27, 2019

Independent Auditor's Report

To the Members of Colgate-Palmolive (India) Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Colgate-Palmolive (India) Limited ("the Company"), which comprises of the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics'

issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2019

(a)	Revenue Recognition (as described in note 26 of the financial statements)	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Our audit procedures included, amongst others, assessing the Company's revenue recognition accounting policies including those relating to discounts and rebates for primary and secondary sales. • Obtained an understanding, assessed and tested the operating effectiveness of internal control relating to the identification, recognition and measurement of discounts and rebates for secondary schemes. • Tested on sample basis, the underlying documentation and assumptions, for discount and rebate provisions accrued during the year in relation to secondary sales. • Tested on sample basis, the subsequent claims accounted by the company, to assess the adequacy of accruals outstanding as at year end. • Performed an analysis between historical accrual and actual expenses incurred for the previous periods and carried out an analysis of ageing of outstanding accruals. • We assessed the adequacy of the disclosures in respect of revenue to be disclosed as per Ind AS 115.
(b)	Contingent liabilities / provisions in relation to tax Litigations (as described in note 33 of financial statements)	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputes and disclosures of contingent liabilities in relation to tax litigations. • Obtained details of completed tax assessments and demands issued by tax authorities, from the management.

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2019

		<ul style="list-style-type: none"> • Held discussion with management to understand management's assessment of the quantification and likelihood of significant exposures and the provision required for specific cases. We engaged tax specialists to evaluate the current status of tax assessments and management's position in relation to on-going disputes with regard to likelihood assessment of exposure done by the management. • Assessed the management's estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in relation to tax litigations, in the financial statements.
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Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted

in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended the Companies (Indian Accounting Standards) Amendment Rules, 2018. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2019

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2019

in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and 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 it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended the Companies (Indian Accounting Standards) Amendment Rules, 2018;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the

operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 27, 2019

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2019

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF COLGATE – PALMOLIVE (INDIA) LIMITED

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to information and explanations given by the management the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 of the Companies Act 2013 are applicable and hence not commented upon.
- In respect of loans and advances given provisions of section 186 of the Companies Act 2013 have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company. Accordingly, not commented upon.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities except in respect of profession tax where there were slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise and cess on account of any dispute, are as follows:

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2019

Income Tax				
Sr. No.	Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (₹ Lakhs)
1	Income Tax Act, 1961	2011-12, 2012-13, 2013-14 and 2014-15	Income Tax Appellate tribunal	344,25.55
		2006-07 and 2007-08	First Appellate Authority	42.75
		1996-1997 to 2000-2001	High Court	11,00.21
Sales Tax				
Sr. No.	Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (₹ Lakhs)
1)	Statute applicable in Maharashtra, Uttar Pradesh	1993-94 and 2004-05	High court	51.86
2)	Statute applicable in Uttar Pradesh, Andhra Pradesh, Kerala, Rajasthan, Uttaranchal, Delhi, Tripura, West Bengal, Bihar, Odisha, Assam, Maharashtra, Gujrat, Karnataka, Jharkhand, Goa and Haryana	1987-88, 1995-96, 1996-97, 1998-99, 2000-01, 2001-02, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16	Assessing authorities and First Appellate Authorities of various states	11,16.78
3)	Statute applicable in Uttar Pradesh, Andhra Pradesh, Kerala, West Bengal, Bihar, Odisha and Karnataka	1987-88, 1990-91, 1995-96, 1996-97, 1997-98, 1999-00, 2000-01, 2001-02, 2003-04, 2011-12, and 2013-14	Sales Tax Appellate Tribunal of various States	2,36.34
Service Tax				
Sr. No.	Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (₹ Lakhs)
1	Service Tax (Finance Act , 1994)	2005-06 and 2006-07	High Court	9,39.73
		2002-03 and 2007-08	Customs, Excise and Service Tax Appellate Tribunal	72.84
		2001-02, 2002-03 and 2004-05 and 2002-03 to 2009-2010	First appellate authorities	71.00
Excise Duty				
Sr. No.	Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (₹ Lakhs)
1	The Central Excise Act, 1944	Excise duty liability	Customs, Excise and Service Tax Appellate Tribunal	19,60.19
		1994-95, 2000-2003, 2006-2011 and June 2014 to June 2017		
		1998-1999 to 1999-2000, 2000-01 to 2004-05, 2009-10, 2011-12 to 2015-16	First appellate authorities	8,74.39

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2019

- viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year. Accordingly, not commented upon.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans. Hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013. Accordingly, not commented upon.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 27, 2019

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2019

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF COLGATE-PALMOLIVE (INDIA) LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Colgate-Palmolive (India) Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2019

or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: May 27, 2019

Balance Sheet as at March 31, 2019

	Note	As at March 31, 2019 ₹ Lakhs	As at March 31, 2018 ₹ Lakhs
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3(A)	1,190,85.12	1,145,91.23
Capital Work-in-Progress	3(B)	198,70.35	158,57.57
Other Intangible Assets	3(C)	-	-
Financial Assets			
(i) Investments	4	31,15.16	31,15.54
(ii) Loans	5	2,69.83	3,06.40
(iii) Others	6	14,31.70	23,06.20
Other Non-Current Assets	7	28,28.40	39,21.18
Current Tax Assets (Net)	32(d)	150,31.88	102,15.70
		<u>1,616,32.44</u>	<u>1,503,13.82</u>
Current Assets			
Inventories	8	248,57.37	226,70.55
Financial Assets			
(i) Trade Receivables	9	209,78.64	201,03.24
(ii) Cash and Cash Equivalents	10	377,99.83	305,38.96
(iii) Bank Balances [other than (ii) above]	11	21,35.37	150,77.18
(iv) Loans	12	114,96.42	90,58.27
(v) Others	13	6,47.14	6,69.50
Other Current Assets	14	31,01.09	79,54.24
		<u>1,010,15.86</u>	<u>1,060,71.94</u>
		<u>2,626,48.30</u>	<u>2,563,85.76</u>
Total Assets			
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	27,19.86	27,19.86
Other Equity	16	1,419,55.46	1,497,40.83
Total Equity		<u>1,446,75.32</u>	<u>1,524,60.69</u>
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	17	77,71.09	-
(ii) Other Financial Liabilities	18	1,18.13	1,33.13
Provisions	19	18,36.91	19,09.96
Deferred Tax Liabilities (Net)	20	30,86.86	35,51.84
Other Non-Current Liabilities	21	49.52	51.22
		<u>128,62.51</u>	<u>56,46.15</u>
Current liabilities			
Financial Liabilities			
(i) Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises	22	6,02.11	3,79.50
- Total outstanding dues of creditors other than micro enterprises and small enterprises		607,16.09	616,50.27
(ii) Other Financial Liabilities	23	219,76.72	158,22.44
Other Current Liabilities	24	103,43.78	96,56.33
Provisions	25	63,88.36	60,34.63
Current Tax Liabilities (Net)	32(e)	50,83.41	47,35.75
		<u>1,051,10.47</u>	<u>982,78.92</u>
		<u>1,179,72.98</u>	<u>1,039,25.07</u>
		<u>2,626,48.30</u>	<u>2,563,85.76</u>
Total Liabilities			
Total Equity and Liabilities			
Significant accounting policies	1B		

The accompanying notes are an integral part of these financial statements.

In terms of our report of even date.

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003

Jayesh Gandhi

Partner

Membership Number - 037924

Mumbai, May 27, 2019

For and on behalf of the Board of Directors

R. A. Shah

Vice-Chairman

(DIN : 00009851)

M. S. Jacob

Whole-time Director &

Chief Financial Officer

(DIN : 07645510)

Mumbai, May 27, 2019

I. Bachaalani

Managing Director

(DIN : 06975320)

K.R. Singh

Company Secretary

(F-6621)

Statement of Profit and Loss for the year ended March 31, 2019

			Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
	Note	₹ Lakhs		
Revenue from contracts with customers	26		4,462,43.18	4,328,42.44
Other Income	27		37,65.54	37,47.28
Total Income			4,500,08.72	4,365,89.72
Expenses				
Cost of Materials Consumed [Refer Note 34B]		1,328,47.32		1,187,62.20
Purchases of Stock-in-Trade		254,58.22		284,42.88
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	(24,47.67)		16,67.98
Excise Duty		-		140,44.65
Employee Benefits Expense	29	295,90.34		305,93.49
Finance Costs	30	2,49.53		-
Depreciation and Amortisation Expense	3A	159,16.83		156,51.00
Other Expenses	31	1,371,89.16		1,279,59.30
Total Expense			3,388,03.73	3,371,21.50
Profit Before Exceptional Item and Tax			1,112,04.99	994,68.22
Exceptional Items	43		(30,50.52)	11,65.07
Profit Before Tax			1,142,55.51	983,03.15
Tax Expense:	32			
Current Tax [Net of prior period reversals ₹ 32,66.31 Lakhs (Previous Year: ₹ 34,49.94 Lakhs)]		371,68.69		302,18.54
Deferred Tax	20	(4,70.06)		7,47.12
Total Tax Expense			366,98.63	309,65.66
Profit for the year			775,56.88	673,37.49
Other Comprehensive Income (net of Tax)				
Items that will not be reclassified to Profit and Loss				
Re-measurement (gains) on defined benefit plans			(14.72)	(1,64.59)
Tax adjustment on above	20		5.09	56.96
Re-measurement (gains) on defined benefit plans (Net of tax)			(9.63)	(1,07.63)
Total Comprehensive Income			775,66.51	674,45.12
Earnings Per Equity Share attributable to the Owners of the Company (Rupees)	36			
[Face Value of Re. 1 per Equity Share]				
Basic and Diluted			28.52	24.76
Significant accounting policies	1B			

In terms of our report of even date.

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003

Jayesh Gandhi

Partner

Membership Number - 037924

Mumbai, May 27, 2019

For and on behalf of the Board of Directors

R. A. Shah

Vice-Chairman

(DIN : 00009851)

M. S. Jacob

Whole-time Director &

Chief Financial Officer

(DIN : 07645510)

Mumbai, May 27, 2019

I. Bachaalani

Managing Director

(DIN : 06975320)

K.R. Singh

Company Secretary

(F-6621)

Statement of Changes in Equity as at March 31, 2019

	Number of shares (in Lakhs)	Amount (₹ Lakhs)
(A) Equity Share Capital (Note 15)		
As at April 1, 2017	27,19.86	27,19.86
Increase / (Decrease) during the year	-	-
As at March 31, 2018	27,19.86	27,19.86
Increase / (Decrease) during the year	-	-
As at March 31, 2019	27,19.86	27,19.86

(B) Other Equity						₹ Lakhs
Particulars	Reserves and Surplus					Total
	Securities Premium	General Reserve	Share Options Outstanding Account	Retained Earnings		
Balance as at April 1, 2017	12,79.93	384,37.13	5,60.98	843,81.81		1,246,59.85
Profit for the year	-	-	-	673,37.49		673,37.49
Other Comprehensive Income	-	-	-	1,64.59		1,64.59
Tax Adjustment on Other Comprehensive Income	-	-	-	(56.96)		(56.96)
Total Comprehensive Income for the year	-	-	-	674,45.12		674,45.12
Dividend paid (including dividend distribution tax) (Refer Note 16 (iv))	-	-	-	(425,56.23)		(425,56.23)
Employee stock option expense (Refer Note 38(c))	-	-	9,41.64	-		9,41.64
Transferred to Retained Earnings for employees transferred during the year	-	-	(1,62.38)	1,62.38		-
Employee stock option exercised during the year	-	-	(9,22.27)	-		(9,22.27)
Tax Adjustment on Employee stock option [Refer Note 32 (c)]	-	-	1,72.72	-		1,72.72
Balance as at March 31, 2018	12,79.93	384,37.13	5,90.69	1,094,33.08		1,497,40.83
Profit for the year	-	-	-	775,56.88		775,56.88
Other Comprehensive Income	-	-	-	14.72		14.72
Tax Adjustment on Other Comprehensive Income	-	-	-	(5.09)		(5.09)
Total Comprehensive Income for the year	-	-	-	775,66.51		775,66.51
Dividend paid (including dividend distribution tax) (Refer Note 16 (iv))	-	-	-	(852,52.19)		(852,52.19)
Employee stock option expense (Refer Note 38 (c))	-	-	8,06.77	-		8,06.77
Transferred from Share Options Outstanding account for employees transferred during the year	-	-	(1,08.99)	1,08.99		-
Employee stock option exercised during the year	-	-	(11,05.36)	-		(11,05.36)
Tax Adjustment on Employee stock option [Refer Note 32 (c)]	-	-	1,98.90	-		1,98.90
Balance as at March 31, 2019	12,79.93	384,37.13	3,82.01	1,018,56.39		1,419,55.46

Significant accounting policies (Refer Note 1B)

The accompanying notes are an integral part of these financial statements.

In terms of our report of even date.

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003

Jayesh Gandhi

Partner

Membership Number - 037924

Mumbai, May 27, 2019

For and on behalf of the Board of Directors

R. A. Shah

Vice-Chairman

(DIN : 00009851)

I. Bachaalani

Managing Director

(DIN : 06975320)

M. S. Jacob

Whole-time Director &

Chief Financial Officer

(DIN : 07645510)

Mumbai, May 27, 2019

K.R. Singh

Company Secretary

(F-6621)

Cash Flow Statement for the year ended March 31, 2019

	Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
Cash flow from Operating Activities:		
Profit before Exceptional Item and Tax	1,112,04.99	994,68.22
Adjustment for:		
Unrealised Foreign Exchange (Gain) (Net)	(1,21.76)	(22.47)
Depreciation and Amortisation Expenses	159,16.83	156,51.00
Lease Rentals received	(2,36.25)	(1,96.88)
Net (gain)/loss on disposal of property, plant and equipment	(9.19)	16.59
Interest Income On Financial Assets at Amortized Cost	(28,91.33)	(27,25.35)
Finance charges payable under finance lease	1,68.22	-
Bad Debts Written Off and Provision for doubtful debts	4,06.87	68.62
Interest income from Unwinding of discount on security deposits	(4,49.19)	(1,76.85)
Employee share-based payment expense	8,06.77	9,41.64
Operating Profit before Working Capital Changes	1,247,95.96	1,130,24.52
Adjustment for (Increase)/Decrease in Working Capital:		
(Increase)/ decrease in Inventories	(21,86.82)	65,84.55
(Increase)/decrease in Financial Assets	128,80.35	(125,05.83)
(Increase)/ decrease in Other Assets	42,30.30	(10,46.53)
Increase/ (decrease) in Financial Liabilities	(6,01.84)	23,24.67
Increase/ (decrease) in Other Liabilities and Provisions	6,20.11	(42,46.18)
Cash Generated from Operations	1,397,38.06	1,041,35.20
Direct Taxes Paid (Net)	(414,38.31)	(347,42.03)
Net Cash Generated from Operating Activities (A)	982,99.75	693,93.17
Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(138,80.52)	(208,92.40)
Proceeds from disposal of Property, Plant and Equipment	34,58.38	21.87
Proceeds from disposal of Current Investments	0.38	0.22
Lease Rentals received	2,36.25	1,73.64
Investment in Inter Corporate and Bank Deposits	(23,05.35)	(2732.41)
Interest Received	29,20.13	26,95.27
Net Cash used in Investing Activities (B)	(95,70.73)	(207,33.81)
Cash Flow from Financing Activities:		
Payment of Finance lease obligation	(12,05.00)	-
Dividends Paid	(646,21.86)	(298,56.48)
Dividend Distribution Tax Paid	(145,35.93)	(71,98.09)
Employee share-based payments	(11,05.36)	(9,22.27)
Net Cash used in Financing Activities (C)	(814,68.15)	(379,76.84)
Net increase in Cash and Cash Equivalents (A+B+C)	72,60.87	106,82.52
Cash and Cash Equivalents at the beginning of the year	305,38.96	198,56.44
Cash and Cash Equivalents at the end of the year [Refer Note 10]	377,99.83	305,38.96

Cash Flow Statement for the year ended March 31, 2019 (Contd.)

Cash and Cash Equivalents comprise :

	Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
Bank Balances in:		
Current Accounts	61,46.60	23,69.29
Deposit Accounts (with less than 3 months original maturity)	316,53.23	281,69.67
Cash and Cash Equivalents as at the end of the year	377,99.83	305,38.96
Movement in liabilities arising from financing activities		
1) Dividend		
Unpaid Dividend as at beginning of the year	150,02.91	95,01.25
Dividend Declared	707,16.26	353,58.14
Dividend Paid	(646,21.86)	(298,56.48)
Unpaid Dividend as at year end (Refer Note 23)	210,97.31	150,02.91
2) Payment of Finance lease obligation		
Finance lease obligation outstanding as at beginning of the year	-	-
Present Value of Finance lease obligation	93,51.01	-
Finance charges payable under finance lease	1,68.22	-
Payment of Finance lease obligation	(12,05.00)	-
Finance lease obligation outstanding as at year end	83,14.23	-
Breakup of Finance lease obligation		
Long term maturities of finance lease obligations (Refer Note 17)	77,71.09	-
Current maturities of finance lease obligations (Refer Note 23)	5,43.13	-
	83,14.22	-

Notes:

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

In terms of our report of even date.

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003

Jayesh Gandhi

Partner

Membership Number - 037924

Mumbai, May 27, 2019

For and on behalf of the Board of Directors

R. A. Shah

Vice-Chairman

(DIN : 00009851)

M. S. Jacob

Whole-time Director &

Chief Financial Officer

(DIN : 07645510)

Mumbai, May 27, 2019

I. Bachaalani

Managing Director

(DIN : 06975320)

K.R. Singh

Company Secretary

(F-6621)

Notes to the Financial Statements for the year ended March 31, 2019

1A. Background:

Colgate-Palmolive (India) Limited is a subsidiary of Colgate-Palmolive, USA and a listed Company in India. The Company was incorporated on September 23, 1937 under the provisions of The Companies Act. The registered office of the company is located at Colgate Research Center, Main street, Hiranandani Gardens, Powai, Mumbai – 400076. Its shares are listed on two recognised stock exchanges in India. The Company is engaged in manufacturing/trading of toothpaste, tooth powder, toothbrush, mouth wash and personal care products. These financial statements for the year ended March 31, 2019 were approved by the Board of Directors on May 27, 2019.

1B. Significant Accounting Policies:

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

i. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] (as amended from time to time) and other relevant provisions of the Act.

ii. Historical Cost Convention

These financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below:

- Certain financial assets and liabilities are measured at fair value;
- Defined Benefit Plans - plan assets measured at fair value;
- Share-Based payments; and
- Assets held for sale – measured at lower of cost and fair value less costs to sell

iii. Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

Notes to the Financial Statements for the year ended March 31, 2019

(b) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Company's functional and presentation currency.

ii. Transactions and balances

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

(c) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items including capital spares which are identified as a part of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Capital Work-In-Progress

Cost and direct expenses incurred for construction of assets or assets to be acquired, which are not ready to use in the manner intended by the management are disclosed under capital work in progress.

Depreciation methods, estimated useful lives and residual value

The useful lives of the assets are based on technical estimates approved by the Management, and are lower than or same as the useful lives prescribed under schedule II to the Companies Act, 2013 in order to reflect the period over which depreciable assets are expected to be used by the Company. Depreciation is calculated on a pro-rata basis on the straight line method so as to write-down the cost of property, plant and equipment to its residual value systematically over its estimated useful life based on useful life of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013 except in case of following assets, wherein based on internal assessment and technical evaluation, a different useful life has been determined.

Asset Class	Useful Life
Residential and Office Buildings	40 years
Factory Buildings	20 years
Plant and Equipment (Including Finance lease)	7 to 15 years
Dies and Moulds (included in Plant and Equipment)	3 years
Furniture and Fixtures	5 years
Office Equipment (including Computer Servers)	5 years

Notes to the Financial Statements for the year ended March 31, 2019

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

(d) Leases

As a Lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(e) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Investment properties are depreciated using the straight-line method over their estimated useful lives which is 40 years.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(f) Intangible assets

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment loss, if any.

Amortisation

Intangible assets comprise of Goodwill, Trademarks, Copyright and Technical Know-how. Intangible assets (other than Goodwill) are amortised over the useful life of assets, not exceeding 10 years.

The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Expenditure on research is recognized as an expense when it is incurred. Development costs of products are also charged to the Statement of Profit and Loss

Notes to the Financial Statements for the year ended March 31, 2019

unless all the criteria for capitalization have been met by the Company. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

(g) Impairment of non-financial assets

At each balance sheet date, the Company reviews whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the recoverable amount of its asset's other than inventory and deferred tax. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is determined as higher of the asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (cash generating unit). Assessment is done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting period may no longer exist or may have decreased. An impairment loss is reversed to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

(h) Inventories

Inventories of raw and packing materials, stores, work-in-progress, finished goods

and stock in trade are valued at lower of cost and net realisable value.

- Cost is determined using standard cost method that approximates actual cost.
- Cost of work-in-progress and finished goods includes materials, labour and manufacturing overheads and other costs incurred in bringing the inventories to their present location and condition.

Spares that do not qualify to be recognized as Property, Plant and equipment are included in stores and spares.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost net of any expected credit losses, if any. The Company provides for expected credit losses based on the probability of defaults that are possible over the life of the asset.

(j) Cash and Cash equivalents

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, a sale is considered highly probable and is expected to qualify for recognition as a completed sale within one year from the

Notes to the Financial Statements for the year ended March 31, 2019

date of classification. They are measured at the lower of their carrying amount and fair value less costs to sell except for assets such as deferred tax assets, assets arising from employee benefits financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognized.

Assets classified as held for sale are presented separately from the other assets in the balance sheet under "Other Current Assets". The liabilities for assets held for sale are presented separately from other liabilities in the balance sheet.

(I) Financial Assets:

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, except in the case of financial assets not recorded at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed through the Statement of Profit and Loss.

ii. Subsequent measurement

For purposes of subsequent measurement, the Company classifies its financial assets

in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Financial Statements for the year ended March 31, 2019

Fair value through Other Comprehensive Income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through Profit or Loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through Profit or Loss is recognised in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

iii. Derecognition

A financial asset is derecognised only when:

- the rights to receive cash flows from the financial asset have expired, or
- the Company has transferred its rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows to one or more recipient

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial

asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset. Expected credit losses are recognized for all financial assets subsequent to initial recognition.

(m) Financial Liabilities

i. Classification as liability or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii. Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit or loss.

iii. Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv. Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Notes to the Financial Statements for the year ended March 31, 2019

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are usually unsecured. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value.

Provisions

The Company recognises a provision when there is a present legal or constructive obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liability

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

(n) Revenue from contract with customer

i. Sale of goods

The Company's revenue contracts represent a single performance obligation to sell its products to trade customers. Sales are recorded at the time control of the products is transferred to trade

customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for the products. Control is the ability of trade customers to direct the use of and obtain the benefit from our products. In evaluating the timing of the transfer of control of products to trade customers, the Company considers transfer of significant risks and rewards of products and the probability of flowing of future economic benefit to the Entity as per the terms of the Contract which usually coincide with the delivery of the goods.

Sales are recognized at the fair value of the consideration that can be reliably measured reduced by variable consideration. Variable consideration includes sales returns, trade discounts, volume based incentives, cost of promotional programs, indirect taxes as may be applicable.

The Company provides volume based incentives to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Incentives are offset against amounts payable by the customer. To estimate & recognize a liability for the incentives, the Company applies methods which best predicts the amount of incentive and is primarily driven by the number of volume thresholds contained in the contract. The volume incentive is estimated at contract inception and recognized when it is highly probable that significant revenue reversal will not occur.

Company's contracts with trade customers do not have significant financing components or non cash consideration and the Company does not have unbilled revenue or significant amounts of prepayments from customers.

The company pays sales commission to its employees for contract that they obtain for sales of goods and immediately expensed out sales commissions (included under employee benefits).

Notes to the Financial Statements for the year ended March 31, 2019

Contract balances

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligation to transfer goods or services under the contract.

Trade receivables

Refer to Note (i) under Significant Accounting Policies.

ii. Service Income

Service Income is recognised on cost plus basis as per the terms of the contract with customers, as and when the service is performed.

iii. Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

iv. Rental income

Rental income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The

respective leased assets are included in the balance sheet based on their nature.

(o) Employee Benefits

i. Short Term Employee Benefits

Liabilities for salaries, wages and performance incentives including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the Balance Sheet.

ii. Long term employee Benefits

• Defined Contribution Plans

Provident Fund, Superannuation Fund and Employee's State Insurance:

The Company has Defined Contribution Plans for its employees such as Provident Fund, Superannuation Fund, Employee's State Insurance etc. and contribution to these plans are charged to the Statement of Profit and Loss as incurred, as the Company has no further obligation beyond making the contributions.

• Defined Benefit Plans

Gratuity:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The benefits are discounted using the

Notes to the Financial Statements for the year ended March 31, 2019

market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the Statement of changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit and loss as past service cost. Remeasurments are not reclassified to profit or loss in subsequent periods.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Provident Fund:

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest as per the notified rate. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year. Measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the Statement of changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or

curtailments are recognised immediately in the Statement of profit and loss as past service cost. Remeasurments are not reclassified to profit or loss in subsequent periods.

Pension:

The Company provides for retirement/post-retirement benefits for certain employees in the form of Pension (Non-funded) which are in the nature of Defined Benefit Plans. Such benefits are provided for on the basis of an independent actuarial valuation done at the year-end using Projected Unit Credit Method. Measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the Statement of changes in Equity and in the Balance Sheet. Remeasurments are not reclassified to profit or loss in subsequent periods.

• Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year and are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Notes to the Financial Statements for the year ended March 31, 2019

- **Voluntary Retirement Scheme:**

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

- iii. **Share based Payments**

The Company does not provide any equity-based compensation to its employees. However, the parent Company, Colgate Palmolive Company, U.S.A. ("the grantor") maintains equity incentive plans that provide for the grant of stock-based awards to its executive directors and certain categories of officers and employees. The 2009 Executive Incentive Compensation Plan and 2013 Incentive Compensation Plan ("Incentive Plan") provides for the grant of non-qualified and incentive stock options, as well as restricted stock units which are together referred to as employee stock options. Exercise prices in the case of non-qualified and incentive stock options are not less than the fair value of the underlying common stock of the grantor on the date of grant.

A stock option gives an employee, the right to purchase shares of Colgate Palmolive Company common stock at a fixed price for a specific period of time. Stock options generally have a term of six years and vest over three years.

A restricted stock unit (RSU) provides an employee with a share of Colgate Palmolive Company common stock upon vesting. Restricted stock units vest in annual installments generally over a period of three years. Dividends will accrue with each restricted stock unit award granted subsequent to grant date.

Employee Stock Options (ESOPs') issued by the parent entity are accounted for as equity-settled as the Company has no obligation to settle the share-based payment transaction and also the shares are of parent Company.

Company recognises the expense over the vesting period, which is the period over

which all of the specified vesting conditions are to be satisfied, as determined on the grant date, based on the fair value of the options/RSUs. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Profit and Loss, with a corresponding adjustment to equity.

In case where there is a clear link between the recharge from the parent company and the expense, Company will account the recharge as capital distribution even if the amount of recharge is more than the expense recognised over the vesting period (as the recharge is based on the intrinsic value).

In case where the employee has not served the Company during the vesting period and for which they get the debit note from parent, the cost will be debited to management recharge expense.

Further, where the management recharge is not expected from the parent entity as the employee has been relocated to another group company i.e. the employee is not expected to render future services to the Company at the time of exercise of option, the Company transfers the proportionate amount of share options outstanding account related to such employees to Retained Earnings, after taking into consideration the probability of employees re-locating back to the Company.

- (p) **Income Tax**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with prevailing income tax law.

- **Current Tax**

Current tax assets and current tax liabilities are offset when there is a

Notes to the Financial Statements for the year ended March 31, 2019

legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

- **Deferred Tax**

Deferred tax is recognised for all the deductible temporary differences by using the liability method, only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered

(q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating

Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and Finance Director of the Company. The Company has identified 'Personal Care (including Oral Care)' as its only primary reportable segment, which primarily includes products such as Soaps, Cosmetics and Toilet Preparations.

(r) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

(s) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(t) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Earnings Per share

i. Basic Earnings per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Notes to the Financial Statements for the year ended March 31, 2019

ii. Diluted Earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2. Critical accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 29)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 3)
- Estimation of taxes (Note 20 and 32)
- Estimation of impairment of trade receivables (Note 9)
- Estimation of provision and contingent liabilities (Note 25 and 33)
- Estimation of Share based payments to employees (Note 38)

- Estimation of variable consideration in respect of revenue recognition (Refer Note 1B(n) and Note 26)

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

2A. Recent accounting pronouncements:

Standards issued but not yet effective

Ind AS 116 Leases

Ind AS 116 was issued on March 30, 2019 and it replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Notes to the Financial Statements for the year ended March 31, 2019

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

Ind AS 116, which is effective for annual periods beginning on or after 1 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Company plans to adopt Ind AS 116 with modified retrospective method ie. no change to

prior period financial statements and will apply the standard to contracts or arrangements that were previously identified as leases applying Ind AS 17.

The Company elects to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

The Company is evaluating the requirements of the new standard and assessing the impact on the financial statements.

Notes to the Financial Statements for the year ended March 31, 2019

Note 3 (A) (I) : Property, Plant and Equipment

₹ Lakhs

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	Cost as at April 1, 2018	Additions	Disposals/ Transfers	As at March 31, 2019	As at April 1, 2018	Depreciation for the year	Disposals/ Transfers	As at March 31, 2019	As at March 31, 2019
Land- Leasehold [Refer Note (i) below]	77,86.18	1.31	-	77,87.49	2,27.79	83.41	-	3,11.20	74,76.29
Buildings [Refer Note (ii) and (iv) below]	407,81.57	6,71.01	1.21	414,51.37	56,15.78	21,97.53	0.30	78,13.01	336,38.36
Plant and Equipment (Owned)	991,90.78	98,51.93	233.15	1,088,09.56	310,11.75	119,77.37	1,97.94	427,91.18	660,18.38
Plant and Equipment (On Lease)	-	93,51.01	-	93,51.01	-	2,33.78	-	2,33.78	91,17.23
Furniture and Fixtures	24,32.12	1,18.79	4.78	25,46.13	15,59.56	7,68.32	3.28	23,24.60	2,21.53
Office Equipment	43,60.96	4,54.29	0.87	48,14.38	15,45.50	6,56.42	0.87	22,01.05	26,13.33
Total Assets	1,545,51.61	204,48.34	240.01	1,747,59.94	399,60.38	159,16.83	2,02.39	556,74.82	1,190,85.12
Capital Work-in-Progress [Refer Note 3 B below]									198,70.35

- (i) Land - Leasehold includes lease rights in respect of the land in the possession of the Company under Lease with Industrial Area Development Agency at Baddi, Goa Industrial Development Corporation at Goa and Sri city (P) Limited at Sricity, Andhra Pradesh, Gujarat Industrial Development Corporation (GIDC) at Sanand.
- (ii) Buildings include : (a) Factory Building at Sewri and leasehold rights in the land on which the building stands. While the ownership of the Factory Building is in the name of the Company, the 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 stamp duty and legal costs for such transfer will be capitalised when paid, (b) Research Centre at Powai, Mumbai, (c) Factory Building at Baddi, (d) Factory Buildings at Goa, (e) Factory Buildings at Sanand and (f) Factory Building at Sricity.
- (iii) Refer to Note 34 (A) for disclosures of contractual commitments for the acquisition of property, plant and equipment.
- (iv) Buildings include investment property with net carrying value of ₹ 2,39.25 lakhs (March 31, 2018 : ₹ 2,51.82 lakhs) and fair value of ₹ 34,65 lakhs (March 31, 2018 : ₹ 34,00 lakhs). Fair value is determined based on an annual evaluation performed by an accredited external independent valuer using discounted cashflow method. The significant unobservable inputs considered includes estimated rental value per sq.ft per month ₹ 120/- to ₹ 170/-, growth rate p.a 5%, discount rate 12%. The rental income and depreciation expense for the year ended March 31, 2019 are ₹ 2,36.25 lakhs (March 31, 2018 : ₹ 1,96.88 lakhs) and ₹ 12.56 lakhs (March 31, 2018 : ₹ 12.56 lakhs) respectively. (Refer Note 34 B (ii)).
- (v) During the year the Company has acquired plant and equipments amounting to ₹ 93,51.01 lakhs on finance lease. The carrying value of the same is ₹ 91,17.23 lakhs (March 31, 2018- Nil)
- (vi) The Company has revised useful life of certain assets basis technical reassessment by the Company from 9.58 years to 15 years. Had the Company continued with the previously adopted useful life of these assets depreciation charge for the year ended March 31, 2019 would be higher and the net profit before tax would have been lower by ₹ 4,36 lakhs.

Notes to the Financial Statements for the year ended March 31, 2019

₹ Lakhs

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	Cost as at April 1, 2017	Additions	Disposals/ Transfers	As at March 31, 2018	As at April 1, 2017	Depreciation for the year	Disposals/ Transfers	As at March 31, 2018	As at March 31, 2018
Land- Leasehold [Refer Note (i) below]	75,21.37	2,64.81	-	77,86.18	1,45.92	81.87	-	2,27.79	75,58.39
Buildings [Refer Note (ii) and (iv) below]	348,20.85	59,60.72	-	407,81.57	35,26.03	20,89.75	-	56,15.78	351,65.79
Plant and Equipment	870,78.55	121,92.72	80.49	991,90.78	188,94.43	121,60.37	43.05	310,11.75	681,79.03
Furniture and Fixtures	18,58.41	5,77.19	3.48	24,32.12	8,23.55	7,38.48	2.47	15,59.56	8,72.56
Office Equipment	38,86.57	4,74.39	-	43,60.96	9,64.97	5,80.53	-	15,45.50	28,15.46
Total Assets	1,351,65.75	194,69.83	83.97	1,545,51.61	243,54.90	156,51.00	45.52	399,60.38	1,145,91.23
Capital Work-in-Progress [Refer Note 3 B below]									158,57.57

(i) Bifurcation of original gross and net carrying amount of Property, Plant and Equipment:

Particulars	As at March 31, 2018			As at March 31, 2019		
	Gross Carrying Value	Accumulated Depreciation	Net Carrying Amount	Gross Carrying Value	Accumulated Depreciation	Net Carrying Amount
Land- Leasehold	79,25.37	3,66.98	75,58.39	79,26.68	4,50.39	74,76.29
Buildings	467,66.19	116,00.40	351,65.79	474,35.31	137,96.95	336,38.36
Plant and Equipment	1,260,75.64	578,96.61	681,79.03	1,355,52.88	695,34.50	660,18.38
Plant and Equipment (On Lease)	-	-	-	93,51.01	2,33.78	91,17.23
Furniture and Fixtures	36,36.29	27,63.73	8,72.56	37,21.04	34,99.51	2,21.53
Office Equipment	63,62.58	35,47.12	28,15.46	67,84.46	41,71.13	26,13.33
Total Assets	1,907,66.07	761,74.84	1,145,91.23	2,107,71.38	916,86.26	1,190,85.12

Note 3 (B) : Capital Work-in-Progress

Capital Work-in-Progress movement during the year

Particulars	As at March 31, 2018	As at March 31, 2019
Opening	166,59.11	158,57.57
Add - Addition during the year	186,68.29	151,10.11
Less - Capitalised during the year	194,69.83	110,97.33
Closing	158,57.57	198,70.35

Capital Work-in-Progress includes ₹ 185 lakhs (March 31, 2018 - ₹ 3,48.84 lakhs) being salary of ₹ 1,36.36 lakhs (March 31, 2018 - ₹ 1,69.16 lakhs) and other expenses of ₹ 48.64 lakhs (March 31, 2018 - ₹ 1,79.68 lakhs) incurred towards capital projects. Salary and other expenses disclosed in Note 29 and Note 31 respective are net of amounts included in CWIP.

Note 3 (C): Intangible Assets

The Gross carrying value of intangible assets of ₹ 90,66.41 lakhs have been fully depreciated and the carrying value as at March 31, 2019 is Nil. (March 31, 2018 - Nil)

Notes to the Financial Statements for the year ended March 31, 2019

	As at March 31, 2019 ₹ Lakhs	As at March 31, 2018 ₹ Lakhs
Note 4: Non-Current Investments		
Investment in Bonds at amortised cost (Unquoted):		
1,200 6.70% (Tax-Free) Indian Railway Finance Corporation Bonds (Series-68B) of face value of ₹ 100,000 each	12,53.52	12,53.52
800 7.51% (Tax- Free) Secured, Redeemable, Non-Convertible Bonds of Power Finance Corporation Limited (Series-79A) of face value of ₹ 100,000 each	8,27.49	8,27.65
99,675 8.20% (Tax-Free) Secured, Redeemable, Non-Convertible Bonds of Power Finance Corporation Limited (Series-I) of face value of ₹ 1000 each	10,34.15	10,34.37
	<u>31,15.16</u>	<u>31,15.54</u>
Note 5: Non-Current Loans		
<i>Secured and Considered Good</i>		
Loans to Employees	2,69.83	3,06.40
	<u>2,69.83</u>	<u>3,06.40</u>
Note 6: Other Non-Current Financial Assets		
Security Deposits (Amortised Cost)	11,82.72	18,96.15
Deposits with banks (with maturity period of more than 12 months) *	2,48.98	4,10.05
	<u>14,31.70</u>	<u>23,06.20</u>
*Held as lien by Banks against Bank Guarantees issued to Regulatory authorities in the normal course of business.		
Note 7: Other Non-current Assets		
Capital Advances [Refer Note 34 (A)]	11,09.42	28,25.05
Deposits with Government and other authorities	8,04.38	6,61.19
Prepaid Expenses	9,14.60	4,34.94
	<u>28,28.40</u>	<u>39,21.18</u>
Note 8: Inventories		
Raw and Packing Materials (at cost)	49,05.79	50,85.70
Work-in-Progress (at cost)	17,08.40	11,85.82
Finished Goods (lower of cost or Net realisable value)	126,66.90	104,75.88
Stock-in-Trade (lower of cost or Net realisable value)	33,79.18	36,45.11
[includes goods in transit ₹ 3,59.67 Lakhs, (March 31, 2018: ₹ 4,38.94 Lakhs)]		
Stores and Spares (at cost)	21,97.10	22,78.04
	<u>248,57.37</u>	<u>226,70.55</u>

Notes to the Financial Statements for the year ended March 31, 2019

	As at March 31, 2019 ₹ Lakhs	As at March 31, 2018 ₹ Lakhs
Note 9: Trade Receivables		
Trade Receivables	190,49.90	158,33.28
Receivables from related parties [Refer Note 37]	28,41.86	47,76.20
Less : Allowance for doubtful debts	(9,13.12)	(5,06.24)
	<u>209,78.64</u>	<u>201,03.24</u>
<i>Unsecured and Considered Good</i>	209,78.64	201,03.24
Trade Receivables which have significant increase in credit Risk	9,13.12	5,06.24
Trade Receivables - credit impaired	-	-
Allowance for doubtful debts	(9,13.12)	(5,06.24)
Total Trade Receivables	<u>209,78.64</u>	<u>201,03.24</u>
Note 10: Cash and Cash Equivalents		
Bank Balances in:		
- Current Accounts	61,46.60	23,69.29
- Deposit Accounts (with less than 3 months original maturity)	316,53.23	281,69.67
	<u>377,99.83</u>	<u>305,38.96</u>
Note 11: Other Bank Balances		
Earmarked balances with Banks in:		
- Unpaid Dividend Account - Third Interim Dividend	-	135,99.28
- Unpaid Dividend Account	20,58.32	14,03.63
- Unpaid Share Capital Reduction Account (Year 2007)	77.05	74.27
	<u>21,35.37</u>	<u>150,77.18</u>
Note 12: Current Loans		
<i>Secured and Considered Good</i>		
Loans to Employees	82.85	82.27
<i>Unsecured and Considered Good</i>		
Inter-Corporate Deposits*	114,13.57	89,76.00
	<u>114,96.42</u>	<u>90,58.27</u>

*(Inter-Corporate Deposits includes amounts given to Varsa Plastic Industries Pvt Ltd ₹ 7,35.11 lakhs (March 31, 2018 ₹ 7,35.11 lakhs) with maturity period of 91 days, HDFC Ltd ₹ 100,00 lakhs (March 31, 2018 ₹ 76,00 lakhs) with maturity period of 34 to 49 days (March 31, 2018 - 41 to 48 days) Contemporary Targett P. Ltd. ₹ 6,25 lakhs (March 31, 2018 - ₹ 6,25 lakhs) with maturity period of 91 days.

Notes to the Financial Statements for the year ended March 31, 2019

	As at March 31, 2019 ₹ Lakhs	As at March 31, 2018 ₹ Lakhs
Note 13: Other Current Financial Assets		
Receivables from Related Parties [Refer Note 37]	1,38.14	2,60.75
Security Deposits	4,70.82	3,72.73
Insurance Claims Receivable	38.18	36.02
	<u>6,47.14</u>	<u>6,69.50</u>

Note 14: Other Current Assets		
Balances with Government Authorities	2,32.88	56,05.91
Prepaid Expenses	13,12.86	12,48.70
Advances to Suppliers	11,93.05	8,00.02
Employee Advances	1,57.08	1,48.46
Assets held for sale [Refer Note 44]	-	40.76
Fringe Benefit Advance Tax	69.78	69.78
Defined Benefit Plan asset - Gratuity [Refer Note 29 II (B) (iv) (a)]	1,35.44	40.61
	<u>31,01.09</u>	<u>79,54.24</u>

Note 15: Equity Share Capital

Authorised Equity Share Capital:

	Number of shares	Amount (₹ in Lakhs)
As at April 1, 2018	1,37,00,00,000	137,00.00
Increase during the year	-	-
As at March 31, 2019	<u>1,37,00,00,000</u>	<u>137,00.00</u>

Issued, Subscribed and Paid-up:

(A) Movement in Equity Share Capital

	Number of shares	Equity Share Capital (par value in Lakhs)
As at April 1, 2017	27,19,85,634	27,19.86
Increase / (Decrease) during the year	-	-
As at March 31, 2018	<u>27,19,85,634</u>	<u>27,19.86</u>
Increase / (Decrease) during the year	-	-
As at March 31, 2019	<u>27,19,85,634</u>	<u>27,19.86</u>

(B) Rights, Preferences and Restrictions attached to Equity Shares:

The Company has one class of Equity Shares having par value of Re. 1 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Financial Statements for the year ended March 31, 2019

(C) Shares held by Ultimate Holding Company and its Subsidiaries:

	As at March 31, 2019 ₹ Lakhs	As at March 31, 2018 ₹ Lakhs
Colgate-Palmolive Company, U.S.A., the Ultimate Holding Company 108,952,694 (March 31, 2018 - 108,952,694) equity shares.	10,89.53	10,89.53
Colgate-Palmolive (Asia) Pte Ltd., Singapore, Subsidiary of the Ultimate Holding Company 29,758,852 (March 31, 2018 - 29,758,852) equity shares.	2,97.59	2,97.59
Norwood International Incorporated, U.S.A., Subsidiary of the Ultimate Holding Company 1,126 (March 31, 2018 - 1,126) equity shares.	0.01	0.01

(D) Details of Shareholders holding more than 5% of the aggregate Shares in the Company:

	As at March 31, 2019	As at March 31, 2018
Colgate-Palmolive Company, U.S.A.		
Number of Shares	10,89,52,694	10,89,52,694
% of Holding	40.06	40.06
Colgate-Palmolive (Asia) Pte Ltd., Singapore		
Number of Shares	2,97,58,852	2,97,58,852
% of Holding	10.94	10.94
Life Insurance Corporation of India (LIC)		
Number of Shares	94,66,223	2,23,96,511
% of Holding	3.48	8.23

(E) Aggregate number of equity shares issued as bonus, shares during the period of five years immediately preceding the reporting date

	Number of shares	Equity Share Capital (par value in Lakhs)
Equity shares allotted as fully paid bonus shares in the year 2015-16	13,59,92,817	13,59.93

Note 16: Other Equity

	As at March 31, 2019 ₹ Lakhs	As at March 31, 2018 ₹ Lakhs
Securities Premium Account	12,79.93	12,79.93
General Reserve	384,37.13	384,37.13
Share Options Outstanding Account	3,82.01	5,90.69
Retained Earnings	1,018,56.39	1,094,33.08
Total Other Equity	1,419,55.46	1,497,40.83

Notes to the Financial Statements for the year ended March 31, 2019

	As at March 31, 2019 ₹ Lakhs	As at March 31, 2018 ₹ Lakhs
(i) Securities Premium Account		
Balance at the beginning of the year	12,79.93	12,79.93
Add: Movement during the year	-	-
Balance at the end of the year	12,79.93	12,79.93
(Securities Premium reserve is used to record the premium on issue of shares. The reserve will be or can be utilised in accordance with the provisions of the Companies Act, 2013)		
(ii) General Reserve		
Balance at the beginning of the year	384,37.13	384,37.13
Balance at the end of the year	384,37.13	384,37.13
(Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.)		
(iii) Share Options Outstanding account [Refer Note 38]		
Balance at the beginning of the year	5,90.69	5,60.98
Add: Employee stock option expense	8,06.77	9,41.64
Less: Transferred to Retained Earnings for employees transferred during the year	(1,08.99)	(1,62.38)
Less: Employee stock option exercised during the year	(11,05.36)	(9,22.27)
Add: Tax Adjustment on above	1,98.90	1,72.72
Balance at the end of the year	3,82.01	5,90.69
(Reserve created for all outstanding employee stock options and RSUs. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees)		
(iv) Retained Earnings		
Balance at the beginning of the year	1,094,33.08	843,81.81
Add: Profit for the year	775,56.88	673,37.49
Add: Other Comprehensive Income/(expense)	9.63	1,07.63
Add: Transferred from Share Options Outstanding account for employees transferred during the year	1,08.99	1,62.38
Less: Appropriations		
- Special Interim Dividend (2018 - ₹ 11/- per share) (Refer Note 45)	(299,18.42)	-
- First Interim Dividend [₹ 8/- per share (2018 - ₹ 4/- per share)]	(217,58.85)	(108,79.43)
- Second Interim Dividend [₹ 7/- per share (2018 - ₹ 4/- per share)]	(190,38.99)	(108,79.43)
- Third Interim Dividend [₹ Nil (2018 - ₹ 5/- per share)]	-	(135,99.28)
- Dividend Distribution Tax	(145,35.93)	(71,98.09)
Balance at the end of the year	1,018,56.39	1,094,33.08
	1,419,55.46	1,497,40.83

(Retained earnings are the profits that a company has earned to date, after appropriation for dividends payouts)

Notes to the Financial Statements for the year ended March 31, 2019

	As at March 31, 2019 ₹ Lakhs	As at March 31, 2018 ₹ Lakhs
Note 17: Borrowings		
Long term maturities of finance lease obligations [Refer Note 34 (C)] (Effective interest rate - 8.26%)	77,71.09	-
	<u>77,71.09</u>	<u>-</u>
Note 18: Other Non-Current Financial Liabilities		
Security Deposits	1,18.13	1,33.13
	<u>1,18.13</u>	<u>1,33.13</u>
Note 19: Non-Current Provisions		
Provision for Employee Benefits:		
- Pension [Refer Note 29 II (B) (v)]	41.66	33.27
- Compensated Absences [Refer Note 29 III]	17,95.25	18,76.69
	<u>18,36.91</u>	<u>19,09.96</u>
Note 20: Deferred Tax (Assets) / Liabilities [Net]		
The balance comprises temporary differences attributable to:		
Deferred Tax Liabilities:		
Difference between carrying value of property, plant and equipment and written down value for as per tax	80,28.02	80,35.25
Deferred Tax Assets:		
Impact of indexation on leasehold land	(7,49.25)	(7,01.47)
Voluntary retirement obligation	(2,04.46)	(4,08.93)
Expenses allowable on payment basis for tax purposes	(21,48.10)	(16,80.76)
Employee benefits	(15,20.27)	(15,15.35)
Impairment of trade receivables	(3,19.08)	(1,76.90)
	<u>30,86.86</u>	<u>35,51.84</u>
Movement in Deferred Tax (Assets) / Liabilities		
Opening balance as at beginning of the year	35,51.84	27,47.76
Tax income/(expense) during the period recognised in profit or loss	(4,70.06)	7,47.12
Tax expense during the period recognised in OCI	5.09	56.96
Closing balance as at year end	<u>30,86.86</u>	<u>35,51.84</u>
Note 21: Other Non-Current Liabilities		
Payable under Voluntary Retirement Scheme	49.52	51.22
	<u>49.52</u>	<u>51.22</u>

Notes to the Financial Statements for the year ended March 31, 2019

	As at March 31, 2019 ₹ Lakhs	As at March 31, 2018 ₹ Lakhs
Note 22: Trade Payables		
Trade Payables [Refer Note 42]	513,95.36	544,88.79
Trade Payable to related parties [Refer Note 37]	99,22.84	75,40.98
	<u>613,18.20</u>	<u>620,29.77</u>
-Total outstanding dues of micro enterprises and small enterprises [Refer Note 42]	6,02.11	3,79.50
-Total outstanding dues of creditors other than micro enterprises and small enterprises	607,16.09	616,50.27
	<u>613,18.20</u>	<u>620,29.77</u>
Note 23: Other Current Financial Liabilities		
Unpaid Dividends* :		
- Third Interim Dividend**	190,38.99	135,99.28
- Others**	20,58.32	14,03.63
Unpaid Balance for Share Capital Reduction (Year 2007)	77.05	74.27
Capital Creditors	2,59.23	7,45.26
Current maturities of finance lease obligations [Refer Note 34 (C)]**	5,43.13	-
	<u>219,76.72</u>	<u>158,22.44</u>
*There are no amounts due for payment to the Investor Education and Protection Fund (IEPF) under Section 125 of the Companies Act, 2013 as at the year end as per the Company records.		
** Considered for movement in liabilities arising from financing activities in cashflow.		
Note 24: Other Current Liabilities		
Payable towards Statutory Liabilities	30,77.82	14,69.94
Employee Benefits Payable	68,34.10	71,96.89
Payable under Voluntary Retirement Scheme	3.58	4.83
Advances from Customers and others	4,28.28	9,84.67
	<u>103,43.78</u>	<u>96,56.33</u>
Note 25: Current Provisions		
Provision for Employee Benefits :		
- Pension [Refer Note 29 II (B) (v)]	-	47.86
- Compensated Absences [Refer Note 29 III]	2,89.69	3,55.81
Others:		
Provision for Statutory Liabilities [Refer Note (A)]	32,44.67	32,87.32
Other Matter [Refer Note (B)]	28,54.00	23,43.64
	<u>63,88.36</u>	<u>60,34.63</u>

Notes to the Financial Statements for the year ended March 31, 2019

	As at March 31, 2019 ₹ Lakhs	As at March 31, 2018 ₹ Lakhs
(A) Provision for statutory liabilities		
Opening Balance	32,87.32	21,17.13
Add: Provision made	2,81.19	11,71.25
Less: Provision Utilised/Reversed	(3,23.84)	(1.06)
Closing Balance	<u>32,44.67</u>	<u>32,87.32</u>

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

(B) Other Matter		
Opening Balance	23,43.64	20,21.37
Add: Provision made	5,10.36	3,22.27
Closing Balance	<u>28,54.00</u>	<u>23,43.64</u>

Provision for other matter represents claim against the Company not acknowledged as debt that may materialise in respect of matter of a Leased Property in dispute.

	Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
Note 26: Revenue from Contracts with Customers		
Sale of Products (including excise duty)*	4,432,43.88	4,299,89.36
Other Operating Revenue		
- Service Income	25,22.13	25,14.81
- Scrap Sales	4,77.17	3,38.27
	<u>4,462,43.18</u>	<u>4,328,42.44</u>

* Sales for the year ended March 31, 2019 is net of Goods and Service Tax. Sales for the year ended March 31, 2018 is gross of excise duty for the period till June 30, 2017 and subsequent to that, net of Goods and Service Tax.

Disaggregated revenue information

1) Type of goods or service		
Personal Care (Including Oral Care)	4,432,43.88	4,299,89.36
Research and Development Service Income	25,22.13	25,14.81
Scrap Sales	4,77.17	3,38.27
Total revenue from contracts with customers	<u>4,462,43.18</u>	<u>4,328,42.44</u>
2) Geographical		
India	4,261,71.60	4,140,86.15
Outside India	200,71.58	187,56.29
Total revenue from contracts with customers	<u>4,462,43.18</u>	<u>4,328,42.44</u>

Notes to the Financial Statements for the year ended March 31, 2019

	Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
3) Timing of revenue recognition		
Sale on transfer of goods to customer at a point in time	4,437,21.05	4,303,27.63
Service Income as and when services completed	25,22.13	25,14.81
Total revenue from contracts with customers	4,462,43.18	4,328,42.44
4) Revenue		
External customer	4,301,11.71	4,175,70.36
Intercompany	161,31.47	152,72.08
Total revenue from contracts with customers	4,462,43.18	4,328,42.44
Contract balances		
Trade receivables*	209,78.64	201,03.24
Contract Liability - Advances from Customers**	4,28.28	6,10.67

* Trade receivables are non-interest bearing and on credit allowed to certain customers. There is no significant increase in trade receivable compared to last year. As on March 31, 2019, ₹ 9,13.12 lakhs (March 31, 2018 - ₹ 5,06.24 lakhs) is recognised as allowance for doubtful debts.

** Contract Liability represents short term advances received from customer to deliver the goods.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Revenue as per contracted price	4,858,78.60	4,739,25.05
Adjustments:		
Sales return	(11,39.47)	(19,26.67)
Variable Consideration - off invoice [Refer 1B (m) (i)]	(384,95.95)	(391,55.94)
Revenue from contract with customers	4,462,43.18	4,328,42.44

Performance obligation

The Company's revenue contracts represent a single performance obligation to sell its products to trade customers. Sales are recorded at the time control of the products is transferred to trade customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for the products. Control is the ability of trade customers to direct the use of and obtain the benefit from our products. In evaluating the timing of the transfer of control of products to trade customers, the Company considers transfer of significant risks and rewards of products and the probability of flowing of future economic benefit to the Entity as per the terms of the Contract which usually co-incide with the delivery of the goods. The performance obligation for service income is satisfied as and when the service is performed.

The payment terms include advance payment and credit given to certain customers.

The nature of goods includes personal care (including oral care) and Research and Development service income.

Notes to the Financial Statements for the year ended March 31, 2019

	Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
Note 27: Other Income		
Interest income on Financial Assets at Amortised cost	28,91.33	27,25.35
Interest income from Unwinding of discount on security deposits	4,49.19	1,76.85
Bad debts recovered	17.51	-
Lease Rentals [Refer Note 34 (B) (ii)]	2,36.25	1,96.88
Net gain on disposal of property, plant and equipment	9.19	-
Miscellaneous Income	1,62.07	6,48.20
	37,65.54	37,47.28
Note 28: Changes in inventories of Finished Goods, Stock-in-Trade, and Work-in-Progress:		
Opening Stock		
Finished Goods	104,75.88	169,35.70
Stock-in-Trade	36,45.11	44,60.05
Work-in-Progress	11,85.82	12,65.31
	153,06.81	226,61.06
Less: Closing Stock		
Finished Goods	126,66.90	104,75.88
Stock-in-Trade	33,79.18	36,45.11
Work-in-Progress	17,08.40	11,85.82
	177,54.48	153,06.81
Increase/(Decrease) in Excise Duty on Finished Goods	-	(56,86.27)
	(24,47.67)	16,67.98
Note 29: Employee Benefits Expense		
Salaries, Wages and Bonus	258,57.92	262,36.86
Contribution to Provident Fund, Gratuity and Other Funds	20,55.93	21,94.52
Share Based Payments to Employees [Refer Note 38 (c)]	8,06.77	9,41.64
Compensated Absences	1,07.89	2,56.59
Staff Welfare Expenses	7,61.83	9,63.88
	295,90.34	305,93.49

Notes to the Financial Statements for the year ended March 31, 2019

	Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
I Defined Contribution Plans		
Charge to Statement of Profit and Loss for Defined Contribution Plans:		
- Employers' Contribution to Provident Fund	95.19	81.13
- Employers' Contribution to Superannuation Fund	1,36.72	1,59.61
- Employers' Contribution to Employee's State Insurance	64.43	50.34
- Employers' Contribution to Employee's Pension Scheme 1995	2,93.65	3,09.10
- Employers' Contribution to National Pension Scheme	75.96	93.30
Total (Included in Employee Benefits Expense - Contribution to Provident Fund, Gratuity and Other Funds)	6,65.95	6,93.48

II Defined Benefit Plans

Contribution to Gratuity Fund (Funded Scheme), Provident Fund (Funded Scheme) and accrued liability towards Pension Scheme (Non-Funded Scheme). In accordance with Ind AS 19, Actuarial valuation was performed in respect of the aforesaid defined benefit plans.

A) Significant actuarial assumptions were as follows:

	Year Ended March 31, 2019	Year Ended March 31, 2018
Discount Rate (per annum)	7.80%	7.85%
Rate of increase in Compensation levels	7.00%	7.00%

B) Balance Sheet Amounts

i) Balance sheet amounts- Gratuity

The Company provides for gratuity for employees as per the Company policy. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of Gratuity is payable on retirement/termination of the employee's based on last drawn basic salary per month multiplied for the number of years of service. The Company has established 'Colgate-Palmolive India Gratuity Fund for Workmen' and 'Colgate-Palmolive India Gratuity Fund for Non-Workmen' to which the Company makes contribution.

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	₹ Lakhs Net Amount (A)-(B)
Opening Balance as at April 1, 2017	62,98.14	50,24.57	12,73.57
Current service cost (i)	5,76.39	-	5,76.39
Past service cost (ii)	0.92	-	0.92
Interest expense (iii)	4,39.89	3,75.19	64.70
Total amount recognised in the Statement of Profit and Loss (i+ii+iii)	10,17.20	3,75.19	6,42.01

Notes to the Financial Statements for the year ended March 31, 2019

B) Balance Sheet Amounts...(Contd.)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	₹ Lakhs Net Amount (A)-(B)
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(1,79.53)	1,79.53
Loss from change in financial assumptions	(5,21.63)	-	(5,21.63)
Experience losses	1,86.33	-	1,86.33
Gain from change in demographic assumptions	(6.85)	-	(6.85)
Total amount recognised in other comprehensive income	(3,42.15)	(1,79.53)	(1,62.62)
Employers contributions	-	17,93.57	(17,93.57)
Benefit Payments	(9,08.75)	(9,08.75)	-
Closing Balance as at March 31, 2018	60,64.44	61,05.05	(40.61)
Opening Balance as at April 1, 2018	60,64.44	61,05.05	(40.61)
Current service cost (i)	5,41.52	-	5,41.52
Past service cost (ii)	-	-	-
Interest expense/income (iii)	4,66.41	4,85.30	(18.89)
Total amount recognised in the Statement of Profit and Loss (i+ii+iii)	10,07.93	4,85.30	5,22.63
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(49.43)	49.43
Loss from change in financial assumptions	36.80	-	36.80
Experience losses	(1,29.53)	-	(1,29.53)
Gain from change in demographic assumptions	25.83	-	25.83
Total amount recognised in other comprehensive income	(66.90)	(49.43)	(17.47)
Employers contributions	-	6,00.00	(6,00.00)
Benefit payments	(5,70.77)	(5,70.77)	-
Closing Balance as at March 31, 2019	64,34.70	65,70.15	(1,35.45)

ii) Balance sheet amounts- Provident Fund

The Company has established 'Colgate-Palmolive (India) Limited Provident Fund' in respect of certain employees to which both the employee and the employer make contribution. Such contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the guaranteed specified interest rate, the same is provided for by the Company. The actuary has provided an actuarial valuation and the interest shortfall liability if any has been provided in the books of accounts after considering the assets available with the Company's Provident Fund Trust. The guaranteed rate of return (p.a) is 8.65% (March 31,2018 - 8.55%)

Notes to the Financial Statements for the year ended March 31, 2019

B) Balance Sheet Amounts...(Contd.)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	₹ Lakhs Net Amount (A)-(B)
Opening Balance as at April 1, 2017	161,46.14	161,46.14	-
Current service cost	9,13.59	-	9,13.59
Interest expense	11,64.33	11,64.33	-
Total amount recognised in the Statement of Profit and Loss	20,77.92	11,64.33	9,13.59
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	2,28.00	(2,28.00)
Experience losses	2,28.00	-	2,28.00
Total amount recognised in other comprehensive income	2,28.00	2,28.00	-
Contributions:			-
Employers	-	9,13.59	(9,13.59)
Employees	16,17.39	16,17.39	-
Payment for plan:			
Benefit payments	(17,77.08)	(17,77.08)	-
Settlements	(4,08.11)	(4,08.11)	-
Closing Balance as at March 31, 2018	178,84.26	178,84.26	-
Opening Balance as at April 1, 2018	178,84.26	178,84.26	-
Current service cost	8,91.40	-	8,91.40
Interest expense	13,98.56	13,98.56	-
Total amount recognised in the Statement of Profit and Loss	22,89.96	13,98.56	8,91.40
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	1,51.39	(1,51.39)
Experience losses	1,51.39	-	1,51.39
Total amount recognised in other comprehensive income	1,51.39	1,51.39	-
Contributions:			-
Employers	-	8,91.40	(8,91.40)
Employees	15,25.36	15,25.36	-
Payment for plan:			
Benefit payments	(19,19.08)	(19,19.08)	-
Settlements	(5,70.35)	(5,70.35)	-
Closing Balance as at March 31, 2019	193,61.54	193,61.54	-

Notes to the Financial Statements for the year ended March 31, 2019

B) Balance Sheet Amounts...(Contd.)

iii) Balance sheet amounts- Pension (Non-funded Scheme)

The Company operates a defined benefit pension plan. The pension benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Particulars	₹ Lakhs Present value of obligation
Opening Balance as at April 1, 2017	72.41
Current service cost	5.49
Interest expense	5.21
Total amount recognised in Statement of Profit and Loss	10.70
Remeasurements	
(Gain) from change in financial assumptions	(2.56)
Experience losses	0.58
Total amount recognised in other comprehensive income	(1.98)
Benefit payments	-
Closing Balance as at March 31, 2018	81.13
Opening Balance as at April 1, 2018	81.13
Current service cost	5.77
Interest expense	4.49
Total amount recognised in Statement of Profit and Loss	10.26
Remeasurements	
Loss from change in financial assumptions	0.17
Experience losses	2.57
Total amount recognised in other comprehensive income	2.74
Benefit payments	(52.47)
Closing Balance as at March 31, 2019	41.66

Notes to the Financial Statements for the year ended March 31, 2019

B) Balance Sheet Amounts...(Contd.)

(iv) Amount recognised in the Balance Sheet (Funded Scheme)

a) Gratuity

	Year Ended	
	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Present Value of Obligation as at the end of the year	64,34.70	60,64.44
Fair Value of Funded Plan Assets as at the end of the year	(65,70.15)	(61,05.05)
Liability recognised in the Balance Sheet	(1,35.45)	(40.61)

[Included in Other Current Asset ₹ 1,35.44 lakhs (Refer Note 14) (March 31, 2018 - 40.61 lakhs)]

b) Provident Fund (Funded Scheme)

	Year Ended	
	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Present Value of Obligation of Funded Plan as at the end of the year	193,61.54	178,84.26
Fair Value of Funded Plan Assets as at the end of the year	193,61.54	178,84.26
Liability recognised in the Balance Sheet	-	-

(v) Amount recognised in the Balance Sheet (Non-funded Scheme: Pension)

a) Pension

	Year Ended	
	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Present Value of Obligation of Unfunded Plan as at the end of the year	41.66	81.13
Liability recognised in the Balance Sheet	41.66	81.13

[Included in Non-Current Provisions ₹ 41.66 lakhs (March 31, 2018 ₹ 33.27 lakhs) (Refer Note 19) and in Current Provision ₹ Nil (March 31, 2018 ₹ 47.86 lakhs) (Refer Note 25)]

(vi) Percentage of each category of Plan Assets to Total Fair Value of Plan Assets

a) Gratuity

	Year Ended	
	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Category of Assets (% Allocation)		
Government of India Securities	0%	0%
Insurer Managed Funds	100%	100%
Others	0%	0%

b) Provident Fund

	Year Ended	
	March 31, 2019 %	March 31, 2018 %
Category of Assets (% Allocation)		
Government of India Securities	43%	40%
Other Debt Instruments	47%	51%
Equity instruments	7%	4%
Others	4%	5%

Notes to the Financial Statements for the year ended March 31, 2019

C) Sensitivity Analysis

	Year Ended	
	March 31, 2019	March 31, 2018
i) Gratuity		
Discount Rate:		
Impact of increase in 50 bps on DBO	-5.51%	-5.98%
Impact of decrease in 50 bps on DBO	5.99%	6.53%
Salary Escalation Rate:		
Impact of increase in 50 bps on DBO	6.01%	6.55%
Impact of decrease in 50 bps on DBO	-5.58%	-6.05%
ii) Provident Fund		
Guaranteed Rate of Return:		
Impact of increase in 100 bps on DBO	2.89%	5.20%
Impact of decrease in 100 bps on DBO	-	-
iii) Pension		
Discount Rate:		
Impact of increase in 50 bps on DBO	-4.08%	-2.30%
Impact of decrease in 50 bps on DBO	4.27%	2.41%

D) Projected Plan Cash flow:

The expected contribution payable to the Gratuity plan for the year ended March 31, 2019 is ₹ 4,00 lakhs

The weighted average duration to the payment of these cash flows for Gratuity is 11.48 years (March 31, 2018 : 12.49 years) and for Pension is 8.35 years (March 31, 2018 : 4.71 years)

Expected cash flow profile of the benefits to be paid to the current membership of the plan: Gratuity

	Year Ended	
	March 31, 2019	March 31, 2018
Less than a year	2,88.50	2,45.71
Between 1- 2 years	2,78.18	1,52.56
Between 2- 5 years	10,62.20	8,04.75
Between 5- 9 years	21,00.01	20,67.14
10 years and above	156,59.95	168,37.78

Notes to the Financial Statements for the year ended March 31, 2019

Expected cash flow profile of the benefits to be paid to the current membership of the plan: Pension

	Year Ended	
	March 31, 2019	March 31, 2018
Between 2- 5 years	-	47.86
Between 5- 9 years	81.91	-
10 years and above	-	78.24

III Other Employee Benefit - Compensated Absences

The liability for Compensated Absences as at the year end is ₹ 20,84.94 Lakhs (March 31, 2018 : ₹ 22,32.5 Lakhs).

	As at March 31, 2019 ₹ Lakhs	As at March 31, 2018 ₹ Lakhs
Included in :		
Non-Current Provisions (Refer Note 19)	17,95.25	18,76.69
Current Provisions (Refer Note 25)	2,89.69	3,55.81
	20,84.94	22,32.50
Movement of Compensated Absences:		
Balance at the beginning of the year	22,32.50	21,47.77
Add: Charge during the year	1,07.89	2,56.59
Less: Amount paid during the year	2,55.45	1,71.86
Balance at the end of the year	20,84.94	22,32.50
	Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs

Note 30 : Finance Cost

Finance charges payable under finance leases	1,68.22	-
Interest expense on Income tax	81.31	-
	2,49.53	-

Note 31: Other Expenses

Consumption of Stores and Spares	22,12.14	23,28.54
Processing Charges	14,23.20	8,10.14
Power and Fuel	46,45.02	44,16.06
Freight and Forwarding Charges	152,22.72	131,54.45
Lease Rentals [Refer Note 34 B]	41,54.09	41,40.59
Rates and Taxes	1,65.38	4,86.81
Insurance	4,13.46	3,97.69
Repairs and Maintenance		
- Plant and Machinery	31,81.93	31,36.90
- Buildings	2,18.31	1,31.84
- Others	67.53	1,07.32
	34,67.77	33,76.06

Notes to the Financial Statements for the year ended March 31, 2019

	Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
Advertising	564,70.59	526,83.13
Fees and Commission to Independent Directors	1,06.38	1,04.15
Auditors' Remuneration [Refer Note (A) below]	1,14.67	1,06.18
Royalty	-	-
- Expense (Net of withholding tax)	1,96,17.09	184,87.71
- Withholding tax on Royalty	24,04.79	22,41.91
	220,21.88	207,29.62
Expenditure towards Corporate Social Responsibility [Refer Note (B) below]	18,21.35	16,72.38
Bad Debts Written Off	-	53.32
Provision for Doubtful Debts	4,06.87	15.30
Net loss on disposal of property, plant and equipment	-	16.59
Foreign Exchange Loss (Net)	4.23	1,03.19
Travel and Conference Expenses	31,49.35	32,77.47
Outside Services	130,44.89	114,62.72
Miscellaneous	83,45.17	86,24.91
	1,371,89.16	1,279,59.30

(A) Auditors' Remuneration (excluding service tax/Goods and Services Tax) :

As Auditor :

- Statutory Audit	61.18	57.00
- Limited Review	30.50	29.70
- Tax Audit	17.00	17.00
- Certification	-	0.50
Other Services	2.00	-
Reimbursement of Expenses	3.99	1.98
	1,14.67	1,06.18

(B) Corporate Social Responsibility Expenditure

(I) Gross amount required to be spent by the Company during the year	18,03.73	16,67.50
(II) Amount spent during the year:		
(A) In cash -		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above:		
- Promoting preventive health care	13,66.10	5,90.38
- Addressing inequalities	15.00	15.00
- Promoting education	85.00	55.00
- Conservation of natural resources and other allied areas	1,70.00	1,50.00
- Vocational and skill training for upliftment of economically weaker youth	60.00	60.00
- Empowering women through livelihood program	20.00	20.00
(B) Yet to be paid in cash -		
- Promoting preventive health care	1,05.25	7,82.00
	18,21.35	16,72.38

Notes to the Financial Statements for the year ended March 31, 2019

	Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
Note 32 : Income Tax Expenses		
(a) Income tax expense		
Current tax		
Current tax on profit for the year	404,35.00	336,68.48
Adjustments for current tax of prior periods	(32,66.31)	(34,49.94)
Total current tax expenses	371,68.69	302,18.54
Deferred tax		
Relating to origination and reversal of temporary differences	(4,70.06)	7,47.12
Income tax expenses	366,98.63	309,65.66
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	1,142,55.51	983,03.15
Tax at the Indian tax rate of 34.944% (March 31, 2018 - 34.608%)	399,25.45	340,20.75
Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
Expenses not deductible for tax purposes	8,18.81	7,10.69
Income claimed exempt for tax purposes	(4,05.69)	(3,47.27)
Item with special rate considered separate other than normal rate	6,04.43	-
Income considered under separate head of income	(9,78.06)	(19.43)
Adjustments for current tax of prior periods	(32,66.31)	(34,49.94)
Impact of differential rate used for deferred tax	-	50.86
Income tax expense	366,98.63	309,65.66
(c) Amounts Recognised directly in Equity		
Current Tax Impact arising in the reporting period in respect of distribution of Employee Stock Option directly recognised in Equity	1,98.90	1,72.72
	As at March 31, 2019 ₹ Lakhs	As at March 31, 2018 ₹ Lakhs
(d) Current Tax Assets (Net)		
Current Tax Assets (Net) [Net of Provision of Tax ₹980,44.15 lakhs, March 31, 2018 : ₹1,351,94.68 lakhs]	150,31.88	102,15.70
(e) Current Tax Liabilities (Net)		
Current Tax Liabilities (Net) [Net of Advance Tax payments ₹1,307,52.67 lakhs, March 31, 2018 : ₹ 573,98.22 lakhs]	50,83.41	47,35.75

Notes to the Financial Statements for the year ended March 31, 2019

	As at March 31, 2019 ₹ Lakhs	As at March 31, 2018 ₹ Lakhs
Note 33: Contingent Liabilities		
(To the extent not provided for)		
Claims against the Company not acknowledged as debts:		
- Excise and Related Matters	58,13.09	44,16.92
- Service Tax Matters	2,56.99	2,57.03
- Sales Tax Matters	3,19.07	2,74.81
- Income Tax Matters	532,13.68	358,00.96
- Provident Fund Matters*	-	-
- Commercial Matters	15.00	1,01.41

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

*There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Company will assess impact on receiving further clarity on the subject.

Note 34: Commitments

A) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advances of ₹11,09.42 lakhs (March 31, 2018 : ₹28,25.05 lakhs) (Refer Note 7)]	11,71.11	72,04.36
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B) Operating Leases

As a Lessee

- (i) The Company has taken operating leases for office premises, residential premises, warehouses, laptops, printers and vehicles. Also during the previous year, the Company had taken operating lease for equipments. These lease arrangements include both cancellable and non-cancellable leases.

Description of significant operating lease arrangements in respect of premises (including warehouses):

The Company has given refundable interest free security deposit under the lease agreements.

No agreements other than IT assets lease agreement contain provision for renewal at the option of either party. And agreements relating to lease of flats include escalation clause.

All agreements provide for restriction on sub lease.

Future minimum lease payments under non-cancellable operating leases are as follows:

	Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
Within one year	9,67.54	27,93.87
After one year but not more than five years	5,58.13	49,63.03
More than five years	-	-
Lease payments recognised in Statement of Profit and Loss are shown as "Lease Rentals" under Other Expenses in Note 31.	41,54.09	41,40.59
Operating lease expense pertaining to Contract Manufacturer's included in Cost of Materials Consumed	3,88.44	4,23.91

Notes to the Financial Statements for the year ended March 31, 2019

As a Lessor

- (ii) The Company has given office premise space under non-cancellable operating lease for a period of 1 year. The rental income from the asset given on lease of ₹ 2,36.25 lakhs (March 31, 2018 : ₹ 1,96.88 lakhs) has been disclosed as "Lease Rentals" under Other Income in Note 27 to the Statement of Profit and Loss.

Description of significant operating lease arrangements in respect of premises:

The Company has taken refundable interest free security deposit under the lease agreements.

Agreement contain provision for renewal at the option of either party.

Agreement provide for restriction on sub lease.

Future minimum lease payments that the Company is expected to receive under the non-cancellable lease are as under:

	Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
Within one year	-	19.68
After one year but not more than five years	-	-

C) Finance Leases

The Company has finance lease for items of plant and equipment. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are, as follows

	Year Ended March 31, 2019 ₹ Lakhs		Year Ended March 31, 2018 ₹ Lakhs	
	Minimum lease payments	Present value of Minimum lease payments	Minimum lease payments	Present value of Minimum lease payments
Within one year	12,05.00	5,43.13	-	-
After one year but not more than five years	48,20.00	26,59.75	-	-
More than five years	60,25.00	51,11.34	-	-
Total minimum lease payments	120,50.00	83,14.22	-	-
Less: Amounts representing finance charges	37,35.78	-	-	-
Present value of minimum lease payments	83,14.22	83,14.22	-	-
Included in :				
Long term maturities of finance lease obligations (Refer Note 17)	77,71.09		-	
Current maturities of finance lease obligations (Refer Note 23)	5,43.13		-	
	83,14.22		-	-

There were no finance lease commitments as at March 31, 2018.

Notes to the Financial Statements for the year ended March 31, 2019

Note 35: Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and Finance Director of the Company. The Company operates only in one Business Segment i.e. 'Personal Care (including Oral Care)' which primarily includes products such as Soaps, Cosmetics and Toilet Preparations and the activities incidental thereto within India, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments". The performance of the Company is mainly driven by sales made locally and hence, no separate geographical segment is identified.

Note 36: Earnings Per Share (EPS)

	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Basic and Diluted Earnings Per Share (₹)		
Profit for the year (₹ Lakhs)	775,56.88	673,37.49
Weighted average number of outstanding shares for Basic and Diluted EPS (Nos.)	27,19,85,634	27,19,85,634
Nominal Value of shares outstanding (Re.)	1	1
Basic and Diluted Earnings Per Share (₹)	28.52	24.76
ii) Weighted average number of shares used as the denominator		
Opening Balance	27,19,85,634	27,19,85,634
Increase / (Decrease) during the year	-	-
Weighted average number of shares used as the denominator for calculating basic and diluted earnings per share	27,19,85,634	27,19,85,634

Notes to the Financial Statements for the year ended March 31, 2019

Note 37: Disclosure of Related Parties

A) Ultimate Holding Company	: Colgate-Palmolive Company, U.S.A.
B) Group Companies where common control exists	: Colgate-Palmolive Mktg. SDN BHD, Malaysia
	: Colgate-Palmolive East Africa Ltd., Kenya
	: Colgate-Palmolive Pty. Ltd., South Africa
	: Colgate-Palmolive (Thailand) Ltd., Thailand
	: Colgate-Palmolive (H.K.) Ltd., Hongkong
	: Colgate-Palmolive Asia Pacific Ltd., Wan Chai, Hongkong (Formerly known as Colgate-Palmolive Management Services HK Ltd)
	: Colgate-Palmolive (China) Co. Ltd., China*
	: Colgate Palmolive (Vietnam) Ltd, Vietnam
	: Colgate Sanxiao Company Limited, China
	: Colgate-Palmolive (Burlington) Limited
	: Colgate Palmolive Temizlik Urunleri Sanayi ve Ticaret S.A., Turkey
	: Colgate-Palmolive Cameroun S.A., Cameroun
	: Colgate-Palmolive Indústria Ltda., Brazil
	: Colgate-Palmolive (Asia) Pte. Ltd. Singapore
	: Norwood International Incorporated, U.S.A.
	: Colgate-Palmolive Pty. Ltd., Boksburg, South Africa.
	: Colgate Global Business Services Pvt Ltd, India
	: Colgate-Palmolive Zambia Inc., Zambia
	: Colgate-Palmolive Europe SARL, Italy
	: Mission Hills S.A. DE. C. V., Mexico
	: Colgate Palmolive Bt. Ltd., (Blantyre), Malawi
	: Colgate Oral Pharmaceuticals Inc. Carrollton, U.S.A.*
	: Colgate-Palmolive CACE Region, Istanbul, Turkey
	: Colgate-Palmolive Senegal, Senegal
	: Colgate-Palmolive Italia S.r.l., Italy
	: Colgate-Palmolive (Pakistan) Limited, Pakistan
	: Colgate Philippines Inc., Phillippines
	: Colgate-Palmolive Mocambique Limitada
	: Colgate-Palmolive S.P.A., Italy*
	: Colgate Palmolive West East Investments, U.S.A.
	: Tom's Of Maine, U.S.A.*
	: Colgate-Palmolive Ghana Ltd, Ghana
	: Colgate-Palmolive Europe Sarleu Div
	: CP Middle East Exports Ltd
	: Colgate-Palmolive (Myanmar) Limited, Myanmar
	: Colgate Palmolive Espana S.A., Spain

Notes to the Financial Statements for the year ended March 31, 2019

Note 37: Disclosure of Related Parties (Contd.)

- : Hill's Pet Nutrition, U.S.A*
- : Hill's Pet Nutrition Asia Limited
- : Colgate-Palmolive Arabia Ltd.*
- : Colgate-Palmolive Pty. Ltd.,Australia*
- : Hawley & Hazel Chemical (Taiwan) Co., Taiwan

C) Key Managerial Personnel of the Company

(i) Executive Directors

- : I. Bachaalani
- : M.S. Jacob
- : M. Chandrasekar

(ii) Non-Executive and Non Independent Directors

- : V. Nambiar (Up to September 01, 2018)
- : M. Deoras (effective September 01, 2018)

(iii) Non-Executive and Independent Directors

- : R. A. Shah
- : P. K. Ghosh
- : J. K. Setna (Up to March 31, 2018)
- : V. S. Mehta
- : I. Shahani
- : S. Gopinath
- : S. Kripalu (effective June 01, 2018)

(iv) Company Secretary

- : M.Karnataki (upto August 31, 2017)*
- : K.R.Singh (effective February 23, 2018)

D) Post Employment Benefit Funds

- : Colgate-Palmolive (India) Limited Provident Fund
- : Colgate-Palmolive India Gratuity Fund for Workmen
- : Colgate-Palmolive India Gratuity Fund for Non-Workmen

* There are no transactions with the Company during the current year

Notes to the Financial Statements for the year ended March 31, 2019

Note 37: Disclosure of Related Parties (Contd.)

(i) Transactions entered into with Parties referred to in Category A and B

₹ Lakhs

Nature of Transaction	Parties referred to in Category A		Parties referred to in Category B		Total	
	Year Ended		Year Ended		Year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Purchase of Goods/Materials						
Colgate Sanxiao Company Limited		-	-	7,81.98	-	7,81.98
Colgate-Palmolive (Thailand) Ltd.		-	0.08	13,64.41	0.08	13,64.41
Colgate-Palmolive Asia Pacific Limited		-	47,69.84	8,85.49	47,69.84	8,85.49
Colgate-Palmolive Company, U.S.A.	3,15.99	24.18		-	3,15.99	24.18
Others		-	5,21.42	4,12.66	5,21.42	4,12.66
Sub-Total	3,15.99	24.18	52,91.34	34,44.54	56,07.33	34,68.72
Sale of Goods/Materials						
Colgate-Palmolive East Africa Ltd., Kenya	-	-	4,02.93	6,42.69	4,02.93	6,42.69
Colgate-Palmolive Pty. Ltd., South Africa	-	-	15,90.69	22,27.36	15,90.69	22,27.36
Colgate-Palmolive Pty. Ltd., Boksburg	-	-	87,75.46	76,67.83	87,75.46	76,67.83
Others	-	-	28,72.45	23,12.85	28,72.45	23,12.85
Sub-Total	-	-	136,41.53	128,50.73	136,41.53	128,50.73
Services Rendered (inclusive of Service Tax/ Goods and Service Tax)						
Colgate-Palmolive Company, U.S.A.	28,15.87	28,62.49	-	-	28,15.87	28,62.49
Others	-	-	3,28.06	2,31.72	3,28.06	2,31.72
Sub-Total	28,15.87	28,62.49	3,28.06	2,31.72	31,43.93	30,94.21
Services Received						
Colgate-Palmolive Company, U.S.A.*	85,67.28	75,81.27	-	-	85,67.28	75,81.27
Colgate Global Business Services Pvt Ltd., India	-	-	11,26.75	9,22.02	11,26.75	9,22.02
Sub-Total	85,67.28	75,81.27	11,26.75	9,22.02	96,94.03	85,03.29
Reimbursement of Expenses Charged by the Company/(on the Company)						
Colgate-Palmolive Company, U.S.A.*	(58,07.78)	(42,30.05)	-	-	(58,07.78)	(42,30.05)
Others	-	-	85.55	7,23.86	85.55	7,23.86
Sub-Total	(58,07.78)	(42,30.05)	85.55	7,23.86	(57,22.23)	(35,06.19)
Dividend Paid						
Colgate-Palmolive Company, U.S.A.	283,27.70	141,63.85	-	-	283,27.70	141,63.85
Colgate-Palmolive (Asia) Pte. Ltd., Singapore	-	-	77,37.30	38,68.65	77,37.30	38,68.65
Norwood International Incorporated, U.S.A.	-	-	0.29	0.15	0.29	0.15
Sub-Total	283,27.70	141,63.85	77,37.59	38,68.80	360,65.29	180,32.65
Royalty (exclusive of withholding tax of ₹ 24,04.79 Lakhs)						
Colgate-Palmolive Company, U.S.A.	196,17.09	184,87.72	-	-	196,17.09	184,87.72
Sub-Total	196,17.09	184,87.72	-	-	196,17.09	184,87.72

*The above amount includes accruals for the year ended March 31, 2018 of ₹ 24,40.64 lakhs for which debit note is received during the year March 31, 2019.

Notes to the Financial Statements for the year ended March 31, 2019

Note 37: Disclosure of Related Parties (Contd.)

(ii) Transactions entered into with Parties referred to in Category C

	₹ Lakhs	
	Year Ended	
	March 31, 2019	March 31, 2018
- Executive Directors		
Remuneration	14,04.24	15,01.24
Contribution to Provident and Other Funds *	56.15	50.79
Share Based Payments	3,20.17	1,11.24
Sub Total	17,80.56	16,63.27
*As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.		
- Executive Directors		
I. Bachaalani	11,65.13	10,27.89
M. S. Jacob	2,94.92	3,64.30
M.Chandrasekar	3,20.51	2,71.08
Sub Total	17,80.56	16,63.27
- Independent Directors		
Sitting Fees and Commission		
R. A. Shah	18.70	19.25
P. K. Ghosh	18.45	19.25
J. K. Setna	-	14.80
V. S. Mehta	19.20	19.75
I. Shahani	17.15	13.95
S. Gopinath	18.45	17.15
S. Kripalu	14.43	-
Sub Total	1,06.38	1,04.15
- Company Secretary		
M.Karnataki	-	57.16
K.R.Singh	43.65	7.35
Sub Total	43.65	64.51

(iii) Transactions entered into with Parties referred to in Category D

Contribution made by the Company in the following funds:		
Colgate-Palmolive (India) Limited Provident Fund	8,91.40	9,13.59
Colgate-Palmolive India Gratuity Fund for Workmen	75.00	2,47.35
Colgate-Palmolive India Gratuity Fund for Non-Workmen	5,25.00	15,46.21

Notes to the Financial Statements for the year ended March 31, 2019

Note 37: Disclosure of Related Parties (Contd.)

₹ Lakhs

Outstanding Balances	Parties referred to in Category A		Parties referred to in Category B		Total	
	Year Ended		Year Ended		Year Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Trade Receivables						
Colgate-Palmolive Company, U.S.A.	7,04.96	6,84.30	-	-	7,04.96	6,84.30
Colgate Palmolive West East Investments, U.S.A.	-	-	2,96.06	-	2,96.06	-
Colgate-Palmolive Pty. Ltd., Boksburg	-	-	7,85.29	23,15.57	7,85.29	23,15.57
Colgate-Palmolive South Africa	-	-	31.51	6,85.33	31.51	6,85.33
Others	-	-	10,24.04	10,91.00	10,24.04	10,91.00
Sub-Total (Refer Note 9)	7,04.96	6,84.30	21,36.90	40,91.90	28,41.86	47,76.20
Trade Payables						
Colgate-Palmolive Company, U.S.A.	87,08.15	61,89.74	-	-	87,08.15	61,89.74
Colgate-Palmolive Asia Pacific Limited, Hongkong	-	-	7,45.56	6,69.68	7,45.56	6,69.68
Colgate Global Business Services Pvt Limited, India	-	-	2,33.50	4,39.24	2,33.50	4,39.24
Others	-	-	2,35.63	2,42.32	2,35.63	2,42.32
Sub-Total (Refer Note 22)	87,08.15	61,89.74	12,14.69	13,51.24	99,22.84	75,40.98
Other Receivables (included in Other Current Financial Assets)						
Colgate-Palmolive Company, U.S.A.	2.15	26.09	-	-	2.15	26.09
Colgate-Palmolive Asia Pacific Limited, Hongkong	-	-	75.84	1,39.25	75.84	1,39.25
Colgate Palmolive West East Investment, U.S.A.	-	-	17.17	-	17.17	-
Others	-	-	44.10	95.41	44.10	95.41
Sub-Total (Refer Note 13)	2.15	26.09	1,37.11	2,34.66	1,39.26	2,60.75

Terms and conditions:

Transactions relating to dividends and bonus shares were on the same terms and conditions that apply to other shareholders.

Goods and Services procured or provided from/ to related parties are generally priced at arm's length. Other reimbursement of expenses to/ from related parties is on Cost basis.

All other transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are repayable/ receivable in cash.

Notes to the Financial Statements for the year ended March 31, 2019

Note 38 - Share Based Payments

(a) Employee option plan

The Company does not provide any equity-based compensation to its employees. However, the parent company, Colgate-Palmolive Company, U.S.A. ("the grantor") maintains equity incentive plans that provide for the grant of stock-based awards to its executive directors and certain categories of officers and employees. The Parent's Incentive Plan provides for the grant of non-qualified and incentive stock options, as well as restricted stock units. Exercise prices in the case of non-qualified and incentive stock options are not less than the fair value of the underlying common stock on the date of grant.

A stock option gives an employee, the right to purchase shares of Colgate-Palmolive Company common stock at a fixed price for a specific period of time. Stock options generally have a term of six years from the date of grant and vest over a period of three years.

A restricted stock unit provides an employee with a share of Colgate-Palmolive Company common stock upon vesting. Restricted stock units vest generally over a period of three years. Dividends will accrue with each restricted stock unit award granted subsequent to the grant date.

The details pertaining to number of options, weighted average price and assumptions considered for fair value are disclosed below:

Particulars	March 31, 2019		March 31, 2018	
	Weighted Average Exercise price	Number of options	Weighted Average Exercise price	Number of options
Options outstanding at the beginning of the year	4,194	4,07,195	3,921	3,60,077
Options granted/transferred during the year	4,426	97,332	4,664	1,14,248
Exercised during the year	2,893	(72,928)	3,204	(40,306)
Transferred to other group companies during the year	4,498	(20,776)	4,148	(23,580)
Lapsed during the year	4,705	(27,770)	4,303	(3,244)
Options outstanding at the end of the year	4,368	3,83,053	4,194	4,07,195
Options vested and exercisable at the end of the year		3,02,071		2,23,416

The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2019 was ₹ 4,996 (March 31, 2018 : ₹ 4,737)

Share options outstanding at the end of the year have the following expiry dates and exercise prices

Grant year	Expiry Year	Exercise price (₹)	March 31, 2019	March 31, 2018
			Number of options	Number of options
2012 - 2013	2018 - 2019	2,795 - 3,476	31,347	78,676
2014 - 2016	2018 - 2022	3,907 - 4,890	1,92,339	2,30,003
2017 - 2018	2020 - 2024	4,440 - 4,729	1,59,367	98,516
Total			3,83,053	4,07,195
Weighted average remaining contractual life of options outstanding at end of year			3.37 Years	3.49 Years

Notes to the Financial Statements for the year ended March 31, 2019

Note 38 - Share Based Payments...(Contd.)

Fair Value of options granted

The fair value at the grant date of options granted during the year ended March 31, 2019 was ₹ **617.53** per option (March 31, 2018 : ₹ 538.36 per option and ₹ 542.25 per option). The fair value at grant date is determined using the Black-Scholes Model which takes into account the exercise price, expected volatility, option's life, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for the options granted during the year ended March 31, 2019 and March 31, 2018 are as below:

Particulars	March 31, 2019	March 31, 2018
Expected volatility (%)	17.70%	15.99%
Expected life of the options	4.5 years	4.5 years
Risk free interest rate(%)	2.80%	1.76%
Grant Year	2018	2017
Expiry Year	2024	2023
Expected dividend (%)	2.46%	2.19%

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected volatility was determined based on the volatility of the equity share for the period of one year prior to issue of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

(b) Restricted Stock Units (RSU's)

Particulars	March 31, 2019		March 31, 2018	
	Weighted Average Grant date Fair value	Number of Units	Weighted Average Grant date Fair value	Number of Units
Units outstanding at the beginning of the year	4,057	36,284	4,365	33,722
Units granted / transferred during the year	4,540	10,850	4,612	13,131
Exercised during the year	3,611	(8,107)	3,768	(7,769)
Transferred to other group companies during the year	4,801	(847)	3,403	(2,280)
Lapsed during the year	4,645	(3,551)	5,086	(520)
Units outstanding at the end of the year	4,618	34,629	4,057	36,284

Restricted Stock Units outstanding at the end of the year have the following expiry date and exercise prices

Particulars	March 31, 2019	March 31, 2018
Weighted average remaining contractual life of RSUs outstanding at end of year	1.11 Years	1.34 Years

The weighted average fair value at the date of exercise of RSU's exercised during the year ended March 31, 2019 was ₹ **4,801** (March 31, 2018 : ₹ 4,635)

(c) Expenses Arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense were as follows:

Particulars	March 31, 2019	March 31, 2018
Employee share based payment expense [Refer Note 29]	8,06.77	9,41.64

Notes to the Financial Statements for the year ended March 31, 2019

Note 39: Fair value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instrument:

Level 1 : Quoted prices for identical instruments in active market.

Level 2 : Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3 : Inputs which are not based on observable market data.

(i) Financial Instruments by Category

	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial Assets						
(i) Investments - Non-Current	-	-	31,15.16	-	-	31,15.54
(ii) Trade Receivable	-	-	209,78.64	-	-	201,03.24
(iii) Cash and Cash Equivalents	-	-	377,99.83	-	-	305,38.96
(iv) Other Bank Balances	-	-	21,35.37	-	-	150,77.18
(v) Loans - Current	-	-	114,96.42	-	-	90,58.27
(vi) Loans - Non Current	-	-	2,69.83	-	-	3,06.40
(vii) Receivable from Related Parties	-	-	1,38.14	-	-	2,60.75
(viii) Security Deposits - Non-Current	-	-	11,82.72	-	-	18,96.15
(ix) Security Deposits - Current	-	-	4,70.82	-	-	3,72.73
(x) Insurance Claim Receivables	-	-	38.18	-	-	36.02
(xi) Deposits with Banks	-	-	2,48.98	-	-	4,10.05
Total Financial Assets	-	-	778,74.09	-	-	811,75.29
Financial Liabilities						
(i) Trade payables-Total outstanding dues of micro enterprises and small enterprises	-	-	6,02.11	-	-	3,79.50
(ii) Trade payables-Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	607,16.09	-	-	616,50.27
(iii) Security Deposits - Non-Current	-	-	1,18.13	-	-	1,33.13
(iv) Borrowings	-	-	77,71.09	-	-	-
(v) Capital Creditors	-	-	2,59.23	-	-	7,45.26
(vi) Current maturities of finance lease obligations	-	-	5,43.13	-	-	-
(vii) Unpaid Dividends	-	-	210,97.31	-	-	150,02.91
(viii) Unpaid Balance of Share Capital Reduction	-	-	77.05	-	-	74.27
Total financial liabilities	-	-	911,84.14	-	-	779,85.34

(ii) Assets and Liabilities that are disclosed at Amortised Cost for which Fair values are disclosed are classified as Level 3.

Current financial assets and current financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature. Non current financial assets and non current financial liabilities have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows.

Notes to the Financial Statements for the year ended March 31, 2019

(iii) Fair value of financial assets and liabilities measured at amortised cost

₹ Lakhs

	March 31, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
(i) Investments - Non-Current	31,15.16	31,15.16	31,15.54	31,15.54
(ii) Trade Receivable	209,78.64	209,78.64	201,03.24	201,03.24
(iii) Cash and Cash Equivalents	377,99.83	377,99.83	305,38.96	305,38.96
(iv) Other Bank Balances	21,35.37	21,35.37	150,77.18	150,77.18
(v) Loans - Current	114,96.42	114,96.42	90,58.27	90,58.27
(vi) Loans - Non Current	2,69.83	2,69.83	3,06.40	3,06.40
(vii) Receivable from Related Parties	1,38.14	1,38.14	2,60.75	2,60.75
(viii) Security Deposits - Non-Current	11,82.72	11,82.72	18,96.15	18,96.15
(ix) Security Deposits - Current	4,70.82	4,70.82	3,72.73	3,72.73
(x) Insurance Claim Receivables	38.18	38.18	36.02	36.02
(xi) Deposits with Banks	2,48.98	2,48.98	4,10.05	4,10.05
Total Financial Assets	778,74.09	778,74.09	811,75.29	811,75.29
Financial Liabilities				
(i) Trade payables-Total outstanding dues of micro enterprises and small enterprises	6,02.11	6,02.11	3,79.50	3,79.50
(ii) Trade payables-Total outstanding dues of creditors other than micro enterprises and small enterprises	607,16.09	607,16.09	616,50.27	616,50.27
(iii) Security Deposits	1,18.13	1,18.13	1,33.13	1,33.13
(iv) Borrowings	77,71.09	77,71.09	-	-
(v) Capital Creditors	2,59.23	2,59.23	7,45.26	7,45.26
(vi) Current maturities of finance lease obligations	5,43.13	5,43.13	-	-
(vii) Unpaid Dividends	210,97.31	210,97.31	150,02.91	150,02.91
(viii) Unpaid Balance of Share Capital Reduction	77.05	77.05	74.27	74.27
Total financial liabilities	911,84.14	911,84.14	779,85.34	779,85.34

Note 40 - Financial Risk Management

Inherent to the nature of the Company's business are a variety of financial risks, namely liquidity risk, market risk and credit risk. Developing policies and processes to assess, monitor, manage and address these risks is the responsibility of the Company's Management. The Risk Management Committee oversees this risk management framework in the Company and intervenes as necessary to ensure there exists an appropriate level of safeguards against the key risks. Updates on compliance, exceptions and mitigating action are placed before the Audit Committee periodically. Risk management policies and

Notes to the Financial Statements for the year ended March 31, 2019

systems are reviewed regularly to reflect changes like major changes in ERP systems or go to market model, changes in organization structure, events denoting material change in the risk environment, etc.

The Company's Management works closely with its Treasury department and Internal Audit department to ensure there are appropriate policies and procedures governing the operations of the Company with a view to providing assurance that there is visibility into financial risks and that the business is being run in conformity with the stated risk objectives. Periodic reviews with concerned stakeholders provides an insight into risks to the business associated with currency movements, credit risks, commodity price fluctuations, etc. and necessary deliberations are undertaken to ensure there is an appropriate response to the developments.

A MANAGEMENT OF LIQUIDITY RISK

The Company follows a conservative policy of ensuring sufficient liquidity at all times through a strategy of profitable growth, efficient working capital management as well as prudent capital expenditure and dividend policies. The Company has a overdraft facility with banks to support any temporary funding requirements. The Company is cognizant of reputational risks that are associated with the liquidity risk and the risk is factored into the overall business strategy.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

As at March 31, 2019, the Company had undrawn letter of credit facilities in aggregate of ₹ Nil (March 31, 2018: ₹ Nil).

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

	₹ Lakhs					
	Carrying amount	Payable on demand	Less than 3 months	3-12 months	More than 12 months	Total
As at March 31, 2019						
(i) Borrowings	77,71.09	-	-	-	77,71.09	77,71.09
(ii) Trade payables	613,18.20	-	613,18.20	-	-	613,18.20
(iii) Security Deposits	1,18.13	-	-	-	1,18.13	1,18.13
(iv) Capital Creditors	2,59.23	-	2,59.23	-	-	2,59.23
(v) Unpaid Dividends	210,97.31	20,58.32	190,38.99	-	-	210,97.31
(vi) Unpaid Balance of Share Capital Reduction	77.05	77.05	-	-	-	77.05
(vii) Current maturities of finance lease obligations	5,43.13	-	-	5,43.13	-	5,43.13
As at March 31, 2018						
(i) Trade payables	614,46.80	-	614,46.80	-	-	614,46.80
(ii) Security Deposits	1,33.13	-	-	-	1,33.13	1,33.13
(iii) Capital Creditors	7,45.26	-	7,45.26	-	-	7,45.26
(iv) Unpaid Dividends	150,02.91	14,03.63	135,99.28	-	-	150,02.91
(v) Unpaid Balance of Share Capital Reduction	74.27	74.27	-	-	-	74.27

Notes to the Financial Statements for the year ended March 31, 2019

B MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- commodity price risk;

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's Management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
1. CURRENCY RISK		
<p>The Company is subject to the risk of changes in foreign currency values that impact costs of imported raw material (directly and by local suppliers), import of finished goods, equipment for expansion at the plants, expatriate costs, service income, reimbursement of expenses, service related charges from overseas related and third parties as well as revenue from exports. Receivable and Payable having foreign currencies denomination in the balance sheet will also be impacted.</p> <p>As at March 31, 2019, the unhedged exposure to the Company on holding financial assets and liabilities other than in its functional currency amounted to ₹ 37,94.28 Lakhs and ₹ 51,72.01 Lakhs respectively (March 31, 2018: ₹ 57,74.52 Lakhs and ₹ 31,54.96 Lakhs)</p>	<p>The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, Euro, and Chinese Yuan. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented.</p>	<p>As an estimation of the approximate impact of the residual risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in exchange rates.</p> <p>A 1% strengthening of the INR against key currencies to which the Company is exposed at year end would have led to approximately an additional ₹ 13.78 Lakhs pre-tax gain in the Statement of Profit and Loss (2017-18: ₹ 26.20 Lakhs pre-tax loss). A 1% weakening of the INR against these currencies would have led to an equal but opposite effect.</p> <p>A 1% strengthening of the INR against key currencies would have led to approximately an additional pre-tax gain of ₹ 7.67 Lakhs in the Statement of Profit and Loss (2017-18: ₹ 6.92 Lakhs pre-tax gain). A 1% weakening in currency prices would have led to an equal but opposite effect.</p>
2. COMMODITY PRICE RISK		
<p>The Company is exposed to the risk of changes in commodity prices in relation to its purchase of its raw materials especially corn, carton board, resins and palm oils.</p>	<p>The Company develops periodic financial forecasts based on commodity price forecasts by its Procurement group and appropriate actions including selling price changes and cost saving measures to reduce the impact of commodity price changes is considered as part of the financial modelling.</p>	<p>A 1% increase in commodity prices would have led to approximately an additional ₹ 6.19 Lakhs loss in the Statement of Profit and Loss (2017-18: ₹ 6.52 Lakhs loss). A 1% weakening in commodity prices would have led to an equal but opposite effect.</p>

Notes to the Financial Statements for the year ended March 31, 2019

C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or other counter-party fails to meet its contractual obligations.

Trade Receivables

Trade receivables are subject to credit limits, controls and approval processes. A majority of customers pay prior to shipment, thereby reducing exposure to trade receivables significantly. Due to a large customer base, the Company is not exposed to material concentration of credit risk. Basis the historical experience supported by the level of default, the credit risk in case of trade receivable is low and so trade receivables are considered to be a single class of financial assets. (Refer Accounting Policy 1 B (h) on trade receivables.)

The gross carrying amount of trade receivables is ₹ 209,78.64 Lakhs as at March 31, 2019 and ₹ 206,09.48 Lakhs as at March 31, 2018.

(I) Reconciliation of loss allowance provision- Trade receivables

	₹ Lakhs	
	March 31, 2019	March 31, 2018
Loss allowance at the beginning of the year	5,06.24	4,90.94
Add / (Less) : Changes in loss allowances	4,06.88	15.30
Loss allowance at the end of the year	9,13.12	5,06.24

(II) Ageing analysis of Trade receivables and provision of doubtful debts is as follows :

Balance as on March 31, 2018

	₹ Lakhs			
	Not due	0-180	>180	Total
Ageing				
Gross carrying amount	117,12.68	79,25.90	9,70.90	206,09.48
Provision for doubtful debts	-	-	(5,06.24)	(5,06.24)
Carrying amount of trade receivables (net of Provision)	117,12.68	79,25.90	4,64.66	201,03.24

Balance as on March 31, 2019

	Not due	0-180	>180	Total
Ageing				
Gross carrying amount	52,48.86	155,53.18	10,89.72	218,91.76
Provision for doubtful debts	-	-	(9,13.12)	(9,13.12)
Carrying amount of trade receivables (net of Provision)	52,48.86	155,53.18	1,76.60	209,78.64

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in debt instruments. The Company has concentrated its main investment activities with a limited number of counter-parties which have secure credit ratings, to reduce this risk. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department.

The Company's maximum exposure to credit risk as at March 31, 2019 and March 31, 2018 is the carrying value of each class of financial assets as disclosed in Note 39(iii).

Notes to the Financial Statements for the year ended March 31, 2019

Note 41 - Capital Management

The Company's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The Company considers the following components of its Balance Sheet to be managed capital:

1) Share Capital, 2) Share Premium and 3) Other Reserves comprising of General Reserve and Retained Earnings.

The Company's capital structure is based on the Managements assessment of the balances of key elements to ensure strategic decisions and day to day activities. The capital structure of the Company is managed with a view of the overall macro economic conditions and the risk characteristics of the underlying assets.

The Company's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Company, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Company.

The Company's focus is on keeping a strong total equity base to ensure independence, security, as well as high financial flexibility without impacting the risk profile of the Company.

In order, to maintain or adjust the capital structure, the Company will take appropriate steps as may be necessary. The Company does not have any debt or financial covenants.

Note 42: The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end*	6,02.11	3,79.50
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.02	0.10
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	28,31.90	46,79.52
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	10.14	29.33
(vii) Further interest remaining due and payable for earlier years	-	-

* The principal amount represents amount outstanding (due as well as not due) as at the Balance Sheet date.

Note 43: Exceptional Item for the year ended March 31, 2019 represents profit before tax of ₹ 34,11.57 Lakhs on the sale of the Company's former factory leasehold land and buildings at Aurangabad, Maharashtra and ₹ 3,61.05 Lakhs on severance and related expenses. Exceptional Item for the year ended March 31, 2018 represents severance and related expenses of ₹ 11,65.07 Lakhs with respect to certain organisation structure changes.

Note 44: The toothpowder manufacturing operations at the Aurangabad factory, Waluj, Maharashtra were discontinued effective May 5, 2015. The Company had received approval from the Maharashtra Industrial Development Corporation (MIDC) for transfer of its rights in the aforesaid property in favour of a buyer and the transfer has been completed in the current year.

Notes to the Financial Statements for the year ended March 31, 2019

Note 45: Subsequent to year end, the Company has declared a Special Interim Dividend of ₹8 per share aggregating to ₹ 262,31 Lakhs (including dividend distribution tax) on May 27, 2019. During the previous year, subsequent to year end, the Company has declared a Special Interim Dividend of ₹ 11 per share aggregating to ₹ 360,68 Lakhs (including dividend distribution tax) on May 21, 2018. In accordance with the provisions of Ind AS 10, these dividends are not recognised as a liability for the respective years.

Note 46: Previous year figures have been regrouped / reclassified, where necessary, to conform to the current year's classification.

Signature to Notes 1 to 46 are an integral part of these financial statements

In terms of our report of even date.

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003

Jayesh Gandhi

Partner

Membership Number - 037924

Mumbai, May 27, 2019

For and on behalf of the Board of Directors

R. A. Shah

Vice-Chairman

(DIN : 00009851)

M. S. Jacob

Whole-time Director &

Chief Financial Officer

(DIN : 07645510)

I. Bachaalani

Managing Director

(DIN : 06975320)

K.R. Singh

Company Secretary

(F-6621)

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Form No. SH-13 -Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,

(Name of the Company) _____

(Address of the Company) _____

Pincode _____

We _____

residing at _____

_____ the holder(s) of the securities, particulars of which are given hereunder, wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my / our death.

(1) Particulars of the Securities (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

(2) Particulars of Nominee

Name:		Date of Birth:		Please affix recent passport size photograph of the Nominee signed across
Father's / Mother's / Spouse's name:		Occupation:	Nationality:	
E-mail id:				
Phone No:	Relationship with the security holder:			Signature of the Nominee
Address: _____		Pincode _____		

(3) In case Nominee is a Minor

Date of Birth	Date of attaining Majority:	Name of guardian:
Address of guardian: _____		
Pincode _____		

(4) Particulars of Nominee

Name:		Date of Birth:		Please affix recent passport size photograph of the Nominee signed across
Father's / Mother's / Spouse's name:		Occupation:	Nationality:	
E-mail id:				
Phone No:	Relationship with the security holder:			Signature of the Nominee
Address: _____ _____ Pincode _____				

Name of the Security Holder(s)	Signature
1.	
2.	
3.	

Name of Witness		Signature of Witness with dare
Address of Witness : _____ _____ Pincode _____		
Place:	Date:	



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

CIN: L24200MH1937PLC002700

Tel. No.: 022 - 6709 5050 / 60 Fax No. : 022-2570 5088

E-mail ID: investors_grievance@colpal.com Website: www.colgatepalmolive.co.in

ATTENDANCE SLIP

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND
HAND IT OVER AT THE ENTRANCE.

I/We hereby record my/our presence at the 78th Annual General Meeting (AGM) of Colgate-Palmolive (India) Limited held at Mukesh R. Patel Auditorium, NMIMS Building, JVPD Road No. 2, Vile Parle (West), Mumbai-400 056 on Wednesday, August 28, 2019 at 3.30 p.m. (IST).

Sr. No. : (for office use only)	
Ledger Folio No./CL.ID/DP ID No. if any.	
Name and Registered Address of the Shareholder(s).	
Joint Holder 1	
Joint Holder 2	
No. of Shares held	
Name of the Proxy/ Representative, if any	
Signature of the Member(s)/Proxy	
Signature of the Representative	

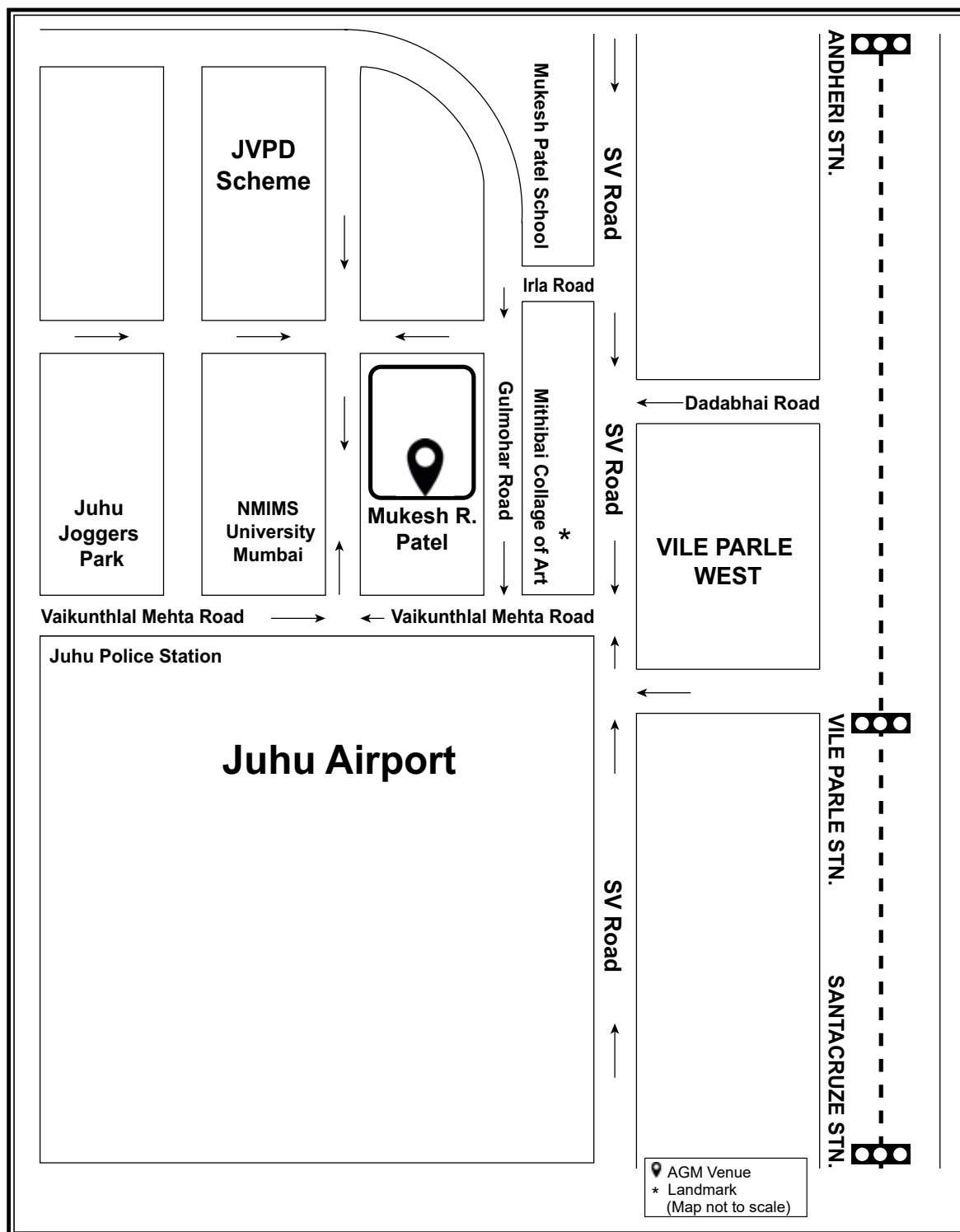
Note: Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

AGM Hall Route Map

Venue of the Annual General Meeting of the Company to be held on
Wednesday, August 28, 2019 at 3.30 p.m. (IST).

Venue Address

Mukesh R. Patel Auditorium, NMIMS Building,
JVPD Road No. 2, Vile Parle (West), Mumbai- 400 056.



Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014]

CIN	:	L24200MH1937PLC002700		
Name of the Company	:	Colgate-Palmolive (India) Limited		
Registered Office	:	Colgate Research Centre, Main Street, Hiranandani Gardens, Powai, Mumbai 400 076.		
	Tel. No.	:	022 - 6709 5050 / 60	
	Fax No.	:	022 - 2570 5088	
	E-mail ID	:	investors_grievance@colpal.com	
	Website	:	www.colgatepalmolive.co.in	
Name of the Member(s)	:			
Registered address	:			
E-mail ID	:			
Folio No. / Client ID	:		DP ID :	

I / We, being the member(s) of _____ Shares of the above named Company, hereby appoint :

1.	Name			
	Address			
	E-mail ID	or Failing him / her		
	Signature			
2.	Name			
	Address			
	E-mail ID	or Failing him / her		
	Signature			
3.	Name			
	Address			
	E-mail ID	Signature		

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 78th Annual General Meeting of the Company to be held on Wednesday, August 28, 2019 at 3.30 p.m.(IST) at Mukesh R. Patel Auditorium, NMIMS Building, JVPD Road No. 2, Vile Parle (West), Mumbai- 400 056 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution		
Ordinary Business		For	Against
1.	Adoption of the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Chandrasekar Meenakshi Sundaram (DIN: 07667965), who retires by rotation and, being eligible, offers himself for re-appointment.		
Special Business			
3.	Approval for Commission to Independent Directors.		
4.	Appointment of Mr. Ram Raghavan (DIN : 0008511606) as Managing Director of the Company.		

Signed this _____ day of _____ 2019.

Signature of shareholder :

Signature of Proxyholder(s) :

Affix
Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

[illegible]

Notes

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across its entire width, typical of notebook or school paper. There are no margins, text, or other markings present.



Turn off the tap while brushing.
Save ^{up} to 15 litres of water every day.



Source: ADA & FEMP calculator. Data from source suitably converted from Gallons into Litres & as per avg one time brushing in India.



SAVE WATER 
www.colgate.com/savewater

 **COLGATE-PALMOLIVE (INDIA) LIMITED**

Colgate Research Centre, Main Street, Hiranandani Gardens, Powai, Mumbai - 400 076. Tel : 022-67095050.
www.colgatepalmolive.co.in