



Independent Auditor's Report

To the Members of Colgate-Palmolive (India) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Colgate-Palmolive (India) Limited ("the Company"), which comprise of the Balance sheet as at March 31 2022, 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 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, 2022, 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 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 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 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 financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the 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 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 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 financial statements.

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Key audit matters	How our audit addressed the key audit matter
<p>(a) Revenue recognition (as described in Note 26 of the financial statements)</p> <p>Revenue from the sale of goods is measured net off discounts and rebates that are given to the customers (i.e, to the Wholesale traders and Retail traders) as a part of sales promotion, comprising of primary and secondary schemes.</p> <p>Of the total discounts and rebates passed on to the customers, certain discounts and rebates are passed on to the customers only on secondary sale made by wholesale trader to retail trader i.e., secondary schemes.</p> <p>Significant judgement is required in estimating accruals relating to secondary schemes recognized, based on sales made during the year.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Our audit procedures included, amongst others, assessing the appropriateness of 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. • Obtained reasons from management to ascertain reasonableness in relation to ageing of outstanding accruals and verified subsequent settlement of provisions. • We assessed the adequacy of the disclosures in respect of revenue to be disclosed as per Ind AS 115.
<p>(b) Contingent liabilities / provisions in relation to tax Litigations (as described in Note 33 of the Financial statements)</p> <p>The Company has received various demand orders and notices under various tax laws which the Company is contesting. In cases where the outflow of resources embodying economic benefits is probable, the company has made provision and in cases where outflow of resources embodying economic benefits is possible, then such items are disclosed as contingent liabilities.</p> <p>Significant judgements and estimates are required to assess impact of these litigations on the financial position, results of operations and cash flows.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding, assessed and tested 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. • Read the orders/notices received from tax authorities and 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. • Analysed the management's estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in relation to tax litigations and uncertain tax positions 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 financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 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. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 with reference to financial statements 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.

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- 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 financial statements, including the disclosures, and whether the 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 financial statements for the financial year ended March 31, 2022 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of

section 143 of the Act, we give in the "Annexure I" 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:

- 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;
- 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;
- 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;
- In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" to this report;
- In our opinion, the managerial remuneration for the year ended March 31, 2022 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;
- 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:



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- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 and Note 34 to the 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
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Pritesh Maheshwari

Partner

Membership Number: 118746

UDIN: 22118746AJPXVO8953

Place of Signature: Mumbai

Date: May 26, 2022

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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) All property, plant and equipment are physically verified by the Management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and the procedure of such verification by the management is appropriate. No material discrepancies of inventory were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and no material discrepancies were noticed in respect of such confirmations.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has provided loans to companies as follows:
- | Particulars | Loans
(₹ Lakhs) |
|--|--------------------|
| Aggregate amount provided during the year | 2,500 |
| Balance outstanding as at balance sheet date in respect of above cases | 625 |
- (b) During the year the terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest. During the year the Company has not made investments, provided guarantees, provided security and granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
- (c) The Company has granted loan during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.



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- (iv) 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. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of loans, investments and, guarantees, and security have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the company.
- (vi) 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.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of income-tax, sales-tax, service tax, duty of excise, value added tax, and cess on account of any dispute, are as follows:

Income Tax

Sr. No.	Name of the Statute	Period to which amount relates	Forum where dispute is pending	Amount (₹ Lakhs)
1	Income Tax Act, 1961	AY 2011-12 to AY 2017-18	Income Tax Appellate Tribunal	85,913.45
		AY 2006-07 to AY 2007-08	First Appellate Authority	42.75
		AY 1996-97 to AY 2000-01	High Court	1,100.21
Total				87,056.41

Sales Tax

Sr. No.	Name of the Statute	Period to which amount relates	Forum where dispute is pending	Amount (₹ Lakhs)
1	Statute applicable in Maharashtra, UP and Kerala	1993-94, 2004-05 and 2016-17	High court	431.97
2	Statute applicable in Maharashtra, Uttar Pradesh, Madhya Pradesh, Andhra Pradesh, Kerala, Rajasthan, Uttaranchal, Delhi, Tripura, West Bengal, Bihar, Odisha, Assam, Gujarat, Karnataka, Jharkhand, Goa, Chandigarh, Haryana	1988-89, 1995-96, 1996-97, 1998-99, 2000-01 to 2017-18 and 2019-20	Assessing authorities and First Appellate Authorities of various states	4,282.84
3	Statute applicable in Maharashtra, Uttar Pradesh, Andhra Pradesh, Kerala, Bihar, Odisha and Karnataka	1987-88, 1990-91, 1995-96 to 1997-98, 1999-00 to 2001-02, 2003-04 and 2013-14	Sales Tax Appellate Tribunal of various States	234.66
Total				4,949.47

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Service Tax

Sr. No.	Name of the Statute	Period to which amount relates	Forum where dispute is pending	Amount (₹ in Lakhs)
1	Service Tax (Finance Act, 1994)	July 2007 to October 2008	Customs, Excise and Service Tax Appellate Tribunal	15.20
		2003-2010	First appellate authorities	7.51
	Total			22.71

Excise related matters

Sr. No.	Name of the Statute	Period to which amount relates	Forum where dispute is pending	Amount (₹ in Lakhs)
1	The Central Excise Act, 1944	Excise duty liability 1994-95, 2005-06 to 2010-11 and Jun'14 - Jun'17	Customs, Excise and Service Tax Appellate Tribunal	1,990.00
		1998-1999 to 2004-05 and 2006-07 to 2016-17	First appellate authorities	1,010.04
	Total			3,000.04

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowing or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause 3(ix)(a) of the order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of further public offer (including debt instruments), hence, the requirement to report on clause 3(x)(a) is not applicable to the Company
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the company or no fraud on the company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) & (c) of the order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013



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where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 43 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying

the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 31 (B) to the financial statements
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 31 (B) to the financial statements.
- (xxi) The Company is not required to prepare consolidated financial statements since there are no investments in subsidiaries or associates or joint ventures. Therefore, the requirement to report under clause 3(xxi) of the Order is not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Pritesh Maheshwari

Partner

Membership Number: 118746

UDIN: 22118746AJPXVO8953

Place of Signature: Mumbai

Date: May 26, 2022

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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 with reference to Financial statements of Colgate- Palmolive (India) Limited ("the Company") as of March 31, 2022 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 ("ICAI"). 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 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 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 with reference to these Financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these Financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial controls with reference to 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 controls with reference to 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 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial statements, including



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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 with reference to Financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to Financial statements and such internal financial controls with reference to Financial statements were operating

effectively as at March 31, 2022, 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 issued by the ICAI.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Pritesh Maheshwari

Partner

Membership Number: 118746

UDIN: 22118746AJPXVO8953

Place of Signature: Mumbai

Date: May 26, 2022

Balance Sheet

As at March 31, 2022

	Note	As at March 31, 2022 ₹ Lakhs	As at March 31, 2021 ₹ Lakhs
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3(A)	96,297.14	106,471.61
Capital Work-in-Progress	3(B)	12,184.42	14,484.96
Other Intangible Assets	3(C)	-	-
Financial Assets			
(i) Investments	4	-	1,861.45
(ii) Loans	5	133.88	140.38
(iii) Others	6	1,703.29	1,855.63
Deferred Tax Assets (Net)	20	1,729.72	476.81
Other Non-Current Assets	7	972.62	1,020.76
Current Tax Assets (Net)	32(d)	28,876.36	25,831.49
		141,897.43	152,143.09
Current Assets			
Inventories	8	35,718.77	33,582.14
Financial Assets			
(i) Trade Receivables	9	22,467.81	11,708.43
(ii) Cash and Cash Equivalents	10	72,406.64	29,657.29
(iii) Bank Balances [other than (ii) above]	11	3,064.63	57,106.21
(iv) Loans	12	10,731.91	692.72
(v) Others	13	701.16	508.74
Other Current Assets	14	3,194.79	4,002.86
		148,285.71	137,258.39
		290,183.14	289,401.48
Total Assets			
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	2,719.86	2,719.86
Other Equity	16	170,747.90	113,866.44
Total Equity		173,467.76	116,586.30
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Lease liabilities	17	6,901.41	7,735.57
(ii) Other Financial Liabilities	18	123.70	124.03
Provisions	19	1,398.25	3,113.13
Other Non-Current Liabilities	21	45.12	47.34
		8,468.48	11,020.07
Current liabilities			
Financial Liabilities			
(i) Lease liabilities	17	1,403.95	1,381.98
(ii) Trade Payables	22	-	-
- Total outstanding dues of micro enterprises and small enterprises		1,556.30	1,187.40
- Total outstanding dues of creditors other than micro enterprises and small enterprises		75,583.15	74,856.60
(iii) Other Financial Liabilities	23	3,519.28	58,111.82
Other Current Liabilities	24	12,266.67	13,069.07
Provisions	25	8,401.83	8,104.83
Current Tax Liabilities (Net)	32(e)	5,515.72	5,083.41
		108,246.90	161,795.11
		116,715.38	172,815.18
		290,183.14	289,401.48
Total Liabilities			
Total Equity and Liabilities			
Significant accounting policies	1B		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

Pritesh Maheshwari
Partner
Membership Number - 118746

Place : Mumbai
Date : May 26, 2022

For and on behalf of the Board of Directors of Colgate-Palmolive (India) Limited

M. S. Jacob
Whole-time Director & Chief Financial Officer
(DIN : 07645510)

M. Chandrasekar
Director
(DIN : 07667965)

Surender Sharma
Whole-time Director - Legal & Company
Secretary
(F-8913)
(DIN : 02731373)

Place : Mumbai
Date : May 26, 2022



Statement of Profit and Loss

for the year ended March 31, 2022

	Note	Year ended		
		March 31, 2022	Year ended March 31, 2021	
		₹ Lakhs	₹ Lakhs	
Revenue from Operations	26		509,978.19	484,121.56
Other Income	27		2,626.30	3,035.38
(A) Total Income			512,604.49	487,156.94
Expenses				
Cost of Materials Consumed		136,801.19		124,958.34
Purchases of Stock-in-Trade		29,608.19		32,358.71
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	342.71		(2,379.88)
Employee Benefits Expense	29	38,513.01		36,564.02
Finance Costs	30	589.49		725.90
Depreciation and Amortisation Expense	3A	17,730.33		18,249.73
Other Expenses	31	148,118.52		141,658.21
(B) Total Expense			371,703.44	352,135.03
(C) Profit Before Tax (A-B)			140,901.05	135,021.91
Tax Expense:	32			
Current Tax [Net of prior period reversals ₹ 3,199 Lakhs (Previous Year: ₹ 3,149.45 Lakhs)]		34,479.13		32,573.16
Deferred Tax	20	(1,409.95)		(1,089.79)
(D) Total Tax Expense			33,069.18	31,483.37
(E) Profit for the year (C-D)			107,831.87	103,538.54
Other Comprehensive Income (net of Tax)				
Items that will not be reclassified to Profit and Loss				
Re-measurement loss/(gains) on defined benefit plans			(623.95)	(433.55)
Tax adjustment on above	20		157.04	109.12
(F) Re-measurement loss/(gains) on defined benefit plans (Net of tax)			(466.91)	(324.43)
(G) Total Comprehensive Income (E-F)			108,298.78	103,862.97
Earnings Per Equity Share attributable to the Owners of the Company (Rupees)	37			
(Face Value of ₹ 1 per Equity Share)				
Basic and Diluted			39.65	38.07
Significant accounting policies	1B			
The accompanying notes are an integral part of these financial statements.				

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

Pritesh Maheshwari
Partner
Membership Number - 118746

Place : Mumbai
Date : May 26, 2022

For and on behalf of the Board of Directors of Colgate-Palmolive (India) Limited

M. S. Jacob
Whole-time Director & Chief Financial Officer
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Director
(DIN : 07667965)

Surender Sharma
Whole-time Director - Legal & Company
Secretary
(F-8913)
(DIN : 02731373)

Place : Mumbai
Date : May 26, 2022

Statement of Changes in Equity

for the year ended March 31, 2022

(A) EQUITY SHARE CAPITAL (NOTE 15)

	Number of shares (in lakhs)	Amount (₹ Lakhs)
As at April 1, 2020	2,719.86	2,719.86
Increase / (Decrease) during the year	-	-
As at March 31, 2021	2,719.86	2,719.86
Increase / (Decrease) during the year	-	-
As at March 31, 2022	2,719.86	2,719.86

(B) OTHER EQUITY (NOTE 16)

Particulars	Reserves and Surplus				Total
	Securities Premium	General Reserve	Share Options Outstanding Account	Retained Earnings	
Balance as at April 1, 2020	1,279.93	38,437.13	(66.58)	117,045.55	156,696.03
Profit for the year	-	-	-	103,538.54	103,538.54
Other Comprehensive Income	-	-	-	433.55	433.55
Tax Adjustment on Other Comprehensive Income	-	-	-	(109.12)	(109.12)
Total Comprehensive Income for the year	-	-	-	103,862.97	103,862.97
Dividend paid [(including dividend distribution tax) (Refer Note 16 (iv))	-	-	-	(146,872.24)	(146,872.24)
Employee stock option expense [(Refer Note 39 (c))	-	-	1,118.24	-	1,118.24
Transferred to Retained Earnings for employees transferred during the year	-	-	(150.75)	150.75	-
Payments made against liability created	-	-	(658.19)	-	(658.19)
Amount credited by Group Company	-	-	(374.67)	-	(374.67)
Tax Adjustment on Employee stock option [Refer Note 32 (c)]	-	-	94.30	-	94.30
Balance as at March 31, 2021	1,279.93	38,437.13	(37.65)	74,187.03	113,866.44
Profit for the year	-	-	-	107,831.87	107,831.87
Other Comprehensive Income	-	-	-	623.95	623.95
Tax Adjustment on Other Comprehensive Income	-	-	-	(157.04)	(157.04)
Total Comprehensive Income for the year	-	-	-	108,298.78	108,298.78
Dividend paid [(including dividend distribution tax) (Refer Note 16 (iv))	-	-	-	(51,677.27)	(51,677.27)
Employee stock option expense [(Refer Note 39 (c))	-	-	1,253.63	-	1,253.63
Transferred from Share Options Outstanding account for employees transferred during the year	-	-	-	-	-
Payments made against liability created	-	-	(694.33)	-	(694.33)
Amount credited by Group Company	-	-	(400.03)	-	(400.03)
Tax Adjustment on Employee stock option [Refer Note 32 (c)]	-	-	100.68	-	100.68
Balance as at March 31, 2022	1,279.93	38,437.13	222.30	130,808.54	170,747.90

Significant accounting policies (Refer Note 1B)

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

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

Pritesh Maheshwari
Partner
Membership Number - 118746

For and on behalf of the Board of Directors of Colgate-Palmolive (India) Limited

M. S. Jacob
Whole-time Director & Chief Financial Officer
(DIN : 07645510)

M. Chandrasekar
Director
(DIN : 07667965)

Surender Sharma
Whole-time Director - Legal & Company
Secretary
(F-8913)
(DIN : 02731373)

Place : Mumbai
Date : May 26, 2022

Place : Mumbai
Date : May 26, 2022



Statement of Cash Flow

for year ended March 31, 2022

	Year ended March 31, 2022	Year ended March 31, 2021
	(₹ in lakhs)	(₹ in lakhs)
Cash flow from Operating Activities:		
Profit before Exceptional items and Tax	140,901.05	135,021.91
Adjustment for:		
Unrealised Foreign Exchange (Gain) / Loss	(42.33)	160.28
Depreciation and Amortisation Expenses	17,730.33	18,249.73
Lease Rentals received	(248.06)	(247.08)
Net loss on disposal of property, plant and equipment	16.38	68.54
Interest Income On Financial Assets at Amortized Cost	(2,079.44)	(1,971.79)
Finance Cost	589.49	725.90
Bad Debts Written Off/ Provision for Doubtful Debts	46.27	-
Bad Debts Recovered	-	(7.04)
Provisions no Longer Required Written Back	-	(509.51)
Interest income from Unwinding of discount on security deposits	(110.97)	(127.69)
Employee share-based payment expense	1,253.63	1,118.24
Operating Profit before Working Capital Changes	158,056.35	152,481.49
Adjustment for Increase/Decrease in Working Capital:		
Increase in Inventories	(2,136.63)	(3,890.46)
Decrease / (Increase) in Financial Assets	43,306.01	(52,795.74)
Decrease in Other Assets	836.83	178.64
Increase in Financial Liabilities	1,100.84	14,293.29
(Decrease)/ Increase in Other Liabilities and Provisions	(1,599.75)	3,955.22
Cash Generated from Operations	199,563.65	114,222.44
Direct Taxes Paid (Net)	(36,990.17)	(35,836.66)
Net Cash Generated from Operating Activities (A)	162,573.48	78,385.78
Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(4,962.72)	(5,776.12)
Proceeds from disposal of Property, Plant and Equipment	8.30	42.43
Purchase of Current Investments / Proceeds from disposal of Current Investments	(10,027.69)	10,596.49
Lease Rentals received	248.06	247.08
Proceeds from disposal of Non-Current Investments	1,912.42	0.40
Interest Received	2,057.38	2,025.07
Net Cash (used in)/ Cash flow from Investing Activities (B)	(10,764.25)	7,135.35
Cash Flow from Financing Activities:		
Dividends Paid	(105,718.85)	(92,111.20)
Payment of Lease Liabilities	(2,246.67)	(2,501.97)
Employee share-based payments	(1,094.36)	(1,032.35)
Net Cash used in Financing Activities (C)	(109,059.88)	(95,645.52)

Statement of Cash Flow

for year ended March 31, 2022 (Contd.)

	Year ended March 31, 2022	Year ended March 31, 2021
	(₹ in lakhs)	(₹ in lakhs)
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	42,749.35	(10,124.39)
Cash and Cash Equivalents at the beginning of the year	29,657.29	39,781.68
Cash and Cash Equivalents at the end of the year	72,406.64	29,657.29
Bank Balances in:		
Current Accounts	1,590.91	1,061.80
Deposit Accounts (with less than 3 months original maturity)	70,815.73	28,595.49
Cash and Cash Equivalents as at March 31, 2022 (Refer Note 10)	72,406.64	29,657.29
	Year ended March 31, 2022	Year ended March 31, 2021
	(₹ in lakhs)	(₹ in lakhs)
Changes in liabilities arising from Financing Activities:		
1) Dividend		
Unpaid Dividend as at beginning of the year	57,106.21	2,345.17
Dividend Declared	51,677.27	146,872.24
Dividend Paid	(105,718.85)	(92,111.20)
Dividend as at year end (Including unpaid)	3,064.63	57,106.21
2) Lease Liabilities		
Lease Liabilities as at beginning of the year	9,117.58	10,149.67
Additions during the year	844.96	743.98
Finance Charges paid under Lease Liabilities during the year	589.49	725.90
Payment of Lease Liabilities during the year	(2,246.67)	(2,501.97)
Lease Liabilities as at year end	8,305.36	9,117.58

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.

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

Pritesh Maheshwari
Partner
Membership Number - 118746

Place : Mumbai
Date : May 26, 2022

For and on behalf of the Board of Directors of Colgate-Palmolive (India) Limited

M. S. Jacob
Whole-time Director & Chief Financial Officer
(DIN : 07645510)

M. Chandrasekar
Director
(DIN : 07667965)

Surender Sharma
Whole-time Director - Legal & Company
Secretary
(F-8913)
(DIN : 02731373)

Place : Mumbai
Date : May 26, 2022



Notes to the Financial Statements

for the year ended March 31, 2022

1A. CORPORATE INFORMATION:

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 recognized stock exchanges in India. The Company is engaged in manufacturing/trading of toothpaste, tooth powder, toothbrush, mouthwash and personal care products.

These financial statements for the year ended March 31, 2022 were approved by the Board of Directors on May 26, 2022.

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) and Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to Companies Act, 2013, (Ind AS Compliant Schedule III), as applicable to financial statements.

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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.

(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

Notes to the Financial Statements

for the year ended March 31, 2022

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. Realized gains and losses on settlement of foreign currency transactions are recognized 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 recognized 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 recognized 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 derecognized 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 recognized is derecognized 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 derecognized.

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	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

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.



Notes to the Financial Statements

for the year ended March 31, 2022

(d) Leases

As a Lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the commencement date of a lease, the Company recognizes 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). Right-of-use assets are measured at cost, less any accumulated depreciation, impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification or a change in the lease term. The Company separately recognizes the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

The Company accounts for a lease modification as a separate lease when both of the following conditions are met:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets.
- The consideration for the lease increases commensurate with the standalone price for the increase in scope and any adjustments to that stand-alone price reflects the circumstances of the particular contract.

For a lease modification that fully or partially decreases the scope of the lease the Company decreases the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognized in profit or loss at the effective date of the modification.

The Company has elected 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 which is considered to be ₹ 3.5 Lakhs.

As a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents

Notes to the Financial Statements

for the year ended March 31, 2022

are recognized as revenue in the period in which they are earned.

(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 capitalized 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 are 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 derecognized 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 recognized in profit or loss in the period of de-recognition.

(f) Intangible assets

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

Amortization

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

The estimated useful life and amortization methods 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 unless all the criteria for capitalization have been met by the Company. Development expenditures on an individual project are recognized 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 assets other than inventory and deferred tax. An impairment loss is recognized 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 recognized for an asset in the 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 recognized.



Notes to the Financial Statements

for the year ended March 31, 2022

(h) Inventories

Inventories of raw and packing materials, stores, work-in-progress, finished goods and stock in trade are valued at lower of cost or net realizable 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 realizable 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 recognized initially at fair value and subsequently measured at amortized cost net of any expected credit losses, if any. The company provides for expected credit loss using simplified approach based on the probability of defaults which are possible over the lifetime of assets.

(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) Financial Assets:

i. Initial recognition and measurement

All financial assets are recognized 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.

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 amortized 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 the 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:

Amortized 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 amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in Statement of Profit and Loss when the asset is derecognized 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, 2022

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 recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized 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 amortized 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 recognized 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.

ii. Derecognition

A financial asset is derecognized 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 derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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 derecognized 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 recognized to the extent of continuing involvement in the financial asset. Expected credit losses are recognized for all financial assets subsequent to initial recognition.

(I) 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 recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit or loss.

iii. Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

iv. Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

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



Notes to the Financial Statements

for the year ended March 31, 2022

after the reporting period. They are recognized initially at their fair value.

Provisions

The Company recognizes a provision when there is a present legal or constructive obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

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 recognized as an 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.

(m) Revenue from operations

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 and reduced by variable consideration. Variable consideration includes sales returns, trade discounts, volume based incentives, and 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).

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 recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs its obligation to transfer goods or services under the contract.

ii. Service Income

Service Income is recognized on cost plus basis as per the terms of the contract with customers,

Notes to the Financial Statements

for the year ended March 31, 2022

as and when the service is performed.

iii. Interest income

Interest income from debt instruments is recognized 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 recognized 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.

v. Government Grant

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Ind AS 20 permits the grant to be recognized in profit or loss. The Company has chosen to present grants related to an expense item as other operating income in the Statement of Profit and Loss.

(n) 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 recognized 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 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 recognized 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 recognized immediately in the Statement of profit and loss as past service cost. Remeasurements are not reclassified to Profit or Loss in subsequent periods.



Notes to the Financial Statements

for the year ended March 31, 2022

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 recognized 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 recognized immediately in the Statement of profit and loss as past service cost. Remeasurements 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 recognized 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. Remeasurements 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 recognized in the Statement of Profit and Loss in the year in which they arise.

Voluntary Retirement Scheme:

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

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

Notes to the Financial Statements

for the year ended March 31, 2022

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 recognizes 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 recognizes 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 accounts for the recharge as capital distribution even if the amount of recharge is more than the expense recognized 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 is 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.

(o) 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Company evaluates whether it has any uncertain tax positions which requires adjustments to provision for current tax. The Company has ongoing disputes with Income Tax Authorities on various matters. In respect of certain allowance/deductions, it is probable that such positions will not be accepted by Tax authorities and hence the same has been considered and adequately provided for while calculating current tax provision of the respective years. In respect of certain allowances/ deductions taken by the Company, it is probable that such disputes will be accepted by Tax authorities and hence the same have been considered and disclosed as a part of Contingent Liability.

• Current Tax

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and



Notes to the Financial Statements

for the year ended March 31, 2022

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 recognized 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 realized. 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 unrecognized deferred tax assets, if any.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(p) 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.

(q) 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.

(r) 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 recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

(s) 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.

(t) Earnings Per share

i. Basic Earnings per Share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year.

ii. Diluted Earnings per share

Diluted earnings per share adjust 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.

Notes to the Financial Statements

for the year ended March 31, 2022

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 39)
- Estimation of variable consideration in respect of revenue recognition (Refer Note 1B(m) 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.



Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 3 (A) (I) : PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Carrying Amount				Accumulated Depreciation/Amortisation			Net Carrying Amount
	Cost / Gross carrying value as at April 1, 2021	Additions/ Adjustments	Disposals/ Transfers/ Adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation/ Amortisation for the year	Disposals/ Transfers/ Adjustments	As at March 31, 2022
Right-of-use assets [Refer 3 (D) (I)]	22,419.35	848.71	-	23,268.06	4,867.01	2,282.47	-	7,149.48
Buildings [Refer Note (ii) and (iv) below]	43,471.05	486.10	5.14	43,952.01	12,405.04	2,324.28	3.62	14,725.70
Plant and Equipment (Owned)	123,773.95	4,585.34	511.80	127,847.49	67,937.33	11,998.48	502.50	79,433.31
Furniture and Fixtures	2,111.57	14.31	33.36	2,092.52	2,008.43	66.17	33.64	2,040.96
Office Equipment	6,538.13	1,646.08	308.98	7,875.23	4,624.63	1,058.93	294.84	5,388.72
Total Assets	198,314.05	7,580.54	859.28	205,035.31	91,842.44	17,730.33	834.60	108,738.17
Capital Work-in-Progress [Refer Note 3 B below]								12,184.42

₹ Lakhs

(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. The value of leasehold rights in the said land is ₹ Nil. 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. Further refer Note 34. 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 35 for disclosures of contractual commitments for the acquisition of property, plant and equipment.

(iv) Buildings include investment property with net carrying value of ₹ 201.55 Lakhs (March 31, 2021 : ₹ 214.11 Lakhs) and fair value of ₹ 3,213 Lakhs (March 31, 2021 : ₹ 3,166 Lakhs). Fair value is determined based on an annual evaluation performed by an accredited external independent valuer using the sales comparison method of valuation under market approach in which due weightages have been given to factors such as right to sell/transfer the property, demand and prospective buyers for such type of commercial offices etc. The significant unobservable inputs considered includes total of Weighted reconciliation is ₹ 20,400/- per square feet. The rental income and depreciation expense for the year ended March 31, 2022 are ₹ 248.06 Lakhs (March 31, 2021 : ₹ 247.08 Lakhs) and ₹ 12.56 lakhs (March 31, 2021 : ₹ 12.56 Lakhs) respectively. (Refer Note 17).

Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 3 (A) (II) : PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Carrying Amount				Accumulated Depreciation/Amortisation				Net Carrying Amount	
	Cost / Gross carrying value as at April 1, 2020	Additions/ Adjustments	Disposals/ Transfers/ Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation/ Amortisation for the year	Disposals/ Transfers/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Right-of-use assets [Refer 3 (D) (II)]	21,648.37	770.98	-	22,419.35	2,680.43	2,186.58	-	4,867.01	17,552.34	
Buildings [Refer Note (ii) and (iv) above]	43,469.13	47.34	45.42	43,471.05	10,101.01	2,317.65	13.62	12,405.04	31,066.01	
Plant and Equipment (Owned)	112,823.39	11,086.64	136.08	123,773.95	55,327.95	12,705.77	96.39	67,937.33	55,836.62	
Furniture and Fixtures	2,078.31	34.37	1.11	2,111.57	1,898.43	110.80	0.80	2,008.43	103.14	
Office Equipment	6,218.28	606.28	286.43	6,538.13	3,943.50	928.93	247.80	4,624.63	1,913.50	
Total Assets	186,237.48	12,545.61	469.04	198,314.05	73,951.32	18,249.73	358.61	91,842.44	106,471.61	
Capital Work-in-Progress [Refer Note 3 B below]									14,484.96	

(i) Bifurcation of original gross and net carrying amount of Property, Plant and Equipment:

Particulars	As at March 31, 2022			As at March 31, 2021		
	Gross Carrying Value	Accumulated Depreciation	Net Carrying Value	Gross Carrying Value	Accumulated Depreciation	Net Carrying Value
Right-of-use assets (excluding land) Refer Note 3 D (I) & (II) (A)	15,341.38	6,449.37	8,892.01	14,492.67	4,250.14	10,242.53
Right-of-use assets - Leasehold Land Refer Note 3 D (I) & (II) (B)	7,926.68	700.11	7,226.57	7,926.68	616.87	7,309.81
Buildings	49,935.37	20,709.06	29,226.31	49,454.41	18,388.40	31,066.01
Plant and Equipment	154,321.06	105,906.88	48,414.18	150,247.52	94,410.90	55,836.62
Furniture and Fixtures	3,244.37	3,192.81	51.56	3,263.42	3,160.28	103.14
Office Equipment	9,306.26	6,819.75	2,486.51	7,969.17	6,055.67	1,913.50
Total Assets	240,075.12	143,777.98	96,297.14	233,353.87	126,882.26	106,471.61

NOTE 3 (B) : CAPITAL WORK-IN-PROGRESS (CWIP)

Capital Work-in-Progress movement during the year

Particulars	As at March 31, 2022	As at March 31, 2021
Opening	14,484.96	19,003.27
Add - Addition during the year	4,431.29	7,256.32
Less - Capitalised during the year	6,731.83	11,774.63
Closing	12,184.42	14,484.96

Capital Work-in-Progress includes ₹ 11.98 lakhs (March 31, 2021 - ₹ 30.54 lakhs) being salary of Rs NIL lakhs (March 31, 2021 - ₹ 23.05 lakhs) and other expenses of ₹ 11.98 lakhs (March 31, 2021 - ₹ 7.49 lakhs) incurred towards capital projects. Salary and other expenses disclosed in Note 29 and Note 31 respectively are net of amounts included in CWIP.



Notes to the Financial Statements

for the year ended March 31, 2022

Capital work in progress ageing schedule

₹ Lakhs

As at 31 March, 2022	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,056.32	1,798.60	142.67	102.97	4,100.56
Projects temporarily suspended	-	3.20	72.78	8,007.88	8,083.86
Total	2,056.32	1,801.80	215.45	8,110.85	12,184.42

₹ Lakhs

As at 31 March, 2021	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5,307.34	608.27	485.49	-	6,401.10
Projects temporarily suspended	3.20	72.78	1,451.83	6,556.05	8,083.86
Total	5,310.54	681.05	1,937.32	6,556.05	14,484.96

For capital-work-in progress, whose completion is overdue, the project wise details of when the project is expected to be completed is given below as of 31st March 2022

₹ Lakhs

As at 31 March, 2022	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
CWIP					
Projects temporarily suspended					
Toothpaste Plant Building	-	-	-	8,083.86	8,083.86
Projects in progress					
Toothbrush Machinery	975.34	-	-	-	975.34
Total	975.34	-	-	8,083.86	9,059.20

For capital-work-in progress, whose completion is overdue, the project wise details of when the project is expected to be completed is given below as of 31st March 2021

₹ Lakhs

As at 31 March 2021	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
CWIP					
Projects temporarily suspended					
Toothpaste Plant Building	-	-	-	8,083.86	8,083.86
Projects in progress					
Toothbrush Machinery	17.53	975.34	-	-	992.87
Total	17.53	975.34	-	8,083.86	9,076.73

NOTE 3 (C): OTHER INTANGIBLE ASSETS

The Gross carrying value of intangible assets of ₹ Nil have been fully depreciated and the carrying value as at March 31, 2022 is Nil. (March 31, 2021 - Nil). Intangible assets comprise Goodwill, Trademarks, Copyright and Technical Know-how.

NOTE 3 (D) (I): RIGHT-OF-USE ASSETS RECOGNIZED AND THE MOVEMENTS DURING THE YEAR

₹ Lakhs

	Plant and Equipment	Vehicles	IT Equipment	Buildings	Others	Right-of-use assets (excluding land) (A)	Leasehold Land (B)	Total (A+B)
As at April 01, 2021	8,403.01	38.62	58.06	1,085.03	657.81	10,242.53	7,309.81	17,552.34
Addition/Modification	-	-	12.85	711.58	124.28	848.71	-	848.71
Amortisation	1,098.72	30.74	61.10	599.34	409.33	2,199.23	83.24	2,282.47
Deletion	-	-	-	-	-	-	-	-
As at March 31, 2022	7,304.29	7.88	9.81	1,197.27	372.76	8,892.01	7,226.57	16,118.58

Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 3 (D) (II): RIGHT-OF-USE ASSETS RECOGNIZED AND THE MOVEMENTS FOR THE PREVIOUS YEAR

	Plant and Equipment	Vehicles	IT Equipment	Buildings	Others	Right-of-use assets (excluding land) (A)	Leasehold Land (B)	Total (A+B)
As at April 01, 2020	8,990.31	88.72	194.58	1,284.16	1,017.12	11,574.89	7,393.05	18,967.94
Addition/Modification	471.52	-	(23.87)	323.33	-	770.98	-	770.98
Amortisation	1,058.82	50.10	112.65	522.46	359.31	2,103.34	83.24	2,186.58
Deletion	-	-	-	-	-	-	-	-
As at March 31, 2021	8,403.01	38.62	58.06	1,085.03	657.81	10,242.53	7,309.81	17,552.34

₹ Lakhs

Financial Assets

NOTE 4: NON-CURRENT INVESTMENTS

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Investment in Bonds at amortised cost :		
800 7.51% (Tax- Free) Secured, Redeemable, Non-Convertible Bonds of Power Finance Corporation Limited (Series-79A) of face value of ₹ 100,000 each (Unquoted)	-	827.41
99,675 8.20% (Tax-Free) Secured, Redeemable, Non-Convertible Bonds of Power Finance Corporation Limited (Series-I) of face value of ₹ 1000 each (Quoted)	-	1,034.04
	-	1,861.45

NOTE 5: NON-CURRENT LOANS

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Secured and Considered Good		
Loans to Employees	133.88	140.38
	133.88	140.38

NOTE 6: OTHER NON-CURRENT FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Security Deposits (Amortised Cost)	1,453.67	1,609.64
Deposits with banks (with maturity period of more than 12 months) *	249.62	245.99
	1,703.29	1,855.63

* Held as lien by Banks against Bank Guarantees issued to Regulatory authorities in the normal course of business.

NOTE 7: OTHER NON-CURRENT ASSETS

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Capital Advances (Refer Note 35)	247.95	267.11
Deposits with Government and other authorities	633.35	642.21
Prepaid Expenses	91.32	111.44
	972.62	1,020.76



Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 8: INVENTORIES

(Lower of cost or net realisable value)

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Raw and Packing Materials	11,012.33	8,732.33
Work-in-Progress	2,225.44	1,644.56
Finished Goods	15,094.49	15,815.22
Stock-in-Trade	4,698.07	4,830.47
[includes goods in transit ₹ 648.07 Lakhs, (March 31, 2021: ₹ 368.09 Lakhs)]		
Stores and Spares	2,688.44	2,559.56
	35,718.77	33,582.14

NOTE 9: TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Trade Receivables	18,176.40	7,777.89
Receivables from related parties (Refer Note 38)	4,974.09	4,601.38
Less : Allowance for doubtful debts	(682.68)	(670.84)
	22,467.81	11,708.43
Unsecured and Considered Good	22,467.81	11,708.43
Trade Receivables which have significant increase in credit Risk	682.68	670.84
Allowance for doubtful debts	(682.68)	(670.84)
	22,467.81	11,708.43

Trade receivables ageing schedule

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Undisputed Trade receivables - Considered good		
Current but not due	13,370.00	6,085.46
less than 6 months	8,997.98	5,317.79
6 months - 1 year	27.23	164.55
1-2 years	44.52	97.93
2-3 years	4.33	8.19
More than 3 years	23.75	34.51
	22,467.81	11,708.43
Undisputed Trade receivables - which have significant increase in credit risk		
6 months - 1 year	75.49	108.93
1-2 years	282.36	272.74
2-3 years	63.65	70.56
More than 3 years	261.18	218.61
	682.68	670.84
Total Trade receivables		
Current but not due	13,370.00	6,085.46
less than 6 months	8,997.98	5,317.79
6 months - 1 year	102.72	273.48

Notes to the Financial Statements

for the year ended March 31, 2022

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
1-2 years	326.88	370.67
2-3 years	67.98	78.75
More than 3 years	284.93	253.12
Total	23,150.49	12,379.27

NOTE 10: CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Bank Balances in:		
- Current Accounts	1,590.91	1,061.80
- Deposit Accounts (with less than 3 months original maturity)	70,815.73	28,595.49
	72,406.64	29,657.29

NOTE 11: OTHER BANK BALANCES

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Earmarked balances with Banks in:		
- Dividend Account - Second Interim Dividend*	-	54,397.13
- Unpaid Dividend Account	2,980.81	2,627.10
- Unpaid Share Capital Reduction Account (Year 2007)	83.82	81.98
	3,064.63	57,106.21

*The Company has declared a Second Interim Dividend of ₹ 21/- per share aggregating to ₹ 57,117 Lakhs on April 28, 2022 which was paid on and from May 25, 2022.

NOTE 12: CURRENT LOANS

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Secured and Considered Good		
Loans to Employees	55.94	63.27
Unsecured and Considered Good		
Inter-Corporate Deposits*	10,675.97	629.45
	10,731.91	692.72

*(Inter-Corporate Deposits includes amounts with maturity period ranging 61-91 days (March 31, 2021 - 91 days, Rate of interest ranging 3.25-10%)

NOTE 13: OTHER CURRENT FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Receivables from Related Parties (Refer Note 38)	338.22	341.02
Security Deposits	341.67	167.72
Insurance Claims Receivable	21.27	-
	701.16	508.74



Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 14: OTHER CURRENT ASSETS

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Balances with Government Authorities	263.37	858.99
Prepaid Expenses	690.40	1,459.18
Advances to Suppliers	2,025.42	1,443.38
Employee Advances	145.82	171.53
Fringe Benefit Advance Tax	69.78	69.78
	3,194.79	4,002.86

NOTE 15: EQUITY SHARE CAPITAL

Authorised Equity Share Capital:

	Number of shares	Amount (₹ Lakhs)
As at April 1, 2020	1,370,000,000	13,700.00
Increase during the year	-	-
As at March 31, 2021	1,370,000,000	13,700.00
Increase during the year	-	-
As at March 31, 2022	1,370,000,000	13,700.00

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, 2020	271,985,634	2,719.86
Increase / (Decrease) during the year	-	-
As at March 31, 2021	271,985,634	2,719.86
Increase / (Decrease) during the year	-	-
As at March 31, 2022	271,985,634	2,719.86

(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.

(C) Shares held by Ultimate Holding Company and its Subsidiaries:

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Colgate-Palmolive Company, U.S.A., the Ultimate Holding Company 108,952,694 (March 31, 2021 - 108,952,694) equity shares.	1,089.53	1,089.53
Colgate-Palmolive (Asia) Pte Ltd., Singapore, Subsidiary of the Ultimate Holding Company 29,758,852 (March 31, 2021 - 29,758,852) equity shares.	297.59	297.59
Norwood International Incorporated, U.S.A., Subsidiary of the Ultimate Holding Company 1,126 (March 31, 2021 - 1,126) equity shares.	0.01	0.01

Notes to the Financial Statements

for the year ended March 31, 2022

(D) Details of Shareholders holding more than 5% of the aggregate Shares in the Company:

	As at March 31, 2022	As at March 31, 2021
Colgate-Palmolive Company, U.S.A.		
Number of Shares	108,952,694	108,952,694
% of Holding	40.06	40.06
Colgate-Palmolive (Asia) Pte Ltd., Singapore		
Number of Shares	29,758,852	29,758,852
% of Holding	10.94	10.94
Life Insurance Corporation of India (LIC)		
Number of Shares	12,299,494	14,562,068
% of Holding	4.52	5.35

(E) Details of shares held by promoters

	As at March 31, 2022	As at March 31, 2021
Colgate-Palmolive Company, U.S.A.		
Number of Shares at the beginning of the year	108,952,694	108,952,694
Change during the year	-	-
Number of Shares at the end of the year	108,952,694	108,952,694
% of Total shares	40.06	40.06
% of change during the year	-	-
Colgate-Palmolive (Asia) Pte Ltd., Singapore		
Number of Shares at the beginning of the year	29,758,852	29,758,852
Change during the year	-	-
Number of Shares at the end of the year	29,758,852	29,758,852
% of Total shares	10.94	10.94
% of change during the year	-	-
Norwood International Incorporated, U.S.A		
Number of Shares at the beginning of the year	1,126	1,126
Change during the year	-	-
Number of Shares at the end of the year	1,126	1,126
% of Total shares	0.01	0.01
% change during the year	-	-
Total Promoters Shareholding		
Number of Shares at the beginning of the year	138,712,672	138,712,672
Change during the year	-	-
Number of Shares at the end of the year	138,712,672	138,712,672
% of Total shares	51.01	51.01
% change during the year	-	-



Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 16: OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Securities Premium Account [Refer (i) below]	1,279.93	1,279.93
General Reserve [Refer (ii) below]	38,437.13	38,437.13
Share Options Outstanding Account [Refer (iii) below]	222.30	(37.65)
Retained Earnings [Refer (iv) below]	130,808.54	74,187.03
	170,747.90	113,866.44

(i) Securities Premium

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Balance at the beginning of the year	1,279.93	1,279.93
Balance at the end of the year	1,279.93	1,279.93

(Securities Premium reserve is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013)

(ii) General Reserve

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Balance at the beginning of the year	38,437.13	38,437.13
Balance at the end of the year	38,437.13	38,437.13

(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 39)

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Balance at the beginning of the year	(37.65)	(66.58)
Add: Employee stock option expense	1,253.63	1,118.24
Less: Transferred to Retained Earnings for employees transferred during the year	-	(150.75)
Less: Payments made against liability created	(694.33)	(658.19)
Less: Amount credited by Group Company	(400.03)	(374.67)
Add: Tax Adjustment on above	100.68	94.30
Balance at the end of the year	222.30	(37.65)

(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)

Notes to the Financial Statements

for the year ended March 31, 2022

(iv) Retained Earnings

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Balance at the beginning of the year	74,187.03	117,045.55
Add: Profit for the year	107,831.87	103,538.54
Add: Other Comprehensive (Expense)/ Income	466.91	324.43
Add: Transferred from Share Options Outstanding account for employees transferred during the year	-	150.75
Less: Appropriations		
- Second Interim Dividend (FY 2019-20 - ₹ 16/- per share)	-	(43,517.70)
- First Interim Dividend [₹ 19/- per share (FY 2020-21 - ₹ 18/- per share)]	(51,677.27)	(48,957.41)
- Second Interim Dividend (FY 2020-21 - ₹ 20/- per share)	-	(54,397.13)
Balance at the end of the year	130,808.54	74,187.03
	170,747.90	113,866.44

(Retained earnings are the profits that a company has earned to date, after appropriation for dividends payouts)

NOTE 17: LEASE LIABILITIES

As a Lessee

The Company has lease contracts for various items of plant and equipments, vehicles, offices and residential buildings. Leases of plant and equipments has lease terms of 10 years, while other leases have lease terms ranging from 2 years to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company has lease contracts that includes extension option, however the lease term in respect of such extension option is not defined in the contract.

The Company also has certain leases with lease terms of 12 months or less and leases of low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised and the movements during the period are given in Note 3(D)(I).

Carrying amounts of lease liabilities and the movements during the year

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
As at April 01	9,117.58	10,149.67
Addition	844.96	743.98
Interest	589.49	725.90
Payment	(2,246.67)	(2,501.97)
As at March 31	8,305.36	9,117.58
Non current	6,901.41	7,735.57
Current	1,403.95	1,381.98
Depreciation expense of right-of-use assets (Note 3D)	2,282.47	2,186.58
Interest expense on lease liabilities (Note 30)	589.49	725.90
Expense relating to leases of low-value assets (included in Note 31 under lease rentals)	548.05	455.71
Expense relating to short-term leases (included in Note 31 under lease rentals)	0.10	6.47
	548.15	462.18



Notes to the Financial Statements

for the year ended March 31, 2022

The effective interest rate for lease liabilities is 6.29% to 8.26%, with maturity between 2022-2029.

The Company had total cash outflows for leases of ₹ 2,246.67 lakhs in March 31, 2022 and ₹ 2,501.97 lakhs in March 2021.

The maturity analysis of lease liabilities are disclosed in Note 41.

As a Lessor

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 ₹ 248.06 lakhs (March 31, 2021 : ₹ 247.08 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:

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Within one year	20.67	20.59

Beyond one year future minimum lease payments that the Company is expected to receive under the non-cancellable lease is ₹ Nil. (Previous Year: ₹ Nil)

NOTE 18: OTHER NON-CURRENT FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Security Deposits	123.70	124.03
	123.70	124.03

NOTE 19: NON-CURRENT PROVISIONS

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Provision for Employee Benefits:		
- Gratuity [Refer Note 29 II (B) (iv) (a)]	317.50	597.80
- Compensated Absences [Refer Note 29 III]	1,080.75	2,515.33
	1,398.25	3,113.13

NOTE 20: DEFERRED TAX (ASSETS) / LIABILITIES [NET]

The balance comprises temporary differences attributable to:

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Deferred Tax Liabilities: (A)		
Difference between carrying value of property, plant and equipment and written down value as per tax	2,614.34	3,633.87
Deferred Tax Assets: (B)		
Impact of indexation on leasehold land	(1,054.94)	(922.75)

Notes to the Financial Statements

for the year ended March 31, 2022

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Expenses allowable on payment basis for tax purposes	(1,793.42)	(1,381.34)
Employee benefits	(1,323.88)	(1,637.75)
Impairment of trade receivables	(171.82)	(168.84)
Net Deferred Tax Assets (A+B)	(1,729.72)	(476.81)
Movement in Deferred Tax (Assets) / Liabilities		
Opening balance as at beginning of the year	(476.81)	503.86
Tax (income) during the year recognised in profit or loss [Refer Note 32 (a)]	(1,409.95)	(1,089.79)
Tax (income) during the year recognised in OCI	157.04	109.12
Closing balance as at year end	(1,729.72)	(476.81)

NOTE 21: OTHER NON-CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Payable under Voluntary Retirement Scheme	45.12	47.34
	45.12	47.34

NOTE 22: TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 43)	1,556.30	1,187.40
- Total outstanding dues of creditors other than micro enterprises and small enterprises	75,583.15	74,856.60
	77,139.45	76,044.00
Trade Payables	64,008.61	66,986.11
Trade Payable to related parties (Refer Note 38)	13,130.84	9,057.89
	77,139.45	76,044.00

Trade payables ageing schedules

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Total outstanding dues of micro enterprises and small enterprises		
Current but not due	987.00	959.26
Less than 1 year	569.30	226.62
1-2 years	-	0.93
More than 3 years	-	0.59
Total	1,556.30	1,187.40
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Unbilled	46,089.37	49,546.07
Current but not due	7,211.97	5,888.97
Less than 1 year	22,006.04	18,659.88
1-2 years	72.50	49.59
2-3 years	50.67	627.36
More than 3 years	152.60	84.73
Total	75,583.15	74,856.60



Notes to the Financial Statements

for the year ended March 31, 2022

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Total Trade payables		
Unbilled	46,089.37	49,546.07
Current but not due	8,198.97	6,848.23
Less than 1 year	22,575.34	18,886.50
1-2 years	72.50	50.52
2-3 years	50.67	627.36
More than 3 years	152.60	85.32
Total	77,139.45	76,044.00

NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Dividends* :		
- Second Interim Dividend**	-	54,397.13
- Other Unpaid Dividends**	2,980.81	2,627.10
Unpaid Balance for Share Capital Reduction (Year 2007)**	83.82	81.98
Capital Creditors	454.65	1,005.61
	3,519.28	58,111.82

*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 cash flow.

NOTE 24: OTHER CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Payable towards Statutory Liabilities	3,662.74	3,637.88
Employee Benefits Payable	7,727.27	7,710.24
Payable under Voluntary Retirement Scheme	3.16	3.16
Advances from Customers	873.50	1,717.79
	12,266.67	13,069.07

NOTE 25: CURRENT PROVISIONS

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Provision for Employee Benefits :		
- Provident Fund [Refer Note 29 II (B) (iv) (b)]	607.62	700.00
- Compensated Absences [Refer Note 29 III]	402.35	401.50
Others :		
- Provision for Statutory Liabilities [Refer Note (A)]	3,292.25	3,349.14
- Other Matter [Refer Note (B)]	4,099.61	3,654.19
	8,401.83	8,104.83

Notes to the Financial Statements

for the year ended March 31, 2022

(A) Provision for Statutory Liabilities

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Opening Balance	3,349.14	2,423.77
Add: Provision made	320.43	1,076.74
Less: Provision Utilised/Reversed	(377.32)	(151.37)
Closing Balance	3,292.25	3,349.14

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

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Opening Balance	3,654.19	3,256.68
Add: Provision made	445.42	397.51
Closing Balance	4,099.61	3,654.19

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 (Refer Note 34).

NOTE 26: REVENUE FROM OPERATIONS

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Revenue from Contract with Customers :		
- Sale of Products (net of GST)	506,645.51	481,047.94
Other Operating Revenue		
- Service Income	2,892.10	2,721.52
- Scrap Sales	440.58	352.10
	509,978.19	484,121.56

Disaggregated revenue information

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
1) Type of goods or service		
Personal Care (Including Oral Care)	506,645.51	481,047.94
Research and Development Service Income	2,892.10	2,721.52
Scrap Sales	440.58	352.10
	509,978.19	484,121.56
2) Geographical		
India	486,341.36	466,068.76
Outside India	23,636.83	18,052.80
	509,978.19	484,121.56



Notes to the Financial Statements

for the year ended March 31, 2022

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
3) Timing of revenue recognition		
Sale on transfer of goods to customer at a point in time	507,086.09	481,400.04
Service Income as and when services rendered	2,892.10	2,721.52
	509,978.19	484,121.56
4) Revenue		
External customer	493,991.46	471,265.60
Related Party	15,986.73	12,855.96
	509,978.19	484,121.56
Contract balances		
Trade receivables*	22,467.81	11,708.43
Contract Liability - Advances from Customers**	873.50	1,717.79

*Trade receivables are non-interest bearing and on credit allowed to certain customers. Overall DSO days increased by 2 days due to credit extended to certain distributors at year end. As on March 31, 2022, ₹ 682.68 lakhs (March 31, 2021 - ₹ 670.84 lakhs) is recognised as allowance for doubtful debts.

**Contract Liability represents short term advances received from customer to deliver the goods. The company has recognised revenue of ₹ 1,717.79 lakhs (March 31, 2021 - ₹ 1,692.52 lakhs) that was included in contract liability balance at the beginning of the year.

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price at net of discount and rebates		
Revenue (Refer Note below) net of on invoice discount	547,986.26	516,771.82
Sales return	(2,668.42)	(2,724.91)
Variable Consideration - off invoice	(35,339.65)	(29,925.35)
Revenue from contract with customers	509,978.19	484,121.56

Note - Sales as per contracted price ₹ 569,421.49 Lakhs for the year ended March 31, 2022 (March 31, 2021 ₹ 538,256.23 Lakhs)

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.

Variable consideration

Variable consideration includes sales returns, trade discounts, volume based incentives, and cost of promotional programs, indirect taxes as may be applicable.

Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 27: OTHER INCOME

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Interest income on Financial Assets at Amortised cost	2,079.44	1,971.79
Interest income from Unwinding of discount on security deposits	110.97	127.69
Bad debts recovered	-	7.04
Lease Rentals (Refer Note 17)	248.06	247.08
Provisions no Longer Required Written Back	-	509.51
Miscellaneous Income	187.83	172.27
	2,626.30	3,035.38

NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS:

		As at March 31, 2022	As at March 31, 2021
		₹ Lakhs	₹ Lakhs
Opening Stock			
Finished Goods	15,815.22		14,049.90
Stock-in-Trade	4,830.47		3,379.83
Work-in-Progress	1,644.56		2,480.64
		22,290.25	19,910.37
Less: Closing Stock			
Finished Goods	15,024.03		15,815.22
Stock-in-Trade	4,698.07		4,830.47
Work-in-Progress	2,225.44		1,644.56
		21,947.54	22,290.25
		342.71	(2,379.88)

NOTE 29: EMPLOYEE BENEFITS EXPENSE

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Salaries, Wages and Bonus	34,170.66	31,751.65
Contribution to Provident Fund, Gratuity and Other Funds	2,861.82	2,675.00
Share Based Payments to Employees [Refer Note 39 (c)]	1,253.63	1,118.24
Compensated Absences [Refer III below]	(452.00)	301.12
Staff Welfare Expenses	678.90	718.01
	38,513.01	36,564.02



Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 29: EMPLOYEE BENEFITS EXPENSE (CONTD.)

I Defined Contribution Plans

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Charge to Statement of Profit and Loss for Defined Contribution Plans:		
- Employers' Contribution to Provident Fund	199.29	206.32
- Employers' Contribution to Superannuation Fund	134.37	141.00
- Employers' Contribution to Employee's State Insurance	57.30	59.17
- Employers' Contribution to Employee's Pension Scheme 1995	331.29	324.63
- Employers' Contribution to National Pension Scheme	96.22	96.49
Total (Included in Employee Benefits Expense - Contribution to Provident Fund, Gratuity and Other Funds)	818.47	827.61

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:

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Discount Rate (per annum)	7.20%	6.80%
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)	Net Amount (A)-(B)
			₹ Lakhs
Opening Balance as at April 1, 2020	8,167.32	6,512.90	1,654.42
Current service cost (i)	718.77	-	718.77
Interest expense (ii)	548.80	449.18	99.62
Total amount recognised in the Statement of Profit and Loss (i+ii)	1,267.57	449.18	818.39
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	410.77	(410.77)
Loss from change in financial assumptions	54.32	-	54.32
Experience losses	146.70	-	146.69
Total amount recognised in other comprehensive income	201.02	410.77	(209.76)
Employers contributions	-	1,665.27	(1,665.27)
Benefit Payments	(239.69)	(239.69)	-
Closing Balance as at March 31, 2021	9,396.22	8,798.42	597.78

Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 29: EMPLOYEE BENEFITS EXPENSE (CONTD.)

i) Balance sheet amounts- Gratuity

₹ Lakhs			
Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net Amount (A)-(B)
Opening Balance as at April 1, 2021	9,396.22	8,798.42	597.80
Current service cost (i)	776.94	-	776.94
Interest expense/(income) (ii)	624.74	604.49	20.25
Total amount recognised in the Statement of Profit and Loss (i+ii)	1,401.68	604.49	797.19
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(12.96)	12.96
Gains from change in financial assumptions	(443.50)	-	(443.50)
Experience Gains	(49.15)	-	(49.15)
Total amount recognised in other comprehensive income	(492.65)	(12.96)	(479.69)
Employers contributions	-	597.80	(597.80)
Benefit payments	(740.87)	(740.87)	-
Closing Balance as at March 31, 2022	9,564.38	9,246.88	317.50

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 8.10% (March 31, 2021 - 8.5%).

₹ Lakhs			
Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net Amount (A)-(B)
Opening Balance as at April 1, 2020	23,104.63	22,296.23	808.40
Current service cost	1,071.82	-	1,071.82
Interest expense	1,582.67	1,527.29	55.38
Total amount recognised in the Statement of Profit and Loss	2,654.49	1,527.29	1,127.20
<i>Remeasurements</i>			
Loss from change in financial assumptions	(808.40)	-	(808.40)
Experience losses	625.79	681.17	(55.38)
Shortfall arising on account of asset dimunition.	-	(700.00)	700.00
Total amount recognised in other comprehensive income	(182.61)	(18.83)	(163.78)
Contributions:			
Employers	-	1,071.82	(1,071.82)
Employee	2,010.45	2,010.45	-
Payment for plan:			
Benefit payments	(1,121.27)	(1,121.27)	-
Settlements	(646.87)	(646.87)	-
Closing Balance as at March 31, 2021	25,818.82	25,118.82	700.00



Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 29: EMPLOYEE BENEFITS EXPENSE (CONTD.)

ii) Balance sheet amounts- Provident Fund

₹ Lakhs			
Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net Amount (A)-(B)
Opening Balance as at April 1, 2021	25,818.82	25,118.82	700.00
Current service cost	1,261.25	-	1,261.25
Interest expense	1,805.52	1,753.65	51.87
Total amount recognised in the Statement of Profit and Loss	3,066.77	1,753.65	1,313.12
<i>Remeasurements</i>			
(Gain)/loss due to Mark to market	-	(607.61)	607.61
Loss from change in financial assumptions	480.98	-	480.98
Experience losses	441.50	1,825.05	(1,383.55)
Total amount recognised in other comprehensive income	922.48	1,217.44	(294.96)
Contributions:			
Employers	-	1,135.81	(1,135.81)
Employees	2,060.66	2,060.66	-
Payment for plan:			
Benefit payments	(903.04)	(903.04)	-
Settlements	(953.10)	(953.10)	-
Actual Employer contribution towards interest rate guarantee	-	125.44	(125.44)
Adjustment to recognize the effects of plan assets at book value	-	(150.71)	150.71
Closing Balance as at March 31, 2022	30,012.59	29,404.97	607.62

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.

₹ Lakhs	
Particulars	Present value of obligation
Opening Balance as at April 1, 2020	52.72
Current service cost	3.69
Interest expense	3.61
Total amount recognised in Statement of Profit and Loss	7.30
<i>Remeasurements</i>	
Experience losses	(60.02)
Total amount recognised in other comprehensive income	(60.02)
Closing Balance as at March 31, 2021	-

₹ Lakhs	
Particulars	Present value of obligation
Opening Balance as at April 1, 2021	-
Total amount recognised in Statement of Profit and Loss	-
Total amount recognised in other comprehensive income	-
Closing Balance as at March 31, 2022	-

Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 29: EMPLOYEE BENEFITS EXPENSE (CONTD.)

(iv) Amount recognised in the Balance Sheet (Funded Scheme)

a) Gratuity

	Year Ended	
	March 31, 2022	March 31, 2021
	₹ Lakhs	₹ Lakhs
Present Value of Obligation as at the end of the year	9,564.38	9,396.22
Fair Value of Funded Plan Assets as at the end of the year	(9,246.88)	(8,798.42)
Liability recognised in the Balance Sheet	317.50	597.80

[Included in Non Current Provisions ₹ 317.50 Lakhs (Refer Note 19) and in Non Current Provision as on March 31, 2021 - ₹ 597.80 Lakhs (Refer Note 19)]

b) Provident Fund (Funded Scheme)

	Year Ended	
	March 31, 2022	March 31, 2021
	₹ Lakhs	₹ Lakhs
Present Value of Obligation of Funded Plan as at the end of the year	30,012.59	25,818.82
Fair Value of Funded Plan Assets as at the end of the year	(29,404.97)	(25,118.82)
Liability recognised in the Balance Sheet	607.62	700.00

Note - Plan assets for Provident fund trust have been valued at cost or fair market value whichever is lower.

[Included in Current Provisions ₹ 607.62 lakhs (March 31, 2021 ₹ 700.00 lakhs) (Refer Note 25)]

(v) Amount recognised in the Balance Sheet (Non-funded Scheme: Pension)

a) Pension

	Year Ended	
	March 31, 2022	March 31, 2021
	₹ Lakhs	₹ Lakhs
Present Value of Obligation of Non-funded Plan as at the end of the year	-	-
Liability recognised in the Balance Sheet	-	-

[Included in Non-Current Provisions NIL (March 31, 2021 NIL) (Refer Note 19)]

(vi) Percentage of each category of Plan Assets to Total Fair Value of Plan Assets

a) Gratuity

Category of Assets (% Allocation)	Year Ended	
	March 31, 2022	March 31, 2021
	%	%
Government of India Securities	0%	0%
Insurer Managed Funds	100%	100%
Others	0%	0%



Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 29: EMPLOYEE BENEFITS EXPENSE (CONTD.)

Percentage of each category of Plan Assets to Total Fair Value of Plan Assets

b) Provident Fund

	Year Ended	
	March 31, 2022	March 31, 2021
	%	%
Category of Assets (% Allocation)		
Government of India Securities	46%	47%
Other Debt Instruments	38%	41%
Equity instruments	11%	9%
Others	4%	4%

C) Sensitivity Analysis

i) Gratuity

	Year Ended	
	March 31, 2022	March 31, 2021
Discount Rate:		
Impact of increase in 50 bps on DBO	-5.38%	-5.57%
Impact of decrease in 50 bps on DBO	5.85%	6.06%
Salary Escalation Rate:		
Impact of increase in 50 bps on DBO	5.82%	6.02%
Impact of decrease in 50 bps on DBO	-5.41%	-5.58%

ii) Provident Fund

	Year Ended	
	March 31, 2022	March 31, 2021
Guaranteed Rate of Return:		
Impact of increase in 100 bps on DBO	4.29%	3.64%
Impact of decrease in 100 bps on DBO	-1.60%	0.00%

iii) Pension

	Year Ended	
	March 31, 2022	March 31, 2021
Discount Rate:		
Impact of increase in 50 bps on DBO	-100.00%	-100.00%
Impact of decrease in 50 bps on DBO	-100.00%	-100.00%

D) Projected Plan Cash flow:

The expected contribution payable to the Gratuity plan for the next year is ₹ 400 Lakhs. The expected contribution payable to the Provident Fund plan for the next year is ₹ 1,215.31 Lakhs.

The weighted average duration to the payment of these cash flows for Gratuity is 11.21 years (March 31, 2021 : 11.61 years). The weighted average duration to the payment is for Provident Fund plan is 12.81 years (March 31, 2021 : 13.34 years)

Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 29: EMPLOYEE BENEFITS EXPENSE (CONTD.)

Expected cash flow profile of the benefits to be paid to the current membership of the plan: Gratuity	Year Ended	
	March 31, 2022	March 31, 2021
	₹ Lakhs	₹ Lakhs
Less than a year	531.14	417.84
Between 1 - 2 years	373.64	449.73
Between 2 - 5 years	1,874.83	1,866.73
Between 5 - 9 years	3,655.84	3,006.30
10 years and above	19,236.26	18,646.61

III Other Employee Benefit - Compensated Absences

The liability for Compensated Absences as at the year end is ₹ 1,483.10 Lakhs (March 31, 2021 : ₹ 2,916.83 Lakhs).

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Included in :		
Non-Current Provisions (Refer Note 19)	1,080.75	2,515.33
Current Provisions (Refer Note 25)	402.35	401.50
	1,483.10	2,916.83
Movement of Compensated Absences:		
Balance at the beginning of the year	2,916.83	2,734.78
Add: Charge during the year	(452.00)	301.12
Less: Amount paid during the year	981.73	119.07
Balance at the end of the year	1,483.10	2,916.83

Note - There is a change in leave policy, carry forward of accumulated leaves restricted to 15 days to next year whereas earlier it was 86 days for managerial employees and 90 days for plant employees.

NOTE 30 : FINANCE COSTS

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Interest expense on lease liabilities (Refer Note 17)	589.49	725.90
	589.49	725.90

NOTE 31: OTHER EXPENSES

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Consumption of Stores and Spares	2,485.20	2,491.92
Processing Charges	1,249.54	974.88
Power and Fuel	4,353.96	4,096.11
Freight and Forwarding Charges	16,432.27	15,359.96
Lease Rentals (Refer Note 17)	548.15	462.18
Rates and Taxes	172.30	585.03
Insurance	717.44	667.15



Notes to the Financial Statements

for the year ended March 31, 2022

		As at March 31, 2022	As at March 31, 2021
		₹ Lakhs	₹ Lakhs
Repairs and Maintenance			
- Plant and Machinery	4,295.24		3,955.33
- Buildings	269.85		179.89
- Others	62.43		45.46
		4,627.52	4,180.68
Advertising		64,311.63	62,552.81
Fees and Commission to Independent Directors		154.00	165.00
Auditors' Remuneration [Refer Note (A) below]		127.12	115.06
Royalty			
- Royalty Expense	22,252.31		21,245.55
- Withholding tax on Royalty	2,727.83		2,604.42
		24,980.14	23,849.97
Expenditure towards Corporate Social Responsibility [Refer Note (B) below]		2,343.68	2,153.00
Bad Debts Written Off		34.44	-
Provision for Doubtful Debts		11.84	-
Net loss on disposal of property, plant and equipment		16.38	68.54
Foreign Exchange Loss (Net)		121.88	160.33
Travel and Conference Expenses		383.35	340.02
Outside Services		13,342.84	13,048.77
Miscellaneous		11,704.84	10,386.79
		148,118.52	141,658.21
(A) Auditors' Remuneration (excluding Goods and Services Tax) :			
As Auditor :			
- Statutory Audit		75.00	65.00
- Limited Review		35.00	33.00
- Tax Audit		17.00	17.00
Reimbursement of Expenses		0.12	0.06
		127.12	115.06
(B) Corporate Social Responsibility Expenditure			
(I) Gross amount required to be spent by the Company during the year		2,337.01	2,099.98
(II) Amount approved by the Board to be spent during the year		2,343.68	2,153.00
(III) Amount spent during the year:			
(i) Construction/acquisition of any asset		-	-
(ii) On purposes other than (i) above:			
- Social Impact Assessment of CSR Programs		26.40	-
- Promoting Preventive Health Care		106.88	248.00
- Water Access and Water Augmentation for livelihoods and Women Empowerment		250.00	253.00

Notes to the Financial Statements

for the year ended March 31, 2022

		As at March 31, 2022	As at March 31, 2021
		₹ Lakhs	₹ Lakhs
- Empowering Youth through Education/Career Building Opportunities/Sports program		565.00	480.00
- Vocational and skill training for upliftment of economically weaker youth		-	15.00
- COVID Relief Pandemic work		1,395.40	1,157.00
		2,343.68	2,153.00

(IV) Details for unspent amount and amount to be carried for excess spent as per 135(5), along with details of ongoing projects as per section 135(6) disclosure

i) Details of unspent amount

There is no unspent amount of CSR activities as on March 31, 2022 as per section 135(5).

ii) Details of excess amount spent

135(5) Excess amount spent			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	2,337.01	2,343.68	6.67*

*As per provision of Section 135(5) of Companies Act, 2013 Company is allowed to carry forward any amount spent in relation to CSR activities if it exceeds the minimum expenditure as required by Section 135(5) of the Companies Act, 2013. However, Company has decided not to carry forward excess spent amount in the FY 2021-22 to the next year.

iii) Details of Ongoing Project

There are no amount required to be spent for CSR activities as per requirement of section 135(6) of Companies Act, 2013 in relation to ongoing projects.

iv) There are no amount contributed to a trust, society, section 8 company controlled by the company in relation to CSR expenditures as per Indian Accounting Standard (24) Related Party disclosures.

v) The company does not carry any provisions for Corporate social responsibility expenses for current and previous year.

NOTE 32 : INCOME TAX EXPENSES

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
(a) Income tax expense		
Current tax		
Current tax on profit for the year	37,678.84	35,722.61
Adjustments for current tax of prior periods	(3,199.71)	(3,149.45)
Total current tax expenses	34,479.13	32,573.16
Deferred tax		
Relating to origination and reversal of temporary differences	(1,409.95)	(1,089.79)
Income tax expenses	33,069.18	31,483.37



Notes to the Financial Statements

for the year ended March 31, 2022

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	140,901.05	135,021.91
Tax at the Indian tax rate of 25.168% (March 31, 2021 - 25.168%)	35,461.98	33,982.31
Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
Expenses not deductible for tax purposes	853.20	782.89
Income claimed exempt for tax purposes	(25.50)	(111.66)
Income considered under separate head of income	(20.79)	(20.72)
Adjustments for current tax of prior periods	(3,199.71)	(3,149.45)
Income tax expense	33,069.18	31,483.37
(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	100.68	94.30
(d) Current Tax Assets (Net)		
Current Tax Assets (Net) [Net of Provision of Tax ₹ 167,066.01 Lakhs, March 31, 2021 : 205,894.03 Lakhs]	28,876.36	25,831.49
(e) Current Tax Liabilities (Net)		
Current Tax Liabilities (Net) [Net of Advance Tax payments ₹ 151,524.25 Lakhs, March 31, 2021 : ₹ 78,750.08 Lakhs]	5,515.72	5,083.41

NOTE 33: CONTINGENT LIABILITIES

(To the extent not provided for)

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Claims against the Company not acknowledged as debts:		
- Excise and Related Matters	5,546.55	6,025.64
- Service Tax Matters	6,030.71	6,030.71
- Sales Tax Matters	3,852.91	810.52
- Income Tax Matters	107,063.50	76,839.62
- Commercial Matters	15.00	15.00

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

NOTE 34: DEMAND NOTICES IN RELATION TO LEASED PROPERTY

During the year Company has received demand notices for Rs. 1,868.67 Lakhs related to rent arrears of leasehold rights for which Company is awaiting documentation/explanation from authorities (Refer Note on Provisions).

NOTE 35: CAPITAL COMMITMENTS

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advances of ₹ 247.95 Lakhs (March 31, 2021 : ₹ 267.11 Lakhs) (Refer Note 7)]	1,046.01	1,283.70

Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 36: 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 37: EARNINGS PER SHARE (EPS)

	As at March 31, 2022	As at March 31, 2021
	₹ Lakhs	₹ Lakhs
i) Basic and Diluted Earnings Per Share (₹)		
Profit for the year (₹ Lakhs)	107,831.87	103,538.54
Weighted average number of outstanding shares for Basic and Diluted EPS (Nos.)	271,985,634	271,985,634
Nominal Value of shares outstanding (₹)	1	1
Basic and Diluted Earnings Per Share (₹)	39.65	38.07
ii) Weighted average number of shares used as the denominator		
Opening Balance	271,985,634	271,985,634
Increase / (Decrease) during the year	-	-
Weighted average number of shares used as the denominator for calculating basic and diluted earnings per share	271,985,634	271,985,634

NOTE 38: 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 DEL Ecuador S.A
	: Colgate-Palmolive Pty. Ltd., South Africa
	: Colgate-Palmolive (Thailand) Ltd., Thailand
	: 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 Peru SA
	: Colgate-Palmolive Ukraine TOV
	: Colgate-Palmolive (Burlington) Limited*
	: Colgate Palmolive Temizlik Urunleri Sanayi ve Ticaret S.A., Turkey
	: Colgate-Palmolive Cameroun S.A., Cameroun
	: Colgate-Palmolive (Eastern) Pte. Ltd., Singapore*



Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 38: DISCLOSURE OF RELATED PARTIES (CONTD.)

	: Colgate-Palmolive Indústria Ltda., Brazil
	: Norwood International Incorporated, U.S.A.
	: Colgate-Palmolive Tanzania Limited, Tanzania
	: Colgate-Palmolive Pty. Ltd., Boksburg, South Africa.
	: Colgate Global Business Services Pvt Ltd, India
	: Colgate-Palmolive Zambia Inc., Zambia*
	: Colgate-Palmolive Services (Poland) Sp.z.o.o, Poland
	: Colgate-Palmolive Europe SARL, Italy*
	: Colgate Palmolive Bt. Ltd., (Blantyre), Malawi
	: Colgate-Palmolive CACE Region, Istanbul, Turkey
	: Colgate-Palmolive Senegal, Senegal*
	: Colgate Philippines Inc., Philippines
	: Colgate-Palmolive Mocambique Limitada
	: Colgate-Palmolive Ghana Ltd, Ghana
	: Colgate-Palmolive Europe Sarleu Div
	: CP Middle East Exports Ltd
	: Colgate-Palmolive (Myanmar) Limited, Myanmar
	: Hill'S Pet Nutrition Asia Limited
	: Colgate-Palmolive Arabia Ltd.
	: Colgate-Palmolive Pty. Ltd., Australia
	: Colgate-Palmolive (Russia) Ltd., Russia
	: Hypo Homecare Products Limited, Nigeria
C) Key Managerial Personnel of the Company	
(i) Executive Directors	: M.S. Jacob
	: R. Raghavan (Up to April 15, 2022)
	: M. Chandrasekar
	: S. Sharma (effective May 21, 2020)
(ii) Non-Executive and Non Independent Directors	: M. Deoras
(iii) Non-Executive and Independent Directors	: R. A. Shah (Up to March 31, 2020)
	: P. K. Ghosh (Up to March 31, 2020)
	: V. S. Mehta
	: I. Shahani
	: S. Gopinath
	: S. Kripalu
	: G. Pant (effective May 21, 2020)
	: S. Natarajan (effective May 21, 2020)
(iv) Company Secretary	: S. Sharma (effective February 22, 2022)
	: K. R. Singh (Up to February 21, 2022)

Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 38: DISCLOSURE OF RELATED PARTIES (CONTD.)

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

(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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Purchase of Goods/Materials						
Colgate-Palmolive Asia Pacific Limited	-	-	3,719.69	4,523.55	3,719.69	4,523.55
Colgate-Palmolive Company, U.S.A.	781.06	330.16	-	-	781.06	330.16
Others	-	-	98.96	248.10	98.96	248.10
Sub-Total	781.06	330.16	3,818.65	4,771.65	4,599.71	5,101.81
Sale of Goods/Materials						
Hypo Homecare Products Limited, Nigeria	-	-	2,548.58	2,027.95	2,548.58	2,027.95
Colgate-Palmolive Europe Sarleu Div	-	-	5,430.46	2,214.17	5,430.46	2,214.17
Colgate-Palmolive East Africa Ltd., Kenya	-	-	444.43	459.10	444.43	459.10
Colgate-Palmolive Pty. Ltd., South Africa	-	-	246.95	512.99	246.95	512.99
Colgate-Palmolive Pty. Ltd., Boksburg	-	-	1,459.96	2,814.20	1,459.96	2,814.20
Colgate-Palmolive Asia Pacific Limited	-	-	1,316.56	76.97	1,316.56	76.97
Others	-	-	1,542.01	2,029.05	1,542.01	2,029.05
Sub-Total	-	-	12,988.95	10,134.43	12,988.95	10,134.43
Purchase of Fixed Assets/Spares						
Colgate-Palmolive Vietnam	-	-	-	82.54	-	82.54
Sub-Total	-	-	-	82.54	-	82.54
Sale of Assets						
Colgate-Palmolive Vietnam	-	-	4.55	-	4.55	-
Sub-Total	-	-	4.55	-	4.55	-
Services Rendered (inclusive of Goods and Service Tax)						
Colgate-Palmolive Company, U.S.A.	3,164.62	3,036.49	-	-	3,164.62	3,036.49
Others	-	-	292.71	331.99	292.71	331.99
Sub-Total	3,164.62	3,036.49	292.71	331.99	3,457.33	3,368.48
Services Received						
Colgate-Palmolive Company, U.S.A.*	9,627.70	7,842.84	-	-	9,627.70	7,842.84
Colgate Global Business Services Pvt Ltd., India	-	-	860.34	1,492.57	860.34	1,492.57
Sub-Total	9,627.70	7,842.84	860.34	1,492.57	10,488.04	9,335.41



Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 38: DISCLOSURE OF RELATED PARTIES (CONTD.)

₹ 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Reimbursement of Expenses Charged by the Company/(on the Company)						
Colgate-Palmolive Company, U.S.A.	(5,073.22)	(5,154.74)	-	-	(5,073.22)	(5,154.74)
Colgate-Palmolive Asia Pacific Limited	-	-	(273.54)	936.33	(273.54)	936.33
Others	-	-	328.03	212.36	328.03	212.36
Sub-Total	(5,073.22)	(5,154.74)	54.49	1,148.69	(5,018.73)	(4,006.05)
Dividend Paid						
Colgate-Palmolive Company, U.S.A.	42,491.78	37,043.92	-	-	42,491.78	37,043.92
Colgate-Palmolive (Asia) Pte. Ltd., Singapore	-	-	11,605.95	10,118.01	11,605.95	10,118.01
Norwood International Incorporated, U.S.A.	-	-	0.44	0.38	0.44	0.38
Sub-Total	42,491.78	37,043.92	11,606.39	10,118.39	54,098.17	47,162.31
Royalty [exclusive of withholding tax of ₹ 2,727.83 lakhs (March 31, 2021 - ₹ 2,604.42 lakhs)]						
Colgate-Palmolive Company, U.S.A.	22,252.31	21,245.55	-	-	22,252.31	21,245.55
Sub-Total	22,252.31	21,245.55	-	-	22,252.31	21,245.55

(ii) Transactions entered into with Parties referred to in Category C

₹ Lakhs

	Year Ended	
	March 31, 2022	March 31, 2021
Executive Directors		
Remuneration	1,838.64	1,475.47
Contribution to Provident and Other Funds *	54.77	47.15
Share Based Payments	549.84	313.22
Sub Total	2,443.25	1,835.84
*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		
M. S. Jacob	499.76	363.29
R. Raghavan	1,039.32	877.86
M. Chandrasekar	684.30	416.10
S. Sharma	219.87	178.59
Sub Total	2,443.25	1,835.84
- Independent Directors		
Sitting Fees and Commission		
R. A. Shah	-	15.00

Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 38: DISCLOSURE OF RELATED PARTIES (CONTD.)

₹ Lakhs

	Year Ended	
	March 31, 2022	March 31, 2021
P. K. Ghosh	-	15.00
V. S. Mehta	27.00	28.50
I. Shahani	27.00	28.50
S. Gopinath	25.00	28.00
S. Kripalu	26.00	28.50
G. Pant	24.50	11.00
S. Natarajan	24.50	10.50
Sub Total	154.00	165.00
- Company Secretary		
K.R. Singh	62.92	59.90
Sub Total	62.92	59.90

(iii) Transactions entered into with Parties referred to in Category D

₹ Lakhs

	Year Ended	
	March 31, 2022	March 31, 2021
Contribution made by the Company in the following funds:		
Colgate-Palmolive (India) Limited Provident Fund	1,135.81	1,071.82
Colgate-Palmolive India Gratuity Fund for Workmen	167.82	532.16
Colgate-Palmolive India Gratuity Fund for Non-Workmen	429.98	1,133.11

₹ Lakhs

Outstanding Balances	Parties referred to in Category A		Parties referred to in Category B		Total	
	As at		As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Trade Receivables						
Colgate-Palmolive Company, U.S.A.	745.46	796.29	-	-	745.46	796.29
Hypo - Homecare Product Ltd.	-	-	779.01	1,680.05	779.01	1,680.05
Colgate-Palmolive Pty. Ltd., Boksburg	-	-	257.81	270.26	257.81	270.26
Colgate Palmolive Europe Sarl Ltd.	-	-	1,073.88	779.40	1,073.88	779.40
Colgate-Palmolive South Africa	-	-	27.05	370.70	27.05	370.70
Colgate-Palmolive Asia Pacific Limited	-	-	1,030.67	-	1,030.67	-
Others	-	-	1,060.21	704.68	1,060.21	704.68
Sub-Total (Refer Note 9)	745.46	796.29	4,228.63	3,805.09	4,974.09	4,601.38
Trade Payables						
Colgate-Palmolive Company, U.S.A.	11,683.25	8,021.73	-	-	11,683.25	8,021.73
Colgate-Palmolive Asia Pacific Limited, Hongkong	-	-	1,129.23	666.32	1,129.23	666.32
Colgate Global Business Services Pvt Limited, India	-	-	215.43	252.61	215.43	252.61



Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 38: DISCLOSURE OF RELATED PARTIES (CONTD.)

₹ Lakhs

Outstanding Balances	Parties referred to in Category A		Parties referred to in Category B		Total	
	As at		As at		As at	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Others	-	-	102.93	117.23	102.93	117.23
Sub-Total (Refer Note 22)	11,683.25	8,021.73	1,447.59	1,036.16	13,130.84	9,057.89
Other Receivables (included in Other Current Financial Assets)						
Colgate-Palmolive Company, U.S.A.	82.11	104.90	-	-	82.11	104.90
Colgate-Palmolive Asia Pacific Limited, Hongkong	-	-	93.89	131.13	93.89	131.13
Colgate-Palmolive (Myanmar) Limited	-	-	42.18	-	42.18	-
Colgate Palmolive Pty (LTD)	-	-	88.06	64.05	88.06	64.05
Others	-	-	31.98	40.94	31.98	40.94
Sub-Total (Refer Note 13)	82.11	104.90	256.11	236.12	338.22	341.02

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.

NOTE 39 - 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.

Notes to the Financial Statements

for the year ended March 31, 2022

The details pertaining to number of options, weighted average price and assumptions considered for fair value are disclosed below:

Particulars	March 31, 2022		March 31, 2021	
	Weighted Average Exercise price	Number of options	Weighted Average Exercise price	Number of options
Options outstanding at the beginning of the year	4,945	294,657	4,599	343,236
Options granted/transferred during the year	5,650	70,905	5,758	61,775
Exercised during the year	3,834	(58,072)	3,610	(89,671)
Transferred to other group companies during the year	-	-	4,889	(20,683)
Lapsed during the year	-	-	-	-
Options outstanding at the end of the year	5,183	307,490	4,945	294,657
Options vested and exercisable at the end of the year		120,978		224,390

₹ Lakhs

The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2022 was ₹ 6,046/- (March 31, 2021 : ₹ 5,733)

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, 2022	March 31, 2021
			Number of options	Number of options
2014 - 2016	2019 - 2022	3,907 - 4,890	31,075	70,263
2017 - 2018	2020 - 2024	4,440 - 4,729	93,334	108,572
2019	2027 - 2029	5,153	51,001	115,822
2020-2029	2028-2029	5,658 - 5,758	132,080	
Total			307,490	294,657
Weighted average remaining contractual life of options outstanding at end of year			4.55 years	4.13 years

Fair Value of options granted

The fair value at the grant date of options granted during the year ended March 31, 2022 was ₹ 815.97 per option (March 31, 2021 : ₹ 848.55 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, 2022 and March 31, 2021 are as below:

Particulars	March 31, 2022	March 31, 2021
Expected volatility (%)	20.28%	21.77%
Expected life of the options	6 years	6 years
Risk free interest rate(%)	1.01%	0.46%
Grant Year	2021	2020
Expiry Year	2031	2030
Expected dividend (%)	2.32%	2.29%

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.



Notes to the Financial Statements

for the year ended March 31, 2022

(b) Restricted Stock Units (RSU's)

Particulars	March 31, 2022		March 31, 2021	
	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	5,079	41,496	4,780	40,042
Units granted / transferred during the year	5,658	13,615	5,800	11,963
Exercised during the year	4,781	(11,955)	4,661	(8,124)
Transferred to other group companies during the year	-	-	4,987	(2,386)
Lapsed during the year	-	-	-	-
Units outstanding at the end of the year	5,469	43,156	5,079	41,495

₹ Lakhs

Restricted Stock Units outstanding at the end of the year have the following expiry date and exercise prices

Particulars	March 31, 2022	March 31, 2021
Weighted average remaining contractual life of RSUs outstanding at end of year	1.26 Years	1.23 Years

The weighted average fair value at the date of exercise of RSU's exercised during the year ended March 31, 2022 was ₹ 5,865 (March 31, 2021 : ₹ 5,523)

(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, 2022	March 31, 2021
	₹ Lakhs	₹ Lakhs
Employee share based payment expense (Refer Note 29)	1,253.63	1,118.24

NOTE 40: 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 and fair values of the same measured at amortised cost

Particulars	March 31, 2022			March 31, 2021		
	Carrying amount / Fair Value			Carrying amount / Fair Value		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial Assets						
(i) Investments - Non-Current	-	-	-	-	-	1,861.45
(ii) Trade Receivable	-	-	22,467.81	-	-	11,708.43
(iii) Cash and Cash Equivalents	-	-	72,406.64	-	-	29,657.29
(iv) Other Bank Balances	-	-	3,064.63	-	-	57,106.21
(v) Loans - Current	-	-	10,731.91	-	-	692.72
(vi) Loans - Non-Current	-	-	133.88	-	-	140.38
(vii) Receivable from Related Parties	-	-	338.22	-	-	341.02

₹ Lakhs

Notes to the Financial Statements

for the year ended March 31, 2022

₹ Lakhs

Particulars	March 31, 2022			March 31, 2021		
	Carrying amount / Fair Value			Carrying amount / Fair Value		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
(viii) Security Deposits - Non-Current	-	-	1,453.67	-	-	1,609.64
(ix) Security Deposits - Current	-	-	341.67	-	-	167.72
(x) Insurance Claim Receivables	-	-	21.27	-	-	-
(xi) Deposits with Banks	-	-	249.62	-	-	245.99
Total Financial Assets	-	-	111,209.32	-	-	103,530.85
Financial Liabilities						
(i) Trade payables-Total outstanding dues of micro enterprises and small enterprises	-	-	1,556.30	-	-	1,187.40
(ii) Trade payables-Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	75,583.15	-	-	74,856.60
(iii) Security Deposits - Non-Current	-	-	123.70	-	-	124.03
(iv) Lease Liabilities	-	-	8,305.36	-	-	9,117.56
(v) Capital Creditors	-	-	454.65	-	-	1,005.61
(vi) Dividends (Including Unpaid)	-	-	2,980.81	-	-	57,024.23
(vii) Unpaid Balance of Share Capital Reduction	-	-	83.82	-	-	81.98
Total Financial liabilities	-	-	89,087.79	-	-	143,397.41

(ii) Assets and Liabilities that are disclosed at Amortised Cost for which Fair values are disclosed and are classified as Level 3.

Current financial asset 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.

NOTE 41 - 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 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



Notes to the Financial Statements

for the year ended March 31, 2022

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.

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.

	Carrying amount	Payable on demand	Less than 3 months	3-12 months	More than 12 months	Total
₹ Lakhs						
As at March 31, 2022						
(i) Trade payables	77,139.45	-	77,139.45	-	-	77,139.45
(ii) Security Deposits	123.70	-	-	-	123.70	123.70
(iii) Lease Liabilities	8,305.36	-	351.00	1,052.96	6,901.40	8,305.36
(iv) Capital Creditors	454.65	-	454.65	-	-	454.65
(v) Dividends (Including Unpaid)	2,980.81	2,980.81	-	-	-	2,980.81
(vi) Unpaid Balance of Share Capital Reduction	83.82	83.82	-	-	-	83.82
As at March 31, 2021						
(i) Trade payables	76,044.00	-	76,044.00	-	-	76,044.00
(ii) Security Deposits	124.03	-	-	-	124.03	124.03
(iii) Lease Liabilities	9,117.56	-	345.50	1,036.49	7,735.57	9,117.56
(iv) Capital Creditors	1,005.61	-	1,005.61	-	-	1,005.61
(v) Dividends (Including Unpaid)	57,024.23	2,627.10	54,397.13	-	-	57,024.23
(vi) Unpaid Balance of Share Capital Reduction	81.98	81.98	-	-	-	81.98

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 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.	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.	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. 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 ₹ 24.05 Lakhs pre-tax gain in the Statement of Profit and Loss (2020-21 : ₹ 16.68 Lakhs pre-tax loss). A 1% weakening of the INR against these currencies would have led to an equal but opposite effect.

Notes to the Financial Statements

for the year ended March 31, 2022

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
As at March 31, 2022, the unhedged exposure to the Company on holding financial assets and liabilities other than in its functional currency amounted to ₹5,575 Lakhs and ₹7,980 Lakhs respectively (March 31, 2021 : ₹ 5,143.82 Lakhs and ₹ 3,476.26 Lakhs)		A 1% strengthening of the INR against key currencies would have led to approximately an additional pre-tax gain of ₹ 820 Lakhs in the Statement of Profit and Loss (2020-21: ₹ 803 Lakhs pre-tax gain). A 1% weakening in currency prices would have led to an equal but opposite effect.
2. COMMODITY PRICE RISK		
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.	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.	A 1% increase in commodity prices would have led to approximately ₹ 564 Lakhs additional loss in the Statement of Profit and Loss (2020-21: ₹ 510 Lakhs loss). A 1% weakening in commodity prices would have led to an equal but opposite effect.

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 (i) on trade receivables).

The gross carrying amount of trade receivables is ₹ 22,812.56 Lakhs as at March 31, 2022 and ₹ 11,708.44 Lakhs as at March 31, 2021.

(I) Reconciliation of loss allowance provision- Trade receivables

Particulars	₹ Lakhs	
	March 31, 2022	March 31, 2021
Loss allowance at the beginning of the year	670.84	748.29
Add / (Less) : Changes in loss allowances	11.84	(77.45)
Loss allowance at the end of the year	682.68	670.84

Balance as on March 31, 2022

	Not due	0-180	>180	Total
Ageing				
Gross carrying amount	13,370.00	8,997.98	782.51	23,150.49
Provision for doubtful debts	-	-	(682.68)	(682.68)
Carrying amount of trade receivables (net of Provision)	13,370.00	8,997.98	99.83	22,467.81



Notes to the Financial Statements

for the year ended March 31, 2022

Balance as on March 31, 2021

	Not due	0-180	>180	Total
Ageing				
Gross carrying amount	6,085.22	5,318.24	975.81	12,379.27
Provision for doubtful debts	-	-	(670.84)	(670.84)
Carrying amount of trade receivables (net of Provision)	6,085.22	5,318.24	304.97	11,708.43

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in debt instruments. The Company concentrates its major 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.

NOTE 42 - 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 Management's 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 43: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

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	₹ Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end*	1,556.30	1,187.40
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,368.69	721.44
(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	-	0.37

Notes to the Financial Statements

for the year ended March 31, 2022

₹ Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made**	6.57	2.88
(vii) Further interest remaining due and payable for earlier years	-	-

* The principal amount represents amount outstanding as per invoices received from vendors as at the Balance Sheet date.

** Includes interest on amounts outstanding as at the beginning of the accounting year.

NOTES NO. 44 - RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.37	0.85	61%	Refer Note 1
Debt Equity Ratio	Total Debt	Shareholder's Equity	0.05	0.08	-39%	Refer Note 2
Debt Service Coverage Ratio	Earnings available for Debt Service*	Debt Service**	56.67	49.25	15%	-
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.74	0.75	-1%	-
Inventory Turnover Ratio	Cost of goods sold	Average inventory	4.81	4.90	-2%	-
Trade Receivable Turnover	Net Sales	Average Trade Receivable	29.65	38.54	-23%	-
Trade Payable Turnover	Net Credit Purchases	Average Trade Payable	2.20	2.31	-5%	-
Net Capital Turnover Ratio	Net Sales	Working Capital***	12.65	(19.61)	-165%	Refer Note 3
Net Profit Ratio	Net Profit	Net Sales	0.21	0.22	-1%	-
Return on Capital employed	Earnings before interest and taxes	Capital Employed****	0.82	1.17	-30%	Refer Note 4
Return on Investment	Income generated from Investments	Time Weighted Average Investments	0.03	0.03	0%	-

* Earnings available for Debt Service = Net profit after taxes + Non cash operating expenses like depreciation and amortizations + Interest + loss on sale of fixed assets

**Debt Service = Interest + Principle payments

*** Working capital = Current assets - Current liabilities

**** Capital Employed = Total Shareholders equity (Other equity + Equity Share capital) - Deferred Tax assets

Note 1 - Current ratio depicted higher than previous year, due to unpaid dividend of previous year, paid subsequent to year end.

Note 2 - Debt mainly pertains to lease liabilities which are on reducing balance. Equity is higher compared to previous year since the second interim dividend declared post year end for FY 2021-22.

Note 3 - Second Interim Dividend for FY 2021-22 declared post year end not accounted for the year resulting in higher Net worth and positive working capital compared to previous year. If impact of dividend is excluded, Net Working Capital employed has increased due to credit extended for receivables during year end.

Note 4 - Return on capital employed is similar to previous year excluding impact of dividend declared post year end FY 2021-22.



Notes to the Financial Statements

for the year ended March 31, 2022

NOTE 45: RELATIONSHIP WITH STRUCK OFF COMPANIES

Name of struck off company	Nature of transactions with struck off company	March 31, 2022	Relationship with the Struck off company, if any, to be disclosed	March 31, 2021	Relationship with the Struck off company, if any, to be disclosed
Pat Machines Private Limited	Receivables	-	None	0.12	None
Barnhardt International (India) Private Limited	Receivables	-	None	0.41	None
Aakriti Finvest Private Limited	Shareholders	0.00	None	0.00	None
Agents India Limited	Shareholders	0.01	None	0.01	None
Barclays Credit Limited	Shareholders	0.00	None	0.00	None
Digsha Holdings Private Limited	Shareholders	0.00	None	0.00	None
Investment Advisory Private Limited	Shareholders	0.00	None	0.00	None
Kothari Intergroup Limited	Shareholders	0.00	None	0.00	None
M H T Investment Private Limited	Shareholders	0.00	None	0.00	None
Nibr Metal Industries Private Limited	Shareholders	0.00	None	0.00	None
R. Sanghi Stock Brokers And Finance Private Limited	Shareholders	0.00	None	0.00	None
Roopak Trading And Investments Private Limited	Shareholders	0.00	None	0.00	None
Saha Finance Limited	Shareholders	0.00	None	0.00	None
Siddha Papers Private Limited	Shareholders	0.00	None	0.00	None
The India Sugar Agencies Private Limited	Shareholders	0.00	None	0.00	None
Trump It Entertainment And Creative Services Private Limited	Shareholders	0.00	None	-	None

Note : Amount less than ₹ 1,000 appearing in above table are disclosed at 0.00 due to presentation in lakhs.

NOTE 46: OTHER STATUTORY INFORMATION

- The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTE 47 : Subsequent to year end, the Company has declared a Second Interim Dividend of ₹ 21/- per share aggregating to ₹ 57,117 Lakhs on April 28, 2022 which was paid on and from May 25, 2022. In accordance with the provisions of Ind AS 10, this dividend is not recognised as a liability for the respective year.

NOTE 48 : Previous year's figures have been regrouped / reclassified, where necessary, to conform to the current year's classification.

Signature to Notes 1 to 48 are an integral part of these financial statements

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants
Firm Registration No. 324982E/E300003

Pritesh Maheshwari

Partner
Membership Number - 118746

For and on behalf of the Board of Directors of Colgate-Palmolive (India) Limited

M. S. Jacob

Whole-time Director & Chief Financial Officer
(DIN : 07645510)

M. Chandrasekar

Director
(DIN : 07667965)

Surender Sharma

Whole-time Director - Legal & Company
Secretary
(F-8913)
(DIN : 02731373)

Place : Mumbai
Date : May 26, 2022

Place : Mumbai
Date : May 26, 2022