Annexure 3

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

A) Conservation of Energy and Water:

Your Company continues its endeavor to improve energy & water conservation and utilization. Some of the steps taken by the Company for conservation of energy & water at its manufacturing plants during the Financial Year 2023- 24 are outlined below:

Sanand Plant

- Conservation of Energy :
  - The Company is having high priority focus on energy saving, through 360 degree energy conservation program including Lighting, Energy efficiency methods, Analytics to monitor and reduce energy consumption, etc. At regular intervals Plant conducts a workshop viz. 'Energy Treasure Hunt' to encourage ideas on energy conservation from its employees. The ideas generated for energy conservation are being implemented, which has generated savings of 5% energy, quantified to 962,000 KWH of energy saving in the year.
  - The Company has set up a 1 Megawatt Solar Energy plant at site. In addition, the Company has signed a Power Purchase Agreement for Hybrid Power generation. In 2023, total Electricity bought from Hybrid Power plus the inhouse Solar contributes to 36.83% of total power consumption.
  - During the year, the plant has invested ₹ 1.68 Crores on identified projects viz. Efficient lighting, Axial Blowers for AHU, HVAC Duct Sealing & Smart Chiller which will save additional 795,000 KWH of energy on an annual basis.
- Conservation of Water :
  - The Company is having a 360 degree program to conserve water through Reducing consumption, Reusing the water & Harvesting the Rainwater. Through different projects 4.2% non-product water was less consumed, quantified to 2599 Cubic Meters (CuM) water saving in 2023.
  - Net Zero Water - Site has achieved Net Zero Water in 2023. Last year, Plant had harvested about 49,195 Cubic Meter of rain water, based on 2023 rainfall data. Further, Plant reuses 27,879 Cubic Meter waste water after treating it in the Effluent Treatment Plant for gardening. Plant has reused and recycled 9,811 Cubic Meter of water viz. water of online quality monitoring, Boiler condensate, etc.
  - During the year, the plant has invested ₹ 25.56 Lakh on identified projects viz. Rainwater collection and AHU condensate recovery which will save an additional 6,800 KL of water on an annual basis.

Goa Plant

- Conservation of Energy :
  - Site converted DG engines to run on CNG by installing the OptiBlend system without any internal engine modifications. Plant shall achieve significant reduction in NOx and CO2 emissions. The system allows 50~70% diesel displacement with cheap natural gas. This feature is enabled in Q4 '2023. Three DGs attained 60+% of CNG distribution in fuel consumption.
  - Energy management software (PME-Power Monitoring Expert) is migrated to WonderWare AVEVA Supervisory Control and Data Acquisition (SCADA) for additional capabilities of new Power Event Analysis, including smart alarm management and timeline analysis, Energy Analysis Dashboards & Reports. Data stored in SQL.
  - Installed energy efficient screw vacuum pump which modulates on the vacuum requirement of finishing lines and consumes low power. This resulted in power saving of 21 MWh per Annum.
  - Use of the Air leak detector FLUKE 900i device has resulted in approximate savings of 13 MWh/Annum.
- Conservation of Water :
  - In 2023, the site used 15,291 Cubic Meter of alternative water and 31,326 Cubic Meter of water returned to the environment through infiltration and irrigation, which is 22% more than the water consumed by the site.
  - Usage of Reverse Osmosis (RO) rejected water into cooling towers, led to approximate savings of appox 5100 KL per Annum.

Baddi Plant

- Conservation of Energy :
  - Electronically Commutated blower installation on a few AHU which lead to approximate saving of 60000 KWH per Annum.
  - Electronically Commutated blower installation on cooling tower which lead to approximate saving of 26000 KWH per Annum.
  - Compressed air leakage arrest using fluke device has resulted in approximate savings of 2100 KL per Annum.
- Conservation of Water :
  - Steam condensate recovery and reuse as feed water boiler resulted in approximate saving 3400 KL per Annum.
  - Ozone and chlorine sensor water recovery from PWT and SWT treatment plants has resulted in approximate savings of 2900 KL per Annum.
  - Usage of Multi Grade Filter (MGF) backwash into toilets has resulted in approximate savings of 6 KL per day.
  - Reuse of MouthWash (MW) reject water as feed water has resulted in approximate savings of 1300 KL per Annum.
  - Reuse of MGF backwash water as raw water has resulted in approximate savings of 4100 KL per Annum.

Sri City Plant

- Conservation of Energy (Per Annum) :
  - Through our in-house 1.788 MW solar plant we saved on 1660 MWH units from the electricity board.
  - Through Power purchase agreements from renewable sources we have accounted for 3706 MWH energy. Including the inhouse solar generation & PPAs energy from renewable sources contributes to 41.5%.
  - 500 Nos. of LED lights with 72 Watts capacity are replaced with 36 Watts and resulted in a saving of 131 MWH.
  - Chiller plant integrated in closed loop system with demand flow algorithm, has resulted in savings of 377 MWH.
  - Variable frequency drive installed for 13No.s of Dust collector at site, resulting in an energy savings of 222 MWH.
  - Installed a new efficient Air compressor 1750 Cubic Feet per minute for meeting plant requirements. This has resulted in energy savings of 209 MWH.
- Conservation of Water :
  - Usage of RO Plant's reject water in domestic flushing a savings of 280 KL has been achieved.
  - Water efficient Aerators fixed for taps in the Washrooms & Kitchen resulted in a savings of 300 KL.
  - 6,168 KL of Rainwater harvested in FY 2023-24 from Roof resulted in savings of purchased water from Sri City Authority.

B) Technology Absorption:

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

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

1. Adapted technology for products using both local and/or imported raw materials and flavors.
2. Prepared laboratory and pilot plant batches and set tentative product specifications.
3. Completed product stability tests, microbiological tests, analytical tests and method validation.
4. Optimized various manufacturing processes and filling trials.
5. Tested new product or formula among sensory expert panel Members and consumers.
6. Finalized product formulations, process and product quality specifications.
7. Identified alternate local raw material vendors.
8. Reviewed and approved product claims and provided clinical documentation support.
9. Worked in partnership with the Research & Innovation and Product Development partners in the U.S. to bring new actives/ingredients into the oral and personal care formulations.
10. Worked with the cross category research team in the U.S. on highly advanced instrumentation techniques.
11. Worked in partnership with global clinical gr to conduct clinical Research on various oral and Skin care formulations.

New technologies imported, allowed the Company to have a strong presence in key benefit segments of the Oral Care market viz., Cavity Protection, Gum Health, Tooth Pain Relief, Anti-Sensitivity, Natural Protection and Freshness and Personal Care market i.e. Shampoos, Shower Gels and Liquid Hand Soap.

In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) :

Technology Imported	Year of Import	Has the technology been fully absorbed?	If not fully absorbed, areas where absorption has not taken place, and reasons thereof
Palmolive Mood Boosting Range	2023-24	Yes	Not Applicable
Colgate Maxfesh Relaunch	2023-24	Yes	Not applicable
Colgate Active Salt Relaunch	2023-24	Yes	Not applicable
Colgate Cibaca Relaunch	2023-24	Yes	Not applicable
Colgate Total Sensitive	2023-24	Yes	Not applicable
Colgate Visible White O2 Relaunch	2023-24	Yes	Not applicable
Colgate Active salt Relaunch	2022-23	Yes	Not applicable
Colgate Maxfresh Charcoal	2022-23	Yes	Not applicable
Colgate PerioGard Toothpaste	2022-23	Yes	Not applicable
Colgate Strong Teeth Relaunch	2022-23	Yes	Not applicable
Colgate Vedshakti Toothpaste Relaunch	2021-22	Yes	Not applicable
Colgate Visible White O2 Toothpaste	2021-22	Yes	Not applicable
Colgate Gum Expert Toothpaste	2021-22	Yes	Not Applicable
Colgate Maxfresh Limited Edition	2021-22	Yes	Not applicable
Palmolive Face Foam Wash	2021-22	Yes	Not applicable
Palmolive Face Cleansing Gel	2021-22	Yes	Not applicable
Palmolive Face Masque	2021-22	Yes	Not applicable
Palmolive Face Souffle Scrub	2021-22	Yes	Not applicable

Details of expenditure on R&D are given below :

Expenditure on R&D	Financial Year 2023-24 (₹ in Crores)
Capital	8.53
Recurring	10.02
Total	**18.55**

C) Foreign Exchange Earnings and Outgo :

During the Financial Year, the Company was able to generate export earnings of ₹ 210.32 Crores and the Foreign exchange outgo was ₹ 1,013.34 Crores.

For **Colgate-Palmolive (India) Limited**

Prabha Narasimhan
Managing Director &
Chief Executive Officer
(DIN : 08822860)

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

Place: Mumbai
Date: May 14, 2024