

**Smile and
get started.**

Annual Report | **2020**



COLGATE-PALMOLIVE (INDIA) LIMITED

Index

1	Our values	02
2	Message to shareholders	03
3	Making India smile: Our brands	05
4	Innovations that spread smiles: Our new products	09
5	Making the planet smile: Sustainability initiatives	12
6	Results that make you smile: Our performance highlights	15
7	The people behind the smiles: Our team	16
8	Ten Year Highlights	21
9	Notice	22
10	Report of the Directors	38
	Annexures to the Report of the Directors:	
	i) Corporate Governance Report	46
	ii) Annual CSR Report	67
	iii) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo	74
	iv) Particulars of Employees	78
	v) Form No. AOC - 2	79
	vi) Secretarial Audit Report	80
	vii) Business Responsibility Report	83
11	Independent Auditor's Report to the shareholders	94
12	Financial Statements	104
13	Nomination Form	161

Our values:

We are Colgate-Palmolive, a caring, innovative growth company that's re-imagining a healthier future for people and our planet. Our three fundamental values – **Caring, Teamwork and Continuous Improvement** – are a part of everything we do. These values are reflected not only in the quality of our products and the reputation of our Company but also in our dedication to serving the communities.





Message to shareholders

Dear Shareholder Family

It is my pleasure to share with you the results for the year 2019–20. The past 12 months and more recent 3–4 months have certainly been tumultuous, to say the least. Heading into the more recent COVID-19 pandemic, the categories were already seeing a slowdown, especially in rural India. Despite this, your company was able to deliver positive growth of 1.2% during the financial year. The COVID-19 pandemic did have an impact on the year. Heading in March 2020, your Company was growing at mid-single-digit growth vs the same period, a year ago. Your company continued to deliver industry-leading EBITA of 26.8% with a strong NPAT growth of 5.3%.

Our commitment to driving sustainable profitable growth remains unaltered. This mindset is reflected in every activity we undertook over the past 12 months and it begins with our relentless focus on the consumer and how we can continue to enrich their lives with our brands.

I am pleased to inform you that Colgate continues to be the most trusted oral care brand in the country for the 9th consecutive year as reported by the latest Brand Equity-Nielsen consumer survey of The Economic Times. Another proud milestone for us was the award of the Guinness Book of World Records for most people brushing

together at a single place. In partnership with the Kalinga Institute of Social Sciences, Bhubaneswar, and the Indian Association of Public Health Dentistry, this achievement was a moment of pride as a Nation, and as a Company with 80 plus years of history in India.

We continued our efforts to strengthen our brands through a series of initiatives. Beginning with bringing the brand purpose of Colgate, where we believe that ‘Everyone deserves a future they can smile about’. As a brand, Colgate champions optimism and we believe that our recent ‘Smile karo aur shuru ho jao’ campaign perfectly epitomises this philosophy. The campaign brought to life true stories of championing optimism from across the country.

Innovation continues to be a key driver for growth. The past year saw a healthy stream of innovation being brought to the market. Pivotal among these was the relaunch of our flagship variant, Colgate Dental Cream Strong Teeth. This patented technology helps to strengthen teeth from within. It was created over a decade of research with more than 18,000 people in over 20 clinicals and is a true revolution in oral health.

Additionally, the year also saw the launch of Colgate Charcoal Clean, India’s first black toothpaste with an

exhilarating flavour. The kids' portfolio was strengthened with the launch of the 'Zero' line catering to new and emerging needs of our consumers. The toothbrush business saw the launch of Zig Zag Neem and Charcoal as well as our entry into the Battery operated segment with the launch of our B150 series.

The Palmolive portfolio saw some 'on-trend' innovation including the launch of our Luminous Oils range of Body Wash and Liquid hand soaps. In response to an amplified focus on health and hygiene, we also launched our Palmolive Hand Sanitizer.

In our continued efforts to strengthen our executional excellence and be future ready, we stepped up our focus on e-commerce with a fully dedicated cross-functional team. Our progress in advanced analytics included the use of tools such as predictive modelling to improve the quality of assortment across retail environments.

Last but certainly not the least, we continue to remain committed in our efforts to elevate oral health in the country as well as make the planet a better and healthier place to live.

Our flagship oral care education program, Bright Smiles, Bright Futures™ reached over 7 million children in the year. In Delhi and Mumbai, we enabled in-school-brushing of 400,000 children with a focus on adding 'one more brushing' to their daily oral health regimen. We continue with our Keep India Smiling Foundational Scholarship initiative in partnership with the ShikshaDaan Foundation and Buddy4Study.

Our partnerships with Seva Mandir and Water For People continue to uplift societies by empowering women and providing access to water, respectively. As part of our

efforts during COVID, we partnered with Action Aid and Goonj to provide food rations and essential health products to needy communities across the country.

A special note of thanks to Mr. R. A. Shah and Mr. P. K. Ghosh:

I would like to take the opportunity to pass on our heartfelt thanks and appreciation to two of our retiring board members, Mr. R. A. Shah and Mr. P. K. Ghosh.

Mr. Shah has been on the board for almost four decades and has been a true guardian of your Company. His unparalleled knowledge of the law, his rich and diverse experience, and most importantly, his astuteness and personal leadership have been critical in successfully steering your Company over close to four decades.

Mr. Ghosh has had a relationship with your Company for almost 45 years. From his days as the Finance Controller to the past 3 decades that he spent as a Board Member, Mr. Ghosh's contributions have been pivotal in shaping the future of the Company over the years. His sharp business acumen coupled with his integrity has ensured that your Company has continued to thrive over the past 4 decades.

It is times like these that allow us to truly appreciate the phenomenal work done by these two exemplary gentlemen. We cannot thank them enough for their service, passion and commitment. On behalf of the entire Colgate-Palmolive family, I wish them all the very best for the next chapter in their lives.

I would like to thank our partners, our employees, and most importantly, you, our shareholders. Your continued support and trust help to reinforce our commitment to deliver year after year.



Ram Raghavan

Managing Director

Colgate-Palmolive (India) Limited

DIN: 08511606



Making India smile

Our brands

Engaging through heart-warming stories



Smile karo aur shuru ho jao:

Our philosophy that everyone deserves a future they can smile about, underscores hope and optimism through the transformational power of a smile. Our storytelling revolves around 'Smile karo aur shuru ho jao' or Get started with a smile. Launched last year, this new integrated campaign helped strengthen the love the consumers have for our brand.

Celebrating real heroes of optimism:

Our aim – to inspire courage, champion optimism and show the unbelievable power of a smile – comes alive with the Real Stories of Real People. The stories of true heroes, their courageous journeys and how their smiles created a better future.



Sindhutai Sapkal

The homeless lady who had to beg on the streets now runs an orphanage and is a mother to 1,400 children.



Anand Arnold

A cancer survivor who refused to give up bodybuilding despite being confined to a wheelchair and became Mr. Olympia.



Haimanti Sen

A 22-year-old college student who turned a skywalk into a classroom for the underprivileged.



Divyanshu Ganatra

He lost his eyesight to glaucoma but went on to become India's first visually impaired solo paragliding pilot.



Yashasvi Jaiswal

A street vendor who lived in a tent and is now breaking international cricket records.



Vedshakti – a whole new conversation:

Our Vedshakti messaging has created a disruption in the category. For the first time, a toothpaste goes beyond just oral care and speaks about the mouth being an entry point for germs. Through our proposition of 'Mooch swachh toh aap healthy' we have highlighted the relevance of a healthy mouth.

Connecting with young India through MaxFresh:

Taking the message of 'Get started with a smile' to India's youth needed a different and relevant approach. Therefore the idea of 'Every moment is a fresh start', urging the youth to move forward by seizing the moment; endorsed by Ranveer Singh and Naga Chaitanya – celebrities who have a strong youth connect.



India's most flexible:

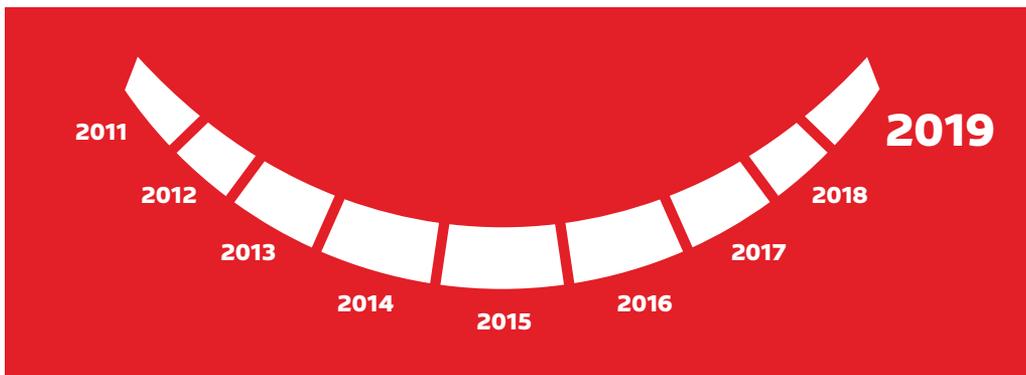
We told the story of this toothbrush with a flexible neck, by owning the idea of 'flexible'. We connected our product with a slice from the life of the real Jaspreet Singh Kalra, India's most flexible man.





Smiling our way to the Guinness Book of World Records:

In our continuous endeavour to create awareness about good oral hygiene through brushing, we received the Guinness World Record for the maximum number of people brushing together at a single venue. 26,382 people smiled their way through this record-breaking event, which was conducted at the Kalinga Institute of Social Sciences, Bhubaneswar, in partnership with the Indian Association of Public Health Dentistry.



The most trusted oral care brand for 9 years in a row:

Colgate was voted as India’s Most Trusted Oral Care brand for the 9th consecutive year by The Economic Times Brand Equity Most Trusted Brand consumer survey conducted by Nielsen. A big ‘thank you’ to all our consumers for your continued trust on Colgate.



Innovations that spread smiles

Our new products

New Colgate Strong Teeth – Amino Shakti for unbeatable dental strength:

We introduced a revolutionary new formula with the power of Amino Shakti. This new formulation is the result of more than a decade of R&D, including dozens of laboratory and clinical studies. This unique, patented technology contains Arginine and Fluoride. It harnesses the two-way power of these ingredients by feeding the good bacteria in the mouth and weakening the bad bacteria thereby fighting their harmful activity. Thus it makes the teeth stronger from within.



We introduced the all-new Colgate Strong Teeth through the thought of Andar se strong. The idea was brought alive through the story of a little girl who stands up to her bullies. We showed the world the power of a smile.

Black is back with Colgate Charcoal Clean:

We launched the Colgate Charcoal Clean toothpaste capitalizing on the biggest natural ingredient trends – Bamboo, Charcoal and Mint. It is a sensorial gel-based, black toothpaste in a premium packaging.



The all-natural ‘Zero’ line from Colgate Kids:

Focusing on the children’s portfolio opportunity, we launched the all-natural, fruit-flavoured kids’ toothpaste with **zero artificial preservatives, colours, flavours and sweeteners**. The range is specifically designed for children of different age groups.

Colgate ProClinical 150 – the powered toothbrush:

This premium, technologically superior toothbrush was introduced to the dentist profession first. Available in two variants – Deep clean and Charcoal, its advanced sonic technology enables 20,000 strokes per minute and also has a built-in 2-minute timer.

Introducing the ‘Natural’ range of toothbrushes:

Given the fact that the naturals space is big in India, we launched Colgate ZigZag Neem Toothbrush with Neem infused bristles. It has an earthy packaging with an attractive wooden finish and comes with a soft tongue cleaner. We also launched variants like Colgate ZigZag Charcoal and Colgate Superflexi Charcoal, which have charcoal-infused bristles.



The Palmolive Luminous Oils Range:

For pure luxurious indulgence, we have created the Luminous Oils range with a rich blend of natural extracts and essential botanical oils. The shampoos are created by combining Moroccan Argan Oil with Camellia Extracts, and Essential Rose Petal Oil with Bamboo Extracts, for lustrous and silky hair. The shower gel and handwash range has combinations of Macadamia Oil with Peony, and Fig Oil with Orchid, to nourish the skin and create a sensorial experience.

Palmolive Anti-Bacterial Hand Sanitizer:

We created this new product in a quick response to the immediate need for hand sanitizers during the critical period of the pandemic.





Making the planet smile

Sustainability initiatives



Elevating oral health in India:

Our flagship **Bright Smiles, Bright Futures™** programme, launched in 1976 to spread awareness among children about oral care, has touched the lives of over 170 million children across the rural and urban landscape till date. In the past year over 7 million children have benefitted from this programme.

Education and empowerment:

Our tie-up with the NGO **Seva Mandir** since 2013 helps marginalised communities through the education of children and women empowerment programmes. Additionally, we have implemented water initiatives

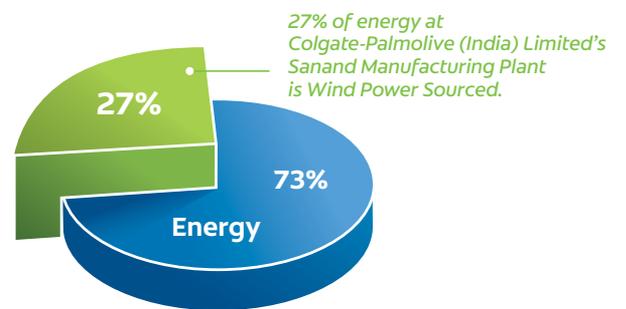
resulting in facilitating water for irrigation. We recently launched the **Keep India Smiling Foundational Scholarship** in partnership with ShikshaDaan Foundation (a non-profit organisation that works towards educating the underprivileged) and Buddy4Study (technology partner). This national programme offers financial and mentorship support to deserving candidates in the fields of academics, sports and community betterment.

Saksham is an initiative for the social and economic empowerment of the youth from less privileged backgrounds. This employability-linked skill development programme was launched in 2016 in partnership with SEEDS.



Save Water:

Water is one of the key pillars of our sustainability agenda. After a successful implementation of water programmes in Bihar and West Bengal in partnership with the Water For People, India Trust, we launched our water programme in Maharashtra, one of the most affected water-scarce regions. The programme has already enabled the availability of community water across villages.



Initiatives towards the Environment:



U.S. Green Building Council has awarded TRUE Zero Waste Platinum Certification to all 4 of our manufacturing plants at Baddi, Goa, Sanand and Sri City. This helps us drive our success in environmental sustainability by diverting waste from landfills using the principles of reuse, recycle and reduce throughout our supply chain.

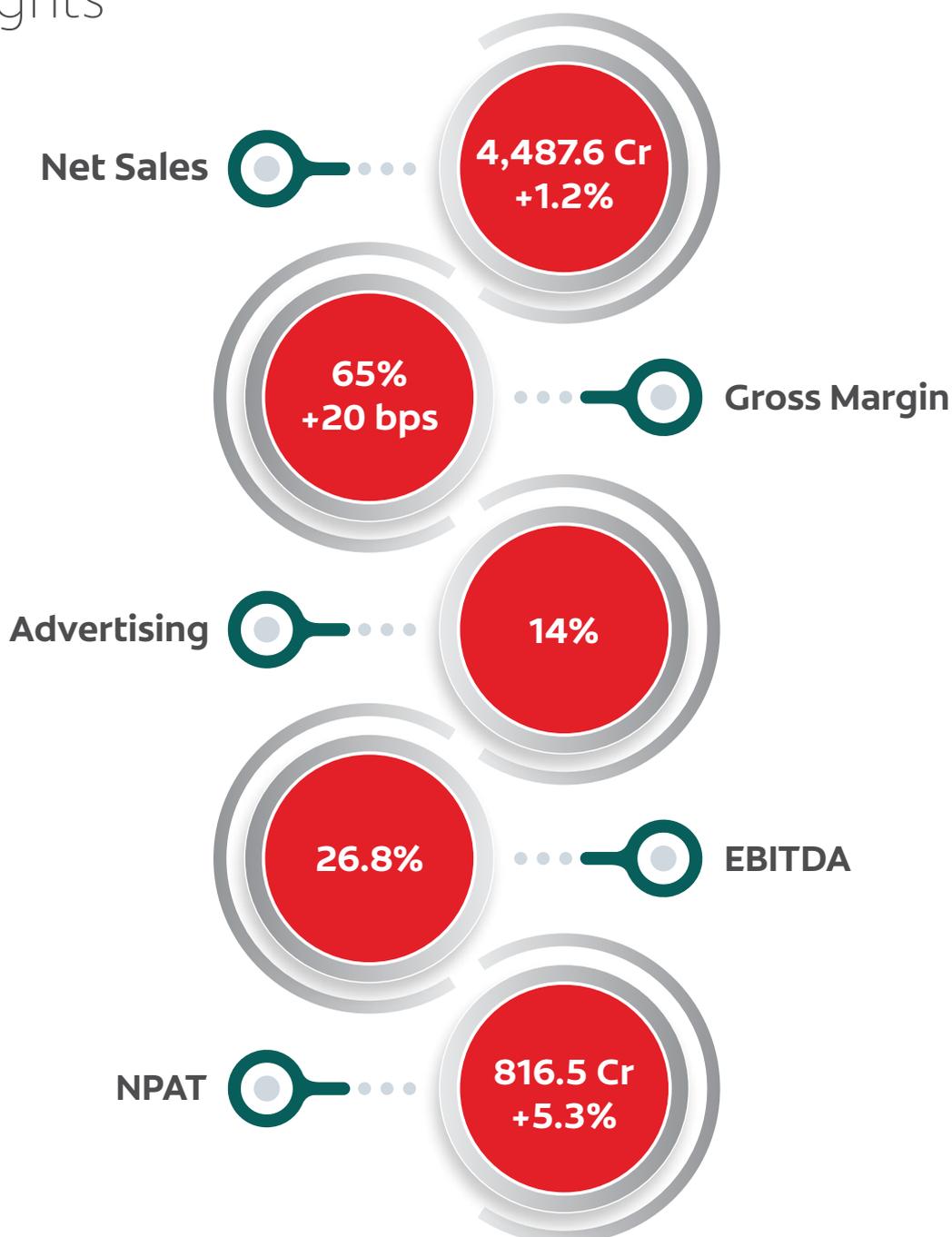
Our Sanand and Sri City manufacturing plants are LEED certified.

Self-generated power at Sri City



Results that make you smile

Our performance highlights





The people behind the smiles

Our team

Board of Directors



Mukul Deoras | Chairman

Mukul is a global business leader with a rich experience across multiple geographies. He is the President of the Asia Pacific Division of Colgate-Palmolive. Mukul holds a postgraduate degree in Management from IIM, Ahmedabad. He joined the Company in 2004 and has since served as Managing Director in Thailand and India, Chairman India, President of the Asia Division, and Global Chief Marketing Officer. He was appointed as the Chairman of Colgate-Palmolive (India) Limited in September 2018.



Ram Raghavan | Managing Director

Ram is a versatile global business executive with a unique balance of strategic and operational experience. He joined the Company as a Management Trainee, and over the years, has progressed through a series of leadership roles across Asia Pacific, Latin America & North America. Ram completed his MBA from Jamnalal Bajaj Institute of Management Studies. He was appointed as Managing Director on the Company's Board in August 2019.



Vikram Singh Mehta | Non-executive & Independent Director

Vikram is a policy thought-leader with an in-depth experience in the field. He began his career as a Member of the Indian Administrative Service, and was Advisor to the Public Sector "Oil India". Awarded Asia House's "Businessmen of the year" award in 2010, Vikram is on several boards. He was appointed as a Director on the Company's Board in 2001.



Indu Shahani | Non-executive & Independent Director

Indu is a passionate educationist who continues to redefine education. She is the President and Chairperson at the Indian School of Design and Innovation, and the Founding Dean of Indian School of Management and Entrepreneurship. She has been the Principal of H.R. College of Commerce and Economics in Mumbai. She has an Honorary 'Doctor of Letters' degree awarded by the University of Westminster in London. A former Sheriff of Mumbai, Indu was appointed as a Director on the Company's Board in 2012.



Shyamala Gopinath | Non-executive & Independent Director

A senior financial sector expert, Shyamala has guided and influenced diverse national policies. She was the Deputy Governor of the RBI for seven years, and has been on the RBI Board. She is an Independent Director on the Boards of a few companies including not-for-profit entities. She is also the Chairperson of the Board of Governors of IIM, Raipur. She was appointed as a Director on the Company's Board in May 2015.



Sukanya Kripalu | Non-executive & Independent Director

Sukanya is a consultant in the fields of marketing, strategy, advertising, and market research. An alumna of IIM, Kolkata, she has a rich work experience with Nestle India Limited, Cadbury India Limited and Kellogg's India. She was appointed as a Director on the Company's Board in June 2018.



Sekhar Natarajan | Non-executive & Independent Director

Sekhar has rich experience in the Agriculture and Rural sector, and has contributed significantly towards the growth and development of this sector. A qualified Chartered Accountant and Cost Accountant, he possesses extensive knowledge of strategic thinking, business development and mergers and acquisitions. He was appointed as a Director on the Company's Board in May 2020.



Gopika Pant | Non-executive & Independent Director

Gopika is an expert in the field of law and is dual-qualified in India and the USA. She is a keen environmentalist and an enthusiastic public speaker. She is a member of the Bar Council of Delhi, the New York State Bar, the ABA and the Supreme Court Bar Association. She holds a Diploma in Environmental Law with the World Wide Fund for Nature. She was appointed on the Company's Board in May 2020.



M.S. Jacob | Whole-time Director & Chief Financial Officer

Jacob provides overall financial leadership including on Investor Relations matters at Colgate-Palmolive (India) Limited. He joined the Company in 1995 in the Continuous Improvement Group. Over the course of 24 years, he has served through leadership roles in Finance at Colgate-Palmolive subsidiaries in Thailand, Vietnam and Malaysia and Hong Kong. He is a Commerce graduate from Mumbai University and Chartered Accountant from the Institute of Chartered Accountants of India. He was appointed on the Company's Board in October 2016.



M. Chandrasekar | Whole-time Director & Executive Vice-President - Sales & Customer Development

Chandrasekar has strengthened Colgate's distribution network, enhanced customer engagement and pioneered several future-technology-enabled improvements to drive business. He joined the Company in 1989 as a part of the Sales function. Over 29 years, he progressed through increasing levels of responsibility in the Customer Development and Sales function in different regional roles. He graduated as a Bachelor of Science in Mathematics from American College, Madurai. He was appointed as a Whole-time Director on the Company's Board in January 2017.



Surender Sharma | Whole-time Director & Vice-President - Legal

Surender leads the Legal and Secretarial Team in advising the business on issues of Legal Compliance, devising and implementing litigation strategy, issues of Ethics and Corporate Governance in a dynamic regulatory environment. He holds a Bachelor of Laws Degree from the University of Delhi and is a fellow member of the Institute of Company Secretaries of India. He was appointed on the Company's Board in May 2020.

Retirement of Board Members

Mr. R. A. Shah



An important milestone at Colgate-Palmolive is the retirement of Mr. R. A. Shah from the Board of Directors on the 31st of March 2020, after 37 years of dedicated service to the Company.

Mr. Shah is a leading Solicitor in India and a Senior Partner of M/s. Crawford Bayley & Co. During his tenure as a Non-Executive Independent Director he served as the Chairman of the Audit Committee and of the Nomination & Remuneration Committee. Mr. Shah has provided us with his unparalleled expertise and oversight on several matters. Some key highlights include:

- Driving the structure for toothpaste contract manufacturing operations and helping to get toothpaste de-reserved from the small-scale sector
- Restructuring the shareholding pattern as required, from time to time
- Obtaining approvals for payment of royalty by Colgate-Palmolive India and its contract manufacturers

With his exemplary integrity and personal leadership, he has been a true guardian to Colgate-Palmolive India.

We wish Mr. Shah a retirement full of good health and happiness.

Mr. P. K. Ghosh



Another landmark event is the retirement of Mr. P. K. Ghosh from the Board of Directors on the 31st of March 2020 after over 45 years of dedicated service to the Company.

He was a member of the Company's Board first, as its MD in 1988, and from 1993 onwards, for over three decades. He was a Non-executive Independent Director serving as the Chairman of the Risk Management Committee and a Member of the Audit Committee and Stakeholders' Relationship Committee. Some key highlights among the innumerable achievements of his tenure include:

- Colgate-Palmolive India's IPO and subsequent listing on the Bombay Stock Exchange in 1979
- Opening of the Waluj plant in Aurangabad, Maharashtra, in 1988
- Building a robust infrastructure and countrywide network of stockists and distributors
- Strengthening oral care education and awareness programmes consistently across India

He has inspired many generations of Colgate leaders and directors with his vision and many invaluable contributions.

We wish Mr. Ghosh a retired life rich with good health and happiness.

Ten-Year Highlights

₹ In Lakhs

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16*	2016-17*	2017-18*	2018-19*	2019-20*
A. Operating Results :										
Sales	2,317.40	2,736.17	3,244.51	3,757.38	4,211.20	4,318.98	4,489.85	4,299.89	4,432.44	4,487.57
Other Operating Revenue and Other Income	106.80	120.06	129.63	84.25	60.34	69.64	71.47	66.00	67.65	86.76
Net Profit After Tax	402.58	446.47	496.75	539.87	558.98	581.17	577.43	673.37	775.57	816.47
Total Comprehensive Income**	-	-	-	-	-	579.98	572.26	674.45	775.67	800.94
Cash Profits	436.83	485.78	540.45	590.62	634.00	691.39	705.50	830.96	934.83	998.88
B. Financial Position :										
Net Fixed Assets#	267.31	329.91	437.46	736.62	943.66	1,092.25	1,305.70	1,332.74	1,400.65	1,206.64
Investments	38.74	47.12	47.12	37.13	37.13	31.16	31.16	31.16	31.15	18.62
Other Assets / (Liabilities) (Net)	78.05	58.36	5.01	(173.89)	(210.47)	(92.37)	(63.06)	160.71	14.95	253.16
TOTAL ASSETS	384.10	435.39	489.59	599.88	770.32	1,031.04	1,273.80	1,524.61	1,446.75	1,594.16
Share Capital***	13.60	13.60	13.60	13.60	13.60	27.20	27.20	27.20	27.20	27.20
Reserves and Surplus	370.45	421.79	475.99	586.28	756.72	1,003.84	1,246.60	1,497.41	1,419.55	1,566.96
SHAREHOLDERS' FUNDS	384.05	435.39	489.59	599.88	770.32	1,031.04	1,273.80	1,524.61	1,446.75	1,594.16
Loan Funds	5	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EMPLOYED	384.10	435.39	489.59	599.88	770.32	1,031.04	1,273.80	1,524.61	1,446.75	1,594.16
C. Equity Share Data :										
Earnings Per Share (₹) ***	29.60	32.83	36.53	39.70	41.10	21.37	21.23	24.76	28.52	30.02
Dividend Per Share (₹) ***	22.00	25.00	28.00	27.00	24.00	10.00	10.00	24.00	23.00	28.00
Number of Shares (in Lakhs)	13.60	13.60	13.60	13.60	13.60	27.20	27.20	27.20	27.20	27.20
Number of Shareholders (in '000s)	1.26	1.22	1.29	1.32	1.35	1.81	1.76	1.69	1.76	2.14

Including Capital Advances.

* The figures reported for financial year 2015-16 onwards are Ind AS compliant.

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

*** Issue of bonus shares in the ratio 1:1 during financial year 2015-16. Consequently number of shares has increased from 13,60 Lakhs to 27.20 Lakhs that is reflected in Earnings Per Share and Dividend Per Share for the year.

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

Notice

COLGATE-PALMOLIVE (INDIA) LIMITED

Registered Office:

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

CIN : L24200MH1937PLC002700

Email : investors_grievance@colpal.com

Website : www.colgatepalmolive.co.in

Tel. No. : 022 6709 5050

Fax No. : 022 25705088

NOTICE is hereby given that the Seventy-Ninth Annual General Meeting of COLGATE-PALMOLIVE (INDIA) LIMITED will be held on Wednesday, July 29, 2020 at 3.30 p.m. (IST) through Video Conference/ Other Audio Visual Means to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M.S. Jacob (DIN: 07645510), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. Sekhar Natarajan (DIN: 01031445) as an Independent Director**

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

“RESOLVED THAT Mr. Sekhar Natarajan (DIN: 01031445), who was appointed as an Additional Director (Non-executive Director) of the Company with effect from May 21, 2020 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the ‘Act’) and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mr. Sekhar Natarajan (DIN: 01031445), who has submitted a declaration that he meets the criteria for independence and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years commencing from May 21, 2020 to May 20, 2025.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

4. **Appointment of Ms. Gopika Pant (DIN: 00388675) as an Independent Director**

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

“RESOLVED THAT Ms. Gopika Pant (DIN: 00388675), who was appointed as an Additional Director (Non-executive Director) of the Company with effect from May 21, 2020 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the ‘Act’) and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and the Companies

(Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Ms. Gopika Pant (DIN: 00388675), who has submitted a declaration that she meets the criteria for independence and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years commencing from May 21, 2020 to May 20, 2025.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

5. **Appointment of Mr. Surender Sharma (DIN: 02731373) as a Whole-time Director**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and the rules made thereunder (including statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Articles of Association of the Company and subject to such sanctions and approvals, as may be required, consent of the Members of the Company be and is hereby accorded for the appointment of Mr. Surender Sharma (DIN: 02731373), as a Whole-time Director of the Company, liable to retire by rotation, for a period of 5 (five) consecutive years with effect from May 21, 2020, on the terms and conditions, including remuneration, as are set out in the draft agreement to be entered into between the Company and Mr. Surender Sharma, material terms of which are set out in the explanatory statement attached to this notice, with liberty to the Board of Directors of the Company (“the Board”) or duly constituted committee thereof, to alter and vary the terms and conditions thereof in such manner as may be agreed to between the Board and Mr. Surender Sharma, subject to the applicable provisions of the Act,

or any amendment thereto or any re-enactment thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during his tenure as Whole-time Director, Mr. Surender Sharma be paid the aforesaid remuneration as minimum remuneration for that year.

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

6. **Re-appointment of Ms. Shyamala Gopinath (DIN: 02362921) as an Independent Director**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Shyamala Gopinath (DIN: 02362921), who was appointed as an Independent Director with effect from July, 30, 2015 and who holds office up to July 29, 2020, and who is eligible for re-appointment and meets the criteria for independence as provided under Section 149 (6) of the Act along with the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing her candidature for office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold office for a second term from July 30, 2020 to May 31, 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

By Order of the Board

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

Place: Mumbai

Date : May 21, 2020

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ('hereinafter collectively referred to as Circulars'), physical attendance of the Members at the Annual General Meeting (AGM) venue is not required and the AGM is being held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the Members will not be available. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. The deemed venue for the 79th AGM shall be the Registered Office of the Company.
3. Pursuant to the Circulars, the Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the aforesaid Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as e-voting during the AGM will be provided by NSDL.
6. The Notice of the AGM has been uploaded on the website of the Company at www.colgatepalmolive.co.in The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL i.e. www.evoting.nsdl.com
7. Since the AGM will be held through VC/OAVM facility, the route map, proxy form and attendance slip are not annexed in this Notice.
8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is appended hereto.
9. A brief resume of Mr. M.S. Jacob, who seeks re-appointment as a Director, has also been appended hereto.
10. Pursuant to the Circulars, in view of the prevailing situation, there are difficulties in dispatching of physical copies of the Notice of

- the 79th AGM and the Annual Report for the financial year 2019-20 and therefore the same are being sent only by email to the Members whose email address is registered with the Company/Depositories. Members may note that the Notice of the 79th AGM and the Annual Report will also be available on the Company's website viz. www.colgatepalmolive.co.in and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL i.e. www.evoting.nsdl.com
11. Members who have not yet registered their email addresses are requested to register the same with their Depository participants in case the shares are held by them in electronic mode and with the Registrar & Share Transfer Agent (RTA) of the Company in case the shares are held by them in physical form. However, for limited purpose like receiving the notice of the forthcoming Annual General Meeting and related documents, Members holding shares in electronic mode may register their email addresses with our RTA as per the process given in point B in the e-Voting instructions of the notes to this notice.
 12. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 23, 2020 to Wednesday, July 29, 2020 (both days inclusive).
 13. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
 14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cpilagm2020@colpal.com
 15. Members are requested to send all communications relating to shares, unclaimed dividends, change of address, etc. to the Registrar & Share Transfer Agent of the Company, at their address: M/s. Link Intime India Private Limited, C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400 083 or at rnt.helpdesk@linkintime.co.in
 16. Members are requested to notify immediately any change in their addresses to the Registrar & Share Transfer Agent of the Company at the above address, if shares are held in physical form, and to the respective depository participants, if shares are held in electronic mode.
 17. The Company, following the introduction of the Depository System ('DS'), entered into agreements with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). The Members, therefore, have the option of holding and dealing in the shares of the Company in dematerialized form through NSDL or CDSL.
 18. The Depository System aims to eliminate several problems inherent in the scrip-based system such as bad deliveries, fraudulent transfers, mutilation of share certificates, etc. Simultaneously, DS offers several advantages like exemption from stamp duty, elimination of the concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.
 19. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 01, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
 20. To prevent fraudulent transactions, we urge the Members to exercise due diligence and notify the Company of any change in address / stay abroad or demise of any Member as soon as possible. Members are requested not to leave their demat account dormant for long. Periodic statements of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
 21. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
 22. Electronic Clearing Service ('ECS') enables quick receipt of dividend without the potential

for loss or delay in postal transit. Members who are not already enrolled in ECS are requested to fill in the ECS form which is available either on the Company's website or with the Company's Registrar & Share Transfer Agents and forward the same alongwith a cancelled cheque leaf to the Company's Registrar & Share Transfer Agent at rnt.helpdesk@linkintime.co.in if the shares are held in physical form and to the applicable Depository Participant if the shares are held in dematerialized form.

23. During the Financial Year 2019-20, unclaimed dividends declared for the years 2011-12 and 2012-13 in the amounts of ₹ 69,92,488/-, ₹ 1,04,86,989/- and ₹ 51,51,810/- have been transferred to the Investor Education and Protection Fund ('IEPF') on May 20, 2019, November 25, 2019 and February 04, 2020, respectively.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which came into force from September 7, 2016 (including any amendment thereto or re-enactment thereof for the time being in force), all equity shares in respect of which dividend has not been paid or claimed by the Member(s) for seven consecutive years or more are required to be transferred to the IEPF Authority, a Fund constituted by the Government of India under Section 125 of the Companies Act, 2013. The Company has communicated individually to the concerned Members to claim their unpaid / unclaimed dividend amount(s) and that failure to claim the same would lead to their equity shares being transferred to the IEPF Authority without any further notice. In accordance with the aforesaid IEPF Rules, during the Financial Year 2019-20, the Company has transferred shares pertaining to interim dividends which remained unpaid and unclaimed, being declared for the years 2011-12 and 2012-13 to the IEPF Authority.

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

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

24. The Company has designated an exclusive e-mail ID called investors_grievance@colpal.com to redress Shareholders' complaints / grievances. In case you have any queries / complaints, then please write to us at investors_grievance@colpal.com. The Company has nominated Mr. K. Randhir Singh, Company Secretary & Compliance Officer, as its Nodal Officer for the purpose of co-ordination with the IEPF Authority and the contact details of the Nodal Officer is available on Company's website.
25. Members desirous of obtaining any information/ clarification(s), intending to raise any query concerning the financial statements/Annual Report of the Company, are requested to send the same at least 2 working days before the AGM mentioning their name, demat account number/folio number, email id, mobile number at cpilagm2020@colpal.com so that the same may be replied to suitably.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-Voting period begins on Sunday, July 26, 2020 at 8:00 a.m. IST and ends on Tuesday, July 28, 2020 at 5:00 p.m. IST. The remote e-Voting module shall be disabled by NSDL for voting thereafter.

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by National Securities Depository Limited (NSDL) on all the resolutions set forth in this Notice.

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

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

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

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

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****..
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****

c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
---	---

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “**Forgot User Details/ Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
- b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

- 1 Institutional Shareholder are encouraged to attend and vote at the AGM through VC/OAVM Facility. Further, Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to

send scanned copy (PDF/JPEG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@snaco.net with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-Voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact the following NSDL officials: (1.) Ms. Pallavi Mhatre at email id pallavid@nsdl.com (2.) Ms. Sarita Mote at email id saritam@nsdl.com or at 022-2499 4559 / 022-2499 4545.

B. Process for those shareholders whose email ids are not registered for procuring user id and password and registration of e-mail ids for e-voting on the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Name, Folio No., share certificate number, PAN, mobile number and e-mail address and also upload the image of share certificate in PDF or JPEG format (upto 1 MB) at https://linkintime.co.in/emailreg/email_register.html on the RTA website i.e. www.linkintime.co.in in the Investor Services tab.
2. In case shares are held in demat mode, please provide Name, DP ID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), PAN, mobile number and email address at https://linkintime.co.in/emailreg/email_register.html on the RTA website i.e. www.linkintime.co.in in the Investor Services tab.
3. Alternatively shareholder may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) above as the case may be.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of NSDL officials who may be contacted for any assistance with regard to e-Voting and VC/OAVM facility are as follows:

For e-Voting: (1.) Ms. Pallavi Mhatre at email id pallavid@nsdl.com (2.) Ms. Sarita Mote at email id saritam@nsdl.com or at 022-2499 4559 / 022-2499 4545 / toll free number - 1800-222-990.

For VC/OAVM: (1.) Mr. Sagar Ghosalkar at email id sagar.ghosalkar@nsdl.co.in (2.) Mr. Amit Vishal at email id amitv@nsdl.co.in or at 022-2499 4360 / 022-2499 4553 / toll free number - 1800-222-990.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-Voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further Members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker and should send their request mentioning their name, demat account number/folio number, email id, mobile number at cpilagm2020@colpal.com
6. Those Members who have pre-registered themselves as a speaker with the Company between Monday, July 20, 2020 (8.00 a.m. IST) to Thursday, July 23, 2020 (5.00 p.m. IST), will be allowed to express their views/ask questions during the Meeting.
7. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
 - A. Any person who acquires shares of the Company after sending the Notice of 79th AGM and holding shares as of the cut-off date i.e. July 22, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in If you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password / PIN for casting your vote.
 - B. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
 - C. The e-Voting period commences on Sunday, July 26, 2020 (8.00 a.m. IST) and ends on Tuesday, July 28, 2020 (5.00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of July 22, 2020, may cast their vote by e-Voting. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. E-Voting shall not be allowed beyond the said date and time.

- D. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of July 22, 2020.
- E. Mr. S. N. Ananthasubramanian, Practicing Company Secretary (Membership No. FCS-4206) or failing him, Ms. Ashwini Vartak (Membership No. ACS-29463) has been appointed to act as the Scrutinizer for the 79th AGM. Scrutinizer will ensure that the e-Voting process is conducted in a fair and transparent manner.
- F. The Scrutinizer shall, immediately after the conclusion of the voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through e-Voting and make within a period not exceeding forty eight hours from the conclusion of the AGM, a consolidated Scrutinizers' Report of the total votes cast in favour or against, on each resolution, to the Chairman, or an authorized person by him, of the Company.
- G. The results shall be declared after receiving consolidated Scrutinizers' Report from the Scrutinizer. The results declared along with the Scrutinizers' Report shall be placed on the Company's website www.colgatepalmolive.co.in and on the websites of Stock Exchanges and NSDL.
- H. The resolutions shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of Voting results (i.e. remote e-Voting and the e-Voting held at the AGM).

Annexure to the Notice

Details of Director seeking re-appointment:

Mr. Jacob Sebastian Madukkakuzy joined the Company in 1995 and progressed to higher positions in the Organization. In 2003, moved to C-P Thailand as Associate Finance Director and subsequently moved to C-P Vietnam as the Finance Director. In 2009 he moved on to become the Finance Director for the Asia Division where he led several initiatives to drive profitable growth. Mr. M.S. Jacob was appointed as a Whole-time Director of the Company designated as "Whole-time Director & Chief Financial Officer (CFO)" for a term of five consecutive years effective from October 28, 2016. As per the terms of his appointment he is liable to retire by rotation and being eligible is seeking re-appointment.

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

Name of the Director	Jacob Sebastian Madukkakuzy
DIN	07645510
Date of Birth	June 17, 1969
Nationality	Indian
Qualification	Commerce graduate from Bombay University and Chartered Accountant from the Institute of Chartered Accountants of India.
Expertise in specific areas	Mr. M.S. Jacob has experience of more than 24 years and has served through leadership roles in Finance at Colgate-Palmolive Company's subsidiaries.
Date of first appointment on the Board	October 28, 2016.
Number of shares held in Colgate-Palmolive (India) Limited	Nil
Directorship/ Chairmanship / Membership on the Board of other Companies	None
Inter-se Relationships between Directors	There is no inter-se relationship between Mr. M.S. Jacob, other Members of the Board and Key Managerial Personnel of the Company.
Terms of Appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable.	Appointment as the Whole-time Director of the Company for a term of five consecutive years effective October 28, 2016 on terms and conditions as were approved by the members at their Annual General Meeting held on August 3, 2017.
Number of Board meetings attended	4 (Four) in the F.Y. 2019-20

Explanatory Statement under Section 102 of the Companies Act, 2013

Item No. 3 & 4

The Board of Directors in its meeting held on May 21, 2020, based on the recommendation of the Nomination & Remuneration Committee, had appointed Mr. Sekhar Natarajan (DIN: 01031445) and Ms. Gopika Pant (DIN: 00388675) as Additional Directors of the Company effective May 21, 2020. Pursuant to Section 161 of the Companies Act 2013 (the Act), Mr. Sekhar Natarajan and Ms. Gopika Pant will hold such office up to the date of this Annual General Meeting and are eligible to be appointed as Directors of the Company.

In the opinion of the Board, Mr. Sekhar Natarajan and Ms. Gopika Pant fulfill the conditions for their appointment as Non-executive & Independent Directors of the Company as prescribed under the Act and Rules made thereunder as well as Regulation 16 of the SEBI LODR. Mr. Sekhar Natarajan and Ms. Gopika Pant are independent of the Management. Further, in view of the Board, Mr. Sekhar Natarajan and Ms. Gopika Pant's knowledge and experience will be of immense benefit and value to the Company. Accordingly, it is proposed to appoint Mr. Sekhar Natarajan and Ms. Gopika Pant as Non-executive & Independent Directors on the Board of the Company for a period of five (5) consecutive years effective May 21, 2020 and they would not be liable to retire by rotation.

A brief profile of Mr. Sekhar Natarajan and Ms. Gopika Pant is set-out below:

Mr. Sekhar Natarajan:

Mr. Sekhar Natarajan is a professional with high integrity and passion for results. With a rich experience of the Agriculture and Rural sector, where he has spent most of his career, he has contributed significantly towards the growth and development of this industry and its farmer customers.

After his retirement and now as Managing Partner of M/s. SN Consultants, he continues to stay involved with the Agriculture Industry in providing advice and strategic guidance to local and international companies including private equity investors. He also works closely with industry forums and opinion makers on policy matter. He is also on the Board of a few Indian listed companies.

With a career spanning over three decades, he led and built Monsanto India as an organization leading growth and innovation in Indian agriculture. He continued his Role as Chairman of Monsanto India Limited till its recent merger with Bayer CropScience Limited in September 2019. Earlier in his career with Monsanto, he was the India Region Lead, South Asia Business Lead, Business Development Head, Sales & Marketing Lead and Financial Controller. His stint as VP Corporate Strategy at Monsanto's headquarter in St Louis (USA) also increased his global exposure and perspective.

A qualified Chartered Accountant and Cost Accountant, he possesses extensive knowledge in strategic thinking, business development and mergers & acquisitions.

Ms. Gopika Pant

Ms. Gopika Pant has more than 34 years of legal experience and is dual qualified in India and New York, USA. She completed her BA Hons from St Stephens College in 1982, LLB from Campus Law Centre, Delhi University in 1985, was admitted to the Bar Council of Delhi in 1985 and the New York State Bar Association, USA in 1987 after completing her LLM from Columbia University in 1986 and is also a member of the ABA and The Supreme Court Bar Association. She has worked in New York City during 1986-1990, returned to India and was named Partner in India's leading law firm prior to setting up Indian Law Partners-ILP in 1999.

Ms. Pant has significant experience in Indian corporate and commercial laws and is a specialist in cross border commercial transactions, inbound and outbound, including restructurings, acquisitions, JVs, business alliances, foreign portfolio investments, PE investments and exits, insolvency and bankruptcy, banking and finance, infrastructure and project finance and real property transactions.

Ms. Pant is a keen environmentalist and has also completed a Diploma in Environmental Law with the World Wide Fund for Nature. She is an enthusiastic public speaker and has addressed various conferences in India, London, Singapore, Japan and the USA. She has also authored articles in various Indian and international publications.

The following information about Mr. Sekhar Natarajan and Ms. Gopika Pant is provided pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard – 2 on General Meetings:

Name of the Director	Sekhar Natarajan	Gopika Pant
DIN	01031445	00388675
Date of Birth	December 14, 1953	August 14, 1960
Nationality	Indian	Indian
Qualification	Chartered Accountant, Cost & Works Accountant and B.Com	LL.M. (Columbia University, USA) BA, LLB
Expertise in specific areas	Extensive knowledge in strategic thinking, business development and mergers & acquisitions.	Indian corporate and commercial laws, specialist in cross border commercial transactions, including restructurings, acquisitions, JVs, business alliances, foreign portfolio investments, private equity investments & exits, insolvency & bankruptcy, banking & finance, infrastructure & project finance and real property transactions.
Date of first Appointment	May 21, 2020	May 21, 2020
Number of shares held in Colgate-Palmolive (India) Limited	Nil	Nil
Name of other Companies in which he/she holds Directorship	<ol style="list-style-type: none"> 1) Bayer CropScience Limited 2) Ingersoll – Rand (India) Limited 3) Accelya Solutions India Limited 4) Maharashtra Hybrid Seeds Company Private Limited 	<ol style="list-style-type: none"> 1) Asset Reconstruction Company (India) Limited 2) Strategic Safe Management Private Limited 3) Client Understanding Advisory Private Limited 4) Ranjit Nanda and Associates Private Limited
Chairman/ Member of the Committee(s) of Board of Directors of other Companies in which he/she is a Director	<ol style="list-style-type: none"> 1) Bayer CropScience Limited – Audit Committee (Chairperson), Nomination & Remuneration Committee, Risk Management Committee (Member) 2) Ingersoll – Rand (India) Limited – Audit Committee (Chairperson), Nomination & Remuneration Committee, Corporate Social Responsibility Committee (Member) 3) Accelya Solutions India Limited - Audit Committee, Stakeholders Relationship Committee, Risk Management Committee (Chairperson), Nomination & Remuneration Committee (Member) 	Nil

Relationship between Directors inter-se	There is no inter-se relationship between Mr. Natarajan and other Members of the Board and Key Managerial Personnel of the Company.	There is no inter-se relationship between Ms. Pant and other Members of the Board and Key Managerial Personnel of the Company.
Terms of Appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable.	5 (Five) consecutive years i.e. May 21, 2020 to May 20, 2025. Independent directors are entitled to sitting fees for attending meetings of the Board & Committees thereof and also commission as provided under the Act.	5 (Five) consecutive years i.e. May 21, 2020 to May 20, 2025. Independent directors are entitled to sitting fees for attending meetings of the Board & Committees thereof and also commission as provided under the Act.
Number of Board Meetings attended	Not Applicable	Not Applicable

The Company has received from Mr. Sekhar Natarajan and Ms. Gopika Pant declarations under Section 149(7) of the Act confirming that they meet the criteria prescribed for Independent Directors under Section 149(6) of the Act as well as provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Mr. Sekhar Natarajan and Ms. Gopika Pant have also furnished to the Company (i) Consent to act as Director in DIR- 2 pursuant to Rule 8 of Companies (Appointment and qualification of Directors) Rules, 2014 and (ii) Declaration in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164 of the Act.

The Company has also received notices in writing from a member under Section 160 of the Act proposing the candidature of Mr. Natarajan and Ms. Pant for the office of Independent Directors of the Company.

The Board recommends passing of Ordinary Resolution at item Nos. 3 & 4 of this Notice for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Natarajan and Ms. Pant, is concerned or interested, financially or otherwise, in their respective resolutions at item Nos. 3 & 4 of this Notice.

Item no. 5

Pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and the rules made thereunder (including statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Articles of Association of the Company, the Board of Directors

("the Board") at their meeting held on May 21, 2020 has, appointed Mr. Surender Sharma (DIN:02731373) as a Whole-time Director of the Company for a period of 5 (five) consecutive years with effect from May 21, 2020 subject to the approval of the members of the Company and such other sanctions and approvals as may be required.

Brief Profile of Mr. Surender Sharma is set-out as below:

Mr. Surender Sharma is the Vice President – Legal, at Colgate-Palmolive (India) Limited (CPIL), since October 2018. Mr. Sharma leads the Legal and Secretarial function to ensure regulatory compliance and provides legal advice to the Leadership Team of Colgate-Palmolive India across functions and on matters relating to Corporate Affairs. Mr. Sharma joined CPIL in 2017 as the Associate Director – Legal, where he provided legal support to the Marketing, Customer Development and Supply Chain functions. Previously, Mr. Sharma was working with Marico Limited as the Head of Legal and Company Secretary. Prior to joining Marico, Mr. Sharma held leadership positions with reputed organizations like Heinz, Indian Hotels Company, Reckitt Benckiser and Maruti Suzuki, where he spent close to 20 years as in-house counsel and handled litigation management, contract management, corporate governance, and legal compliance.

Mr. Sharma holds a Bachelor of Laws Degree from the University of Delhi and is a fellow member of the Institute of Company Secretaries of India (ICSI).

Considering the rich experience and expertise of Mr. Sharma, the Nomination & Remuneration Committee in their meeting held on May 21, 2020, has recommended his appointment as Whole-time Director of the Company.

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

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

- a) **Salary:** Up to ₹ 25,00,000/- (Rupees Twenty five lakhs only) per month.
- b) **Commission or Performance Linked Incentive or Bonus:** Not exceeding 1% of the net profit of the Company in any financial year as the Board or Managing Director may determine from time to time but shall not exceed the amount equivalent to the salary for the relevant period; it may be paid pro-rata on a monthly basis at the absolute discretion of the Board or Managing Director.
- c) **Perquisites:** He shall be entitled to furnished/ non-furnished accommodation, gas, electricity, medical reimbursement, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-tax Rules, 1962 being restricted to ₹ 80,00,000/- (Rupees Eighty Lakhs only) per annum.
- d) Company's contribution to Provident Fund and Superannuation Fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.
- e) In addition to the perquisites referred to above, he will be eligible for leave travel concession, for self and family once in a year for any destination in India, which shall not be included in the computation of the ceiling on perquisites.
- f) The provision of a car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to Mr. Sharma.
- g) Participation in stock option scheme of Colgate-Palmolive Company, U.S.A., the parent company, pursuant to Colgate-Palmolive Company's global executive compensation program.

- h) In the event of absence or inadequacy of profits in any financial year, Mr. Sharma will be paid the aforesaid remuneration and perquisites as minimum remuneration for that year.
- i) The Board shall have the discretion and authority to modify the foregoing terms of remuneration within, however, the parameters of the applicable provisions of the Companies Act, 2013.
- j) Mr. Sharma shall be entitled to leave in accordance with the rules of the Company for the time being in force and applicable to senior executives of the Company.
- k) Mr. Sharma shall also be entitled to be reimbursed the travelling and entertainment expenses actually and properly incurred by him for business travel for the Company subject to approval by the Managing Director and/or the Board.
- l) Mr. Sharma's appointment is for a period of five years which may be determined at any time by three months' advance notice in writing in that regard without the necessity of showing any cause, or in the case of the Company, by payment of three months' salary as compensation in lieu of such notice.

The Board shall have the discretion and authority to modify the foregoing terms of remuneration within the parameters of the applicable provisions of the Companies Act, 2013. As a Whole-time Director, Mr. Surender Sharma will have requisite powers and authorities to enable him to manage the Company on a day-to-day basis. The appointment will be for a period of 5 (five) consecutive years, which may be terminated by either party by giving to the other three months notice in writing or in the case of the Company, by payment of three months salary as compensation in lieu of such notice. Upon such termination, Mr. Surender Sharma shall cease to be a Director of the Company.

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

A copy of the agreement referred in the resolution would be available for inspection by the Members upon request.

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

Name of the Director	Surender Sharma
DIN	02731373
Date of Birth	July 19, 1975
Nationality	Indian
Qualification	Bachelor of Law Degree from the University of Delhi and is a fellow member of the Institute of Company Secretaries of India (ICSI)
Expertise in specific areas	Legal and Corporate Governance
Date of first appointment on the Board	May 21, 2020
Number of shares held in Colgate - Palmolive (India) Limited	Nil
Directorship / Chairmanship / Membership on the Board of other Companies	Nil
Inter-se relationship between Directors	There is no inter-se relationship between Mr. Surender Sharma, other Members of the Board and Key Managerial Personnel of the Company.
Terms of Appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable.	As per the resolution at item no. 5 of the Notice convening this Annual General Meeting read with explanatory statement as above.
Number of Board meetings attended	N.A.

The Company has also received notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Sharma for the office of Director of the Company.

The Board recommends passing of Ordinary Resolution at item No. 5 of this Notice for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Sharma, is concerned or interested, financially or otherwise, in the resolution at item No. 5 of this Notice.

Item No. 6

Pursuant to the relevant provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), Ms. Shyamala Gopinath (DIN: 02362921) was appointed as an Independent Director of the Company for a period of 5 (five) consecutive

years and she holds office as an Independent Director of the Company upto July 29, 2020. As per Section 149(10) of the Act an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution by the Company.

In terms of the Policy on Retirement of Directors effective from April 01, 2020, the Non-executive Directors including Independent directors shall retire on attaining the age of seventy five (75) years or on completion of ten (10) years tenure on the Board, whichever is earliest. Accordingly, the Nomination & Remuneration Committee at its meeting held on May 21, 2020, on the basis of the report of performance evaluation, has recommended the re-appointment of Ms. Shyamala Gopinath, for a second term from July 30, 2020 to May 31, 2024.

The Board of Directors, based on the recommendation of the Nomination & Remuneration Committee and the report of performance evaluation, considered that her professional expertise coupled with valuable contributions made by her during her present tenure in growth of the Company, it would be in the beneficial interest of the Company to continue to avail her services as an Independent Director. Accordingly it is proposed to re-appoint Ms. Gopinath as an

Independent Director of the Company, not liable to retire by rotation and to hold office for a second term from July 30, 2020 to May 31, 2024.

Brief profile of Ms. Gopinath is set-out below:

Ms. Gopinath has an experience of more than 39 years in financial sector and policy formulation in different capacities at the Reserve Bank of India. As Deputy Governor for seven years she had been guiding and influencing the national policies in diverse areas of central banking and regulation and supervision of financial institutions. She played a significant role in managing the Global Financial Crisis and represented the Reserve Bank on the Financial Stability Board and other committees during the crucial post-crisis period in

2009. She was on deputation to the IMF during 2001-2003 and has participated in FSAP and other missions.

She is now Independent Non-Executive Chairperson of HDFC bank as well as independent director in a few companies including some not-for-profit organisations. She has also in the past served as Independent Non-Executive on Global Governance Council of Ernst and Young. She chaired the Corporate Bonds and Securitisation Advisory Committee of Securities Exchange Board of India from 2011-2017.

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

Name of the Director	Shyamala Gopinath
DIN	02362921
Date of Birth	June 20, 1949
Nationality	Indian
Qualification	Certified Associate of the Indian Institute of Bankers Master of Commerce, University of Mysore Bachelor of Commerce, Bangalore University
Expertise in specific areas	Financial sector, policy formulation, handling critical portfolios such as financial markets, management of government debt, foreign exchange management, management of forex reserves, banking regulations and supervision.
Date of first Appointment	July 30, 2015
Number of shares held in Colgate-Palmolive (India) Limited	Nil
Name of other Companies in which she holds Directorship	<ol style="list-style-type: none"> 1) HFDC Bank Limited 2) Tata Elxsi Limited 3) BASF India Limited 4) CMS Info Systems Limited 5) Grassroot Trading Network for Women (Section 8 Company) 6) NDDB Dairy Services (NDDB-DS) (Section 8 Company)
Chairman/ Member of the Committee(s) of Board of Directors of other Companies in which she is a Director	<ol style="list-style-type: none"> 1) HDFC Bank Limited – Audit Committee, Nomination & Remuneration Committee, Risk Policy and Monitoring Committee (Member) 2) Tata Elxsi Limited – Audit Committee, Nomination & Remuneration Committee (Chairperson), Corporate Social Responsibility Committee (Member) 3) BASF India Limited- Audit Committee, Stakeholder Relationship Committee (Chairperson), Nomination & Remuneration Committee, Risk Management Committee (Member)

Relationship between Directors inter-se	There is no inter-se relationship between Ms. Gopinath and other Members of the Board and Key Managerial Personnel of the Company.
Terms of Appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable.	For a second term commencing from July 30, 2020 to May 31, 2024 Independent directors are entitled to sitting fees for attending meetings of the Board & Committees thereof and also commission as provided under the Act.
Number of Board Meetings attended	4 (Four) in the FY 2019-20

The Company has received requisite disclosures and declarations from Ms. Gopinath required under the Act and the SEBI Listing Regulations. Ms. Gopinath is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and have given her consent to act as a Director.

The Company has also received notice in writing from a member under Section 160 of the Act proposing the candidature of Ms. Gopinath for the office of Independent Director of the Company.

The Board recommends passing of Special Resolution at item No. 6 of this Notice for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Ms. Gopinath, is concerned or interested, financially or otherwise, in the resolution at item No. 6 of this Notice.

By Order of the Board

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

Place : Mumbai
Date : May 21, 2020

Report of the Directors

To,
The Members,

Colgate-Palmolive (India) Limited

Your Directors are pleased to present their Report and Audited Accounts of the Company for the year ended March 31, 2020.

1. Financial Results

	F.Y. 2019-20	F.Y. 2018-19
	(₹ In Crore)	
Total Revenue (a+b+c)	4,574.33	4,500.09
Sales (Including Excise Duty) (a)	4,487.57	4,432.44
Other Operating Revenue (b)	37.52	29.99
Other Income (c)	49.24	37.66
Profit Before Exceptional Item and Tax	1,043.36	1,112.05
Profit before Taxation	1,043.36	1,142.56
Tax Expense	226.89	366.99
Profit for the year	816.47	775.57
Other Comprehensive Income (net of Tax)	15.53	(0.10)
Total Comprehensive Income	800.94	775.67
Balance brought forward	1,018.56	1,094.33
Profit available for appropriation	800.94	775.67
Balance transferred to Retained Earnings from Share Options Outstanding Account	6.74	1.09
Appropriation :		
Dividend	(543.97)	(707.16)
Dividend Distribution Tax	(111.81)	(145.36)
Balance carried forward	11,70.47	1,018.57

2. Business Performance

Reported Net Sales for the financial year 2019-20 stood at ₹ 4,487.57 crores against ₹ 4,432.44 crores of previous year. Net Sales increased by 1.2% in comparison to the previous year. Reported Net Profit after tax for the financial year 2019-20 was ₹ 816.47 crores, an increase of 5.3% over the previous year.

Despite challenging business and economic environment, your Company continues to sustain its leadership position in both the Toothpaste and Toothbrush categories during the financial year 2019-20.

3. Dividend

Your Company's Board declared two interim dividends, aggregating to ₹ 28/- per share, for the financial year 2019-20. The first interim dividend of ₹ 12/- per share was declared in October 2019, the second interim dividend of ₹ 16/- per share was declared in May 2020. The first interim dividend was paid on November 15, 2019 and the second interim dividend will be paid on June 16, 2020. Having declared two interim dividends, your Company's Board has not recommended a final dividend for the financial year 2019-20.

4. Colgate ranked as India's #1 Most Trusted Oral Care brand (9th consecutive year)

Your Company is the market leader in Oral Care. Colgate continues to be the No.1 Most Trusted Oral Care Brand in the country for the 9th year in a row, as per The Economic Times Brand Equity Consumer Survey, conducted by Nielsen. This has been possible due to the trust our consumers place on Colgate that helps us to "Keep India smiling!"

5. Focus on Innovation and New Launches / Campaign

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

In the financial year 2019-20, following products were launched/re-launched:

Colgate Strong Teeth: Colgate strong teeth was re-launched with new amino shakti, making it our best ever formulation to give unbeatable strength to the teeth.

Colgate Zig Zag Neem: The latest addition to the toothbrush portfolio is Colgate Zig Zag Neem toothbrush. It's bristles are infused with Neem extracts.

Colgate Super Flexi Virat Pack: A special edition of Super Flexi toothbrush- the Virat Kohli Signature Series was launched. This limited edition range marks the first ever autographed range of toothbrushes by Colgate.

Premium Powered Toothbrushes with B150: Colgate Proclinical 150 was launched with 2 variants Deep clean & Charcoal. It has an advanced sonic technology with 30,000 brush strokes per min for superior plaque removal.

Colgate Charcoal Clean: Colgate Charcoal clean toothpaste is Colgate's latest offering which includes Charcoal - the new trending ingredient in personal care & Oral care. With Bamboo Charcoal and Wintergreen mint, this toothpaste promises a clean mouth experience and refreshing breath. Disrupting the Oral care shelf with its clutter breaking black packaging, this black gel toothpaste launched in Nov'19 is already a hot favourite amongst users and across key retail customers.

Colgate Kids ZERO Toothpaste: The all-natural fruit flavoured kids toothpaste, with 0% artificial preservatives, colours, flavours or sweeteners specifically designed for different age groups of children.

Palmolive Luminous Oils Shower Gel: Palmolive Luminous Oils Shower Gel is infused with botanical oils and natural extracts was recently launched. This range of Shower gel elevates the mood and makes for an indulgent bathing experience.

Colgate Super Flexi Charcoal: Toothbrush brand Superflexi has re-launched its Black variant with charcoal infused bristles.

Palmolive Luminous Oils Shampoo: Palmolive Luminous Oils Shampoo are specially crafted to provide nourishment to your hair, moisturize and strengthen them from within. It is made with a luxuriously rich blend of Essential Oils with Camellia, Rose extracts that help make your hair stronger, smoother and shiner.

Guinness Record:

In our continuous endeavour to keep India Smiling, Colgate received a Guinness World Record for most people brushing simultaneously at a single venue in November, 2019, when 26,382 people smiled their way through this record-breaking brushing event. It is yet another statement of Colgate's commitment to elevate the Oral Health consciousness in the country.

6. Sustainability

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

- I. **People:** Promoting healthier lives, Contributing to the Communities where we live and work:
 - Your Company is committed to continuously improve employees' health and reduce their health risks and encouraging healthier living for employees and their families.
 - Colgate employees have been provided with free health check-up facilities coupled with various

‘Live Better’ initiatives for promoting healthy lifestyle.

II. **Performance:** Growing the business with innovative, more sustainable products that make the lives of consumers healthier and more enjoyable:

- Your Company endeavors to improve the sustainability profile of new products and product updates, drive sustainability with breakthrough product and process innovation, increase the recyclability of our packaging and increased recycled content, have a positive impact by expanding access to affordable health and wellness products for millions of people in underserved communities and use the power of our brands to build awareness and drive engagement in product sustainability.

III. **Planet:** Conserving Earth’s finite resources, addressing climate change and maintaining the well-being of our planet for generations to come:

- Your Company is committed to address environmental issues key to the Company such as energy use, carbon emissions, water use and waste generation as well as deforestation.
- Colgate has robust policies in place for sustainable use of and environmentally sound disposal of waste generated during our processes and making every drop of water count and reducing our impact on the climate and the environment. More information on conservation of energy and measures undertaken by your Company are mentioned in **Annexure 3** to this report.

Your Company has received TRUE Zero Waste Platinum certification in 2019, for all its four manufacturing sites in India, from Green Business Certification Inc. (GBCI), the premier organization independently recognizing excellence in green business industry performance and practice globally. Your Company is the first in India to receive such

certification. GBCI administers TRUE Zero Waste certification, a program for businesses to assess performance in reducing waste and maximizing resource efficiency. Facilities earn TRUE certification by achieving minimum program requirements and attaining points; the program operates on a ranking system, with ‘Platinum’ being the highest certification level. We continue to maintain the certification as our Diversion Rating at more than 90% as per the requirements.

- b. The evolving COVID-19 pandemic has resulted into a global crisis and has adversely affected the economy. The impact of COVID-19 led to partial closures followed by complete lockdown towards the end of March 2020, which impacted our business operations. One of our topmost priorities of the Company has been the health and safety of its people. The Company, in order to ensure health and safety of its employees and other staff, took adequate pre-emptive measures on travel restriction and enhancing the hygiene & sanitization protocols across all offices and plants. The Company was amongst the first FMCG companies to allow work from home to all its employees. During this challenging time, the Company took all necessary steps to ensure the supply of vital and essential oral health and hygiene products in the market. Leveraging the strength of our brand and our presence across India over the past 80 years, we have responded with agility to the specific challenge of reaching our products to our consumers at this time. The Company’s commitment towards its core values together with the strength of the Company’s brands, its best-in-class distribution network and its cost-saving initiatives, should position the Company well to increase stakeholder value over the long term.

7. Responsibility Statement

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

- a) in the preparation of the Annual Accounts for the financial year ended March 31,

2020, the applicable Accounting Standards have been followed and that no material departures have been made from the same;

- b) they have, in selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) to the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the Annual Accounts on a going concern basis;
- e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

8. Corporate Governance

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

9. Corporate Social Responsibility

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

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

The following are the key CSR programs undertaken by your Company during the financial year 2019-20:

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

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

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

10. Employee Relations

The Employee Relations in the Company continued to remain healthy, cordial and progressive in the financial year 2019-20.

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

Your Company has zero tolerance towards any kind of harassment, including sexual harassment, or discrimination. Your Company has constituted an Internal Complaints Committee (ICC) to investigate and resolve

sexual harassment complaints. Employees are encouraged to speak up and report any such incidences to the ICC. Your Company has also implemented a Policy on Prevention of Sexual Harassment which is reviewed by the ICC at regular intervals. Any complaint made to the ICC is treated fairly and confidentially.

There was one pending complaint carried forward to the financial year 2019-20 from the earlier financial year 2018-19 which was closed in the FY 2019-20. During the financial year 2019-20, three complaints were received and investigated and all were resolved by the ICC.

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

11. Trade Relations

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

12. Energy Conservation, Technology Absorption and Foreign Exchange

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

13. Particulars of Employees

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

The statement containing the names of top ten employees in terms of remuneration drawn and the particulars of employees as required under

Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the aforementioned Rules will be made available on request sent to the Company on cpilagm2020@colpal.com

14. Directors and Key Managerial Personnel

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

- i) Re-appointment of Mr. Vikram Singh Mehta (DIN: 00041197) & Dr. (Ms.) Indu Ranjit Shahani (DIN: 00112289) as Independent Directors of the Company for a second term of 5 (five) consecutive years with effect from July 25, 2019;
- ii) Cessation of Mr. Issam Bachaalani (DIN:06975320) as the Managing Director with effect from August 1, 2019 consequent upon his promotion as Vice President & General Manager of Colgate-Palmolive Company's Eurasia Hub;
- iii) Appointment of Mr. Ram Raghavan (DIN: 08511606) as a Managing Director of the Company with effect from August 1, 2019; and
- iv) Retirement of Mr. Rajendra Ambalal Shah (DIN: 00009851) and Mr. Pradyot Kumar Ghosh (DIN: 00385098), as Non-executive & Independent Directors of the Company with effect from March 31, 2020 upon completion of their second term of directorship which was from July 25, 2019 to March 31, 2020.

Your Board places on record its appreciation for the outstanding contributions made by Mr. Issam Bachaalani, Mr. Rajendra Amabalal Shah and Mr. Pradyot Kumar Ghosh during their tenure.

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

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

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

Further, based on the recommendation of the Nomination & Remuneration Committee, the Board at its meeting held on May 21, 2020, considered and approved the following appointments, subject to the approval of shareholders and any other necessary approvals as may be required:

- 1) Appointed Mr. Sekhar Natarajan (DIN: 01031445) and Ms. Gopika Pant (DIN: 00388675) as Additional Directors designated as Independent Directors of the Company for a period of 5 (five) consecutive years with effect from May 21, 2020;
- 2) Appointed Mr. Surender Sharma (DIN: 02731373) as an Additional Whole-time Director of the Company with effect from May 21, 2020 for a period of 5 (five) consecutive years.
- 3) Re-appointed Ms. Shyamala Gopinath (DIN: 02362921) as Independent Director of the Company for a second term commencing from July 30, 2020 to May 31, 2024.

A detailed profile of all the Directors of your Company is available on the Company website at <https://www.colgatepalmolive.co.in/about/executives-and-boards/board-of-directors>

15. Familiarization Program

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

16. Policies

The Board of Directors of your Company, from time to time, has framed and revised various Policies as per the applicable Acts, Rules,

Regulations and Standards for better governance and administration of your Company. Some of the important Policies that were framed by your Board include the following:

- i) **Nomination & Remuneration Policy:** This policy sets the objective, terms of reference, functions and scope of the Nomination & Remuneration Committee for determining qualifications, experience, independence etc. relating to the appointment and remuneration for the Directors, Key Managerial Personnel and Senior Management employees of the Company.
- ii) **Corporate Social Responsibility ('CSR') Policy:** This policy sets out the role of the CSR Committee of the Board of Directors, which includes identification of the areas where the CSR activities will be performed, evaluation of CSR activities, review the CSR spending vis-a-vis the activities implemented and monitoring the process of CSR projects/ programs of the Company.
- iii) **Risk Management Policy:** This policy provides the framework for identification of risks of the Company, risk assessment and prioritization, loss prevention measures and other risk management measures for the Company.
- iv) **Related Party Transactions Policy:** This policy regulates the entry into transactions between the Company and its related parties and the required corporate approvals as per the laws and regulations applicable to the Company from time to time.
- v) **Policy on Determination of Materiality of Event or Information:** This Policy lays down the criteria for determining the materiality of an event or information of the Company for purposes of making required disclosures to the stock exchanges pursuant to the SEBI Listing Regulations.
- vi) **Records Management Policy:** This policy establishes general guidelines for retaining, preserving and archiving important documents and information.
- vii) **Code of Conduct for dealing in the Company's Securities:** Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has framed a Code of Conduct on prohibition of insider trading.

- viii) Dividend Distribution Policy: This policy describes the circumstances under which a Member may or may not expect a dividend and the financial parameters and internal and external factors which are considered by the Board of Directors for declaration of dividend.
- ix) Policy on Retirement of Directors: The policy lays down the age criteria for retirement of Directors on the Board of the Company. The criterion for age is desirable to allow smooth retirement for the purpose of succession planning and further to induct requisite skills and competencies on the Board of the Company with appropriate continuity.

The aforesaid Policies are available in the Investors Section on the website of the Company at <https://www.colgateinvestors.co.in/policies>

17. Number of Board Meetings

During the financial year 2019-20, 4 (four) Board meetings were held. The details of the meetings are provided in the Corporate Governance Report that forms part of the Board's Report.

18. Committees

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

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

19. Annual Performance Evaluation by the Board

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

20. Vigil Mechanism

Your Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct. The Code of Conduct of your Company serves as a guide for daily business interactions, reflecting your Company's standard for appropriate behaviour and living corporate values. The Code of Conduct applies to all Colgate people, including Directors, Officers, and all employees of the Company. Even your Company's vendors and suppliers are subject to the Third Party Code of Conduct requirements as adherence to the same, to the extent applicable, is a prerequisite for conducting business with your Company. The Code of Conduct Hotline is available on the Company website to report any concerns about unethical behaviour, any actual or suspected fraud or violation of Company's Code of Conduct. No adverse action will be taken against anyone for complaining about, reporting, participating or assisting in the investigation of a suspected violation of the Code of Conduct, unless the allegation made or information provided is found to be intentionally false. Your Company conducts various training and awareness sessions on Code of Conduct on a continuous basis. Senior Leadership Members at various occasions emphasize the importance of adherence to Company's Code of Conduct and its ethical ways of working.

21. Public Deposits

During the financial year 2019-20, your Company has not accepted any Public Deposits under Chapter V of the Companies Act, 2013.

22. Loan, Guarantees and Investment

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

23. Related Party Contracts & Arrangements

All related party transactions done by the Company during the financial year were at arm's length and in ordinary course of business. All related party transactions were reviewed and approved by the Audit Committee.

During the year under review, the shareholders of the Company approved a Material Related Party Transaction for approval of Royalty payment to Colgate Palmolive Company, USA, Promoter Company. This transaction too was in the ordinary course of business and at arm's length, details of which, as required to be provided under section 134(3)(h) of the Companies Act, 2013 are disclosed in Form AOC-2 as **Annexure 5** to this Report.

Disclosures pursuant to the Accounting Standards on related party transactions have been made in the notes to the Financial Statements. To regulate related party transactions, the Company has also framed a policy on related party transactions and the same is available on the Company's website.

24. Auditors

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

The Audit report for the financial year 2019-20 does not contain any qualification, reservation or adverse remarks. Further, during the financial year 2019-20, the Statutory Auditors have not reported any instances of fraud to the Audit Committee or Board as per Section 143(12) of the Companies Act, 2013.

25. Secretarial Auditor & Secretarial Audit Report

The Board had appointed M/s. S.N. Ananthasubramanian & Co., Company Secretaries in practice, to carry out the Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013. The report of the Secretarial Auditor in Form MR-3 is attached as **Annexure 6** to this Report. The Secretarial Auditors' Report for the financial year 2019-20 does not contain any qualification, reservation or adverse remark.

26. Extract of Annual Return

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

27. Business Responsibility Report

The Business Responsibility Report for the financial year 2019-20, as stipulated under Regulation 34 of the SEBI Listing Regulations is attached as **Annexure 7** to this Report.

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

During the financial year 2019-20, there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company in the future.

29. Compliance with Secretarial Standards

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

30. Adequacy of Internal Financial Controls

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

31. Acknowledgements

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

On behalf of the Board

R. Raghavan
Managing Director
(DIN : 08511606)

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

Place : Mumbai

Date : May 21, 2020

Corporate Governance Report

Annexure 1

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

I. Company's philosophy on Code of Governance

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

II. Board of Directors

a. The Board of Directors of the Company ('Board') has an optimum combination of Executive, Non-executive & Independent Directors including Women Directors. As on March 31, 2020, the

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

All the Executive Directors are liable to retire by rotation. Chairman and Independent Directors of the Company are not liable to retire by rotation.

During the financial year 2019-20, four (4) Board Meetings were held on the following dates:

Sr. No.	Dates
1.	May 27, 2019
2.	July 18, 2019
3.	October 24, 2019
4.	January 30, 2020

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

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

Name of Director	Category	No. of Board Meetings during the financial year 2019-20		Attendance at Last AGM	No. of other Directorships excluding Private Limited Companies, Foreign Body Corporates and Section 8 Companies	No. of Memberships of other Board Committees [#]	No. of other Board Committees of which the Director is a Chairperson
		Held	Attended				
Mr. M. Deoras	Non-executive & Non-Independent	4	4 ^s	Yes	-	-	-
Mr. R. A. Shah@	Non-executive & Independent	4	4	Yes	6	2	2
Mr. P. K. Ghosh@	Non-executive & Independent	4	4 ^s	Yes	-	-	-
Mr. V. S. Mehta	Non-executive & Independent	4	4 ^s	Yes	6	2	1
Dr. (Ms.) I. Shahani	Non-executive & Independent	4	4	Yes	4	6	1

Name of Director	Category	No. of Board Meetings during the financial year 2019-20		Attendance at Last AGM	No. of other Directorships excluding Private Limited Companies, Foreign Body Corporates and Section 8 Companies	No. of Memberships of other Board Committees [#]	No. of other Board Committees of which the Director is a Chairperson
		Held	Attended				
Ms. S. Gopinath	Non-executive & Independent	4	4	Yes	4	1	3
Ms. S. Kripalu	Non-executive & Independent	4	4	Yes	5	3	1
Mr. I. Bachaalani [^]	Executive	4	2	No	-	-	-
Mr. R. Raghavan [%]	Executive	4	2	Yes	-	-	-
Mr. M. S. Jacob	Executive	4	4	Yes	-	-	-
Mr. M. Chandrasekar	Executive	4	4	Yes	-	-	-

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

[§] Includes participation via video conference / telepresence.

[@] Ceased to be directors of the Company w.e.f. March 31, 2020 upon expiry of their term of Directorship.

[^] Ceased to be the Managing Director with effect from August 01, 2019.

[%] Appointed as the Managing Director with effect from August 01, 2019.

As on March 31, 2020, the Directors of the Company have following directorships in other listed companies:

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

5. Ms. S. Kripalu: Ultratech Cement Limited (Independent Director), Entertainment Network (India) Limited (Independent Director), Aditya Birla Fashion and Retail Limited (Independent Director) and Huhtamaki PPL Limited (Independent Director).
- b. The Board of Directors have, based on the recommendations of the Nomination & Remuneration Committee, identified the following core skills / expertise / competencies of Directors as required in the context of the Company's business and sector(s) for it to function effectively:
 - i. Knowledge of the industry in which the Company operates;
 - ii. Knowledge on Company's businesses & major risks;
 - iii. Behavioural skills - attributes & competencies to use their knowledge and skills to contribute effectively to the growth of the Company;
 - iv. Understanding of socio-political, economic and Legal & Regulatory environment;
 - v. Corporate Social Responsibility;
 - vi. Business Strategy, Sales & Marketing;
 - vii. Corporate Governance, Administration; and

viii. Financial Control, Risk Management.

The Board is satisfied that the current composition meets the requirements of skills, expertise and competencies as identified above.

- c. The Independent Directors of your Company fulfil the conditions as specified in SEBI Listing Regulations and the Companies Act, 2013 and are independent of the management. None of the Directors of your Company are related to each other. None of the Directors of your Company hold any share in the Company, except Mr. P.K. Ghosh, who holds 14,676 equity shares (including joint holdings) and Mr. M. Chandrasekar, who holds 200 equity shares of the Company as on March 31, 2020.
- d. The Company conducts familiarization programs for Independent Directors with regard to their roles, rights, responsibilities towards the Company, the business operations of the Company etc. Details of the familiarization programs extended to the Independent Directors during the year are disclosed on the Company website from time to time at <http://www.colgateinvestors.co.in/policies>

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

III Committees of the Board

i) Audit Committee

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

During the financial year 2019-20, four (4) AC Meetings were held on the following dates:

Sr. No.	Dates
1.	May 27, 2019
2.	July 18, 2019
3.	October 24, 2019
4.	January 30, 2020

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

Name of Director	Status	No. of AC Meetings attended out of 4 held during financial year 2019-20
Mr. R. A. Shah ^{&}	Chairperson	4
Mr. P. K. Ghosh ^{&}	Member	4
Mr. V. S. Mehta	Member	4
Dr.(Ms.) I. Shahani	Member	4
Ms. S. Gopinath	Member	4
Ms. S. Kripalu	Member	4

[&] Ceased to be members of the Committee w.e.f. March 31, 2020.

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

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

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

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

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

ii) Stakeholders' Relationship Committee

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

The SRC met once during the financial year on October 24, 2019.

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

Name of Director	Status	No. of SRC Meetings attended during financial year 2019-20
Ms. S. Gopinath	Chairperson	1
Mr. P. K. Ghosh ^{&}	Member	1
Mr. I. Bachaalani [*]	Member	-
Mr. R. Raghavan ^{**}	Member	1
Mr. M. S. Jacob	Member	1

[&] Ceased to be member of the Committee w.e.f. March 31, 2020

^{*} Ceased to be member of the Committee w.e.f. August 01, 2019

^{**} Appointed as a member of the Committee w.e.f. August 01, 2019

The Chairperson of the Committee was present at the last Annual General Meeting of the Company held on August 28, 2019.

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

Mr. K. Randhir Singh is the Company Secretary & Compliance officer of the Company.

During the financial year 2019-20, complaints were received from Members / Investors, the details of which are as under:

Nature of complaints	Number of complaints received	Number of complaints redressed
Non-receipt of dividends / Interest / Redemption Warrant	9	9
Non Receipt of Share Certificate(s) - Transfer / Exchange / Bonus	145	144
Others	90	90
Total	244	243

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

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

- a) To note the minutes of the Share Transfer Committee Meetings;
- b) To note the synopsis of the complaints received and redressed;
- c) To approve allotment of shares, if any;
- d) To consider and resolve the grievances of the security holders;
- e) Review of measures taken for effective exercise of voting rights by shareholders;
- f) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- g) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- h) To address other important issues related to shareholders; and
- i) Any other matter as may be assigned by the Board of Directors from time to time.

iii) Corporate Social Responsibility Committee

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

During the financial year 2019-20, three (3) CSR Committee Meetings were held on the following dates:

Sr. No.	Dates
1.	May 27, 2019
2.	July 18, 2019
3.	January 30, 2020

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

Name of Director	Status	No. of CSR Committee Meetings attended out of 3 held during financial year 2019-20
Dr. (Ms.) I. Shahani	Chairperson	3
Mr. I. Bachaalani*	Member	2
Mr. R. Raghavan**	Member	1
Mr. M. Chandrasekar	Member	3

* Ceased to be member of the Committee w.e.f. August 01, 2019

** Appointed as a member of the Committee w.e.f. August 01, 2019

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

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

The Company's CSR Policy can be accessed at the Company's website at <https://www.colgateinvestors.co.in/policies> and the CSR Report for the financial year 2019-20 forms part of the Board's Report.

iv) Risk Management Committee

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

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

The RMC met once during the financial year on October 24, 2019.

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

Name of Director	Status	No. of RMC Meeting attended out of 1 held during financial year 2019-20
Mr. P. K. Ghosh ^{&}	Chairperson	1
Mr. V. S. Mehta	Member	1
Ms. S. Gopinath	Member	1
Mr. I. Bachaalani [*]	Member	-
Mr. R. Raghavan ^{**}	Member	1
Mr. M. S. Jacob	Member	1
Mr. S. Sharma	Member	1
Mr. M. K. Ajay	Member	-

[&] Ceased to be member of the Committee w.e.f. March 31, 2020

^{*} Ceased to be member of the Committee w.e.f. August 01, 2019

^{**} Appointed as a member of the Committee w.e.f. August 01, 2019

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

- To identify, assess and mitigate the existing as well as potential risks to the Company and to recommend the strategies to the Board to overcome them;
- To develop and implement action plans to mitigate the risks;
- To oversee at such intervals as may be necessary, the adequacy of Company's resources to perform its risk management responsibilities and achieve its objectives;

- To review on a half-yearly basis the Company's performance against the identified risks of the Company;
- To formulate the strategies towards identifying any areas that may materially affect the Company's overall risk exposure and to review the Risk Management Policy;
- To regularly review the risk management framework for the operations of the Company that are deemed necessary;
- To perform such other activities related to this Policy as requested by the Board of Directors or to address issues related to any significant subject within its terms of reference; and
- To review Cyber Security Risks associated with the Company.

v) Nomination & Remuneration Committee

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

During the financial year 2019-20, three (3) NRC Meetings were held on the following dates:

Sr. No.	Dates
1.	May 27, 2019
2.	July 04, 2019
3.	July 18, 2019

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

Name of Director	Status	No. of NRC Meetings attended out of 3 held during financial year 2019-20
Mr. R. A. Shah [*]	Chairperson	3
Mr. V. S. Mehta	Member	3
Mr. M. Deoras	Member	3

^{*} Ceased to be a member of the Committee w.e.f. March 31, 2020.

The Committee has adopted a policy relating to the Nomination & Remuneration for the Directors, Key Managerial Personnel and Senior Management employees. The Policy can be accessed at the Company's website at <https://www.colgateinvestors.co.in/leadership-team>

The Board of Directors vide their Circular Resolution dated March 28, 2020 had re-constituted the NRC pursuant to retirement of Mr. R.A. Shah as Director of the Company. The revised Constitution of the NRC w.e.f. April 01, 2020 is as follows:

1. Mr. V.S. Mehta, Chairperson
2. Mr. M. Deoras , Member
3. Dr. (Ms.) I. Shahani, Member
4. Ms. S. Kripalu, Member

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

- a) The appointment and remuneration of new Directors on Board, Key Managerial Personnel and Senior Management employees shall be made on the basis of core competencies, expertise, experience, qualifications, etc.;
- b) Evaluation of the performance of the Executive Directors shall be based on the parameters such as accomplishment of assigned goals, their professional contributions towards the Company and the overall performance. On the basis of the evaluation, the remuneration of the Executive Directors will be determined;
- c) Evaluation of the overall performance of the Non-executive & Independent Directors of

the Company shall be determined by the terms of the policy;

- d) Remuneration of the Senior Management employees and Key Managerial Personnel will be fixed annually considering performance and achievements corresponding to their goals set during the year; and
- e) Any other role or responsibility as per the Companies Act, 2013 and the SEBI Listing Regulations.

IV Remuneration of Directors

a) Executive Directors

The Nomination & Remuneration Policy is directed towards rewarding performance. It is aimed at attracting and retaining high potential talent. The Company has an incentive compensation plan which is linked to performance and achievement of the Company's objectives. The Company has no stock option scheme relating to its shares. However, the stock options of the Parent Company i.e. Colgate-Palmolive Company, USA have been allotted to selected employees. For more information on share-based compensation, refer Note No. 39 to the Financial Statements. The Nomination & Remuneration Committee of the Company, inter-alia, evaluates the performance of the Executive Directors and the remuneration payable to the Executive Directors and Senior Management employees.

Details of remuneration paid/payable to the Executive Directors of the Company during the year ended March 31, 2020 are given below:

Sr. No.	Particulars of Remuneration	Name of MD/WTD				Total Amount (₹ in Lakhs)
		Mr. I. Bachaalani~	Mr. R. Raghavan^	Mr. M. S. Jacob	Mr. M. Chandrasekar	
1.	Gross Salary	325.90	278.03	110.18	118.59	832.70
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	35.11	112.43	75.09	91.22	313.85
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option*	493.60	78.50	120.67	25.30	718.07
3.	Sweat Equity	-	-	-	-	-

Sr. No.	Particulars of Remuneration	Name of MD/WTD				Total Amount (₹ in Lakhs)
		Mr. I. Bachaalani~	Mr. R. Raghavan^	Mr. M. S. Jacob	Mr. M. Chandrasekar	
4.	Commission - As % of profit - Others specify Executive Incentive Compensation Plan/Bonus	-	-	46.98	52.33	99.30
5.	Others, please specify: Employer contribution to Provident Fund and other retirals	10.73	7.03	23.31	14.22	55.30
	Total	865.34	475.99	376.22	301.67	2019.22
	Ceiling as per Section 198 of the Companies Act, 2013					12,453.65

* Includes exercise of stock options and of restricted stock awards in the current Financial Year, which were granted in prior years by Colgate-Palmolive Company, USA, the Parent Company, pursuant to its incentive compensation plan.

~Ceased to be a director w.e.f. August 01, 2019

^ Appointed as Managing Director w.e.f. August 01, 2019

Note:

- Other than Mr. M. Chandrasekar, who holds 200 equity shares, no other Executive Director holds any shares in the Company.
- The appointment of each Executive Director is as per the employment agreement executed between the Executive Director and the Company. As per the said agreement, either party shall be entitled to terminate the agreement at any time by giving ninety days' advance notice in writing to the other party without the necessity of showing any cause, and in case of the Company, by payment of ninety days' salary as compensation in lieu of such notice.

b) Non-executive & Independent Directors

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

The Shareholders of the Company at the AGM held on August 28, 2019 has approved payment of commission to Independent Directors in such amounts or proportion not exceeding ₹ 15,00,000 (Rupees Fifteen Lakhs) per annum, to each of the Independent Directors, for a period of three years commencing from April 1, 2019.

The Independent Directors met once during the year on October 24, 2019.

Details of the sitting fees and commission to the Non-Executive & Independent Directors in the financial year 2019-20 are as under:

(₹ In Lakhs)

Sr. No.	Particulars	Mr. R.A. Shah	Mr. P.K. Ghosh	Mr. V.S. Mehta	Ms. I. Shahani	Ms. S. Gopinath	Ms. S. Kripalu
a.	Sitting Fees	10.00	9.50	10.50	10.00	9.50	8.50
b.	Commission*	15.00	15.00	15.00	15.00	15.00	15.00
	Total	25.00	24.50	25.50	25.00	24.50	23.50

*Commission of ₹ 15 lakhs for the financial year 2019-20 is payable in 2020-21.

Note: Commission of ₹ 10 lakhs for the financial year 2018-19 was paid to each Independent Director in the financial year 2019-20.

V Annual Performance Evaluation of the Board

Pursuant to provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance, as well as the performance of its Audit Committee,

Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee.

The performance evaluation of the Board and the Committees was done on the basis of

parameters such as Composition and Quality, Diversity and experience, Effectiveness of Board/Committee, process and functioning, Contribution of the Members, Board culture and dynamics, fulfilment of key responsibilities, ethics and compliance etc. A structured questionnaire was prepared covering the above areas of competencies and feedback was sought on the same. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 05, 2017.

An evaluation of performance of individual Directors was also carried out on the basis of parameters such as contribution of the

individual director to the Board and Committee meetings like preparedness on the issues to be discussed, constructive contribution and inputs in meetings, understanding and knowledge of the company and industry, participation and attendance at the meetings, etc. The Independent Directors and Executive Directors also carried out performance evaluation of the Chairman of the Company. The Directors being evaluated had not participated.

All the responses were evaluated by the Nomination & Remuneration Committee as well as by the Board of Directors and the results reflected high satisfactory performance.

VI General Body Meetings

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

Financial Year	Date	Location of the Meeting	Time	No. of Special Resolution(s) passed at the AGM
2016-17	August 03, 2017	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.	2
2017-18	July 26, 2018	Mayfair Banquet, Worli, Mumbai	3.30 p.m.	-
2018-19	August 28, 2019	Mukesh R. Patel Auditorium, Mumbai	3.30 p.m.	1

- b) In the 76th Annual General Meeting held on August 03, 2017, there were two Special Resolutions passed as under:
- For increase in payment of Commission to each Non-executive Independent Director not exceeding ₹ 10 Lakhs per annum for a period of 3 years commencing from April 1, 2016.
 - To keep and maintain the Registers of Members and other related books / documents at the new Registered Office of M/s. Link Intime India Private Limited at C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400 083.
- c) In the 78th Annual General Meeting held on August 28, 2019, a Special Resolution was passed to increase in payment of Commission to each Non-executive Independent Director not exceeding ₹ 15 Lakhs per annum for a period of 3 years commencing from April 1, 2019.
- d) Details of Resolutions passed through Postal Ballot:

During the financial year 2019-20, following special resolutions have been passed through postal ballot:

Resolution	No. of Votes polled	No. of Votes cast in favour	%	No. of Votes cast against	%
Re-appointment of Mr. V.S. Mehta as Independent Director	19,51,13,985	17,39,91,844	89.17	2,11,22,141	10.83
Re-appointment of Dr. (Ms.) I. Shahani as Independent Director	20,42,54,908	19,10,32,581	93.53	1,32,22,327	6.47
Continuation and Re-appointment of Mr. R.A. Shah as Independent Director	19,28,25,229	15,66,44,831	81.24	3,61,80,398	18.76
Continuation and Re-appointment of Mr. P.K. Ghosh as Independent Director	19,28,25,375	17,80,36,544	92.33	1,47,88,831	7.67

The Board at its Meeting held on May 27, 2019, had approved the Notice of Postal Ballot dated May 27, 2019. Mr. S.N. Ananthasubramanian of M/s. S.N. Ananthasubramanian & Co, Company Secretaries was appointed as the Scrutinizer for carrying out the Postal Ballot process in a fair and transparent manner. The Results of the postal ballot were declared on July 05, 2019. The procedure for Postal Ballot is as under:

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

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

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

VII Means of Communication

a) Publication of quarterly results

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

b) Website

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

c) Filing with Stock Exchange

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

d) Presentation(s) to Analysts and Institutional Investors

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

VIII General Shareholder Information:

a) 79th Annual General Meeting

Day, Date and Time	Wednesday, July 29, 2020 at 3.30 p.m. (IST)
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM.
Record Date	Not Applicable
Date of Book Closure	Thursday, July 23, 2020 to Wednesday, July 29, 2020 (both days inclusive)

Financial Calendar	The Company follows April – March as its financial year. The financial results for every quarter beginning from April are declared within 45 days from the end of the quarter except for the last quarter, for which the results are declared within 60 days from the end of the financial year i.e. on or before May 30 as permitted under the SEBI Listing Regulations.
--------------------	---

b) Financial Year: April 1 to March 31

c) Dividend Payment Dates

For the financial year 2019-20, the Company declared the following two interim dividends as detailed below:

Dividend for 2019-20	Payment Date
First Interim	November 15, 2019
Second Interim	June 16, 2020

d) Listing on Stock Exchanges

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

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

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

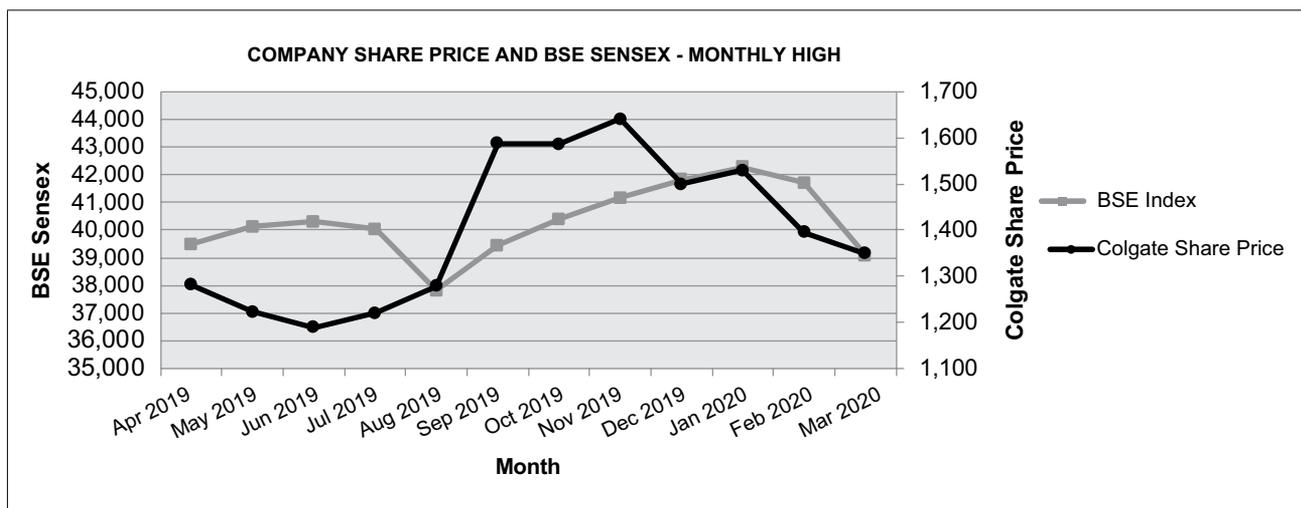
The Company has paid the Annual Listing fees for the financial year 2019-20.

e) Market Price Data

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

Month	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2019	1,281.30	1,190.00	1,281.40	1,189.75
May 2019	1,223.55	1,104.00	1,223.95	1,103.05
June 2019	1,189.50	1,121.55	1,189.90	1,121.25
July 2019	1,220.90	1,120.65	1,221.70	1,120.80
August 2019	1,278.00	1,164.85	1,278.65	1,164.30
September 2019	1,587.70	1,225.15	1,589.55	1,224.80
October 2019	1,586.00	1,436.15	1,586.70	1,434.55
November 2019	1,641.00	1,454.80	1,642.60	1,453.85
December 2019	1,498.90	1,441.00	1,499.65	1,440.00
January 2020	1,530.00	1,323.60	1,525.00	1,324.25
February 2020	1,394.90	1,280.80	1,393.25	1,280.50
March 2020	1,349.00	1,065.20	1,350.00	1,065.00

Performance in comparison to BSE Sensex



f) Registrar and Share Transfer Agent

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

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

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

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

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

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

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

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

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

g) Share Transfer System

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

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

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

h) Shareholding Pattern (as at March 31, 2020)

Category of Shareholders	Number of Shares	% of Total Shares
Promoter and Promoter Group (A)	138,712,672	51.00
Public Shareholding (B)		
Mutual Funds	99,56,737	3.67
Alternate Investment Funds	7,54,190	0.28
Financial Institutions/Banks	7,21,906	0.26
Central Government/State Government	5,40,426	0.20
Insurance Companies	1,56,65,628	5.76
Foreign Banks	400	0.00
Foreign Portfolio Investor	4,40,00,015	16.18
UTI	6,625	0.00
Individuals	5,12,70,590	18.85
NBFC registered with RBI	2,125	0.00
Any Other (comprises of following categories) - IEPF - Trust - Foreign Nationals - Hindu Undivided Family - Non-Resident Indians (Non Repatriable) - Non-Resident Indians (Repatriable) - Foreign Institutional Investor - Overseas Body Corporate - Clearing Member - Bodies Corporate	1,03,54,320	3.82
Total Public Shareholding	13,32,72,962	49.00
Total Shareholding (A+B)	27,19,85,634	100.00

Distribution of Shareholding (as at March 31, 2020)

Description	Holders			
	No. of Shareholders	%	Shares	%
1 - 500	1,99,979	90.09	1,48,00,367	5.44
501 - 1000	9,170	4.13	68,04,355	2.50
1001 - 2000	6,188	2.79	89,29,306	3.28
2001 - 3000	3,313	1.49	85,12,938	3.13
3001 - 4000	812	0.36	28,45,725	1.05
4001 - 5000	613	0.28	27,73,777	1.02
5001 - 10000	1,218	0.55	77,51,365	2.85
10001 & above	684	0.31	21,95,67,801	80.73
Total	2,21,977	100.00	27,19,85,634	100.00

i) Dematerialisation of shares and liquidity (as at March 31, 2020)

Particulars of Equity Holding	Equity Shares of ₹ 1/- each	
	Number	% of Total
Dematerialized form:		
-NSDL	25,57,67,086	94.04
-CDSL	1,15,38,850	4.24
Sub-total	26,73,05,936	98.28
Physical form	46,79,698	1.72
Total	27,19,85,634	100.00

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

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

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments as at March 31, 2020.

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

Please refer Note No. 41 of the Notes to the Financial Statements.

l) Plant Locations

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

IX Management Discussion and Analysis Report

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

X Disclosures:

a) Policy on Dividend Distribution

Pursuant to Regulation 43A of the SEBI Listing Regulations, the Company has formulated a policy on dividend distribution which is

placed on the Company's website <http://www.colgateinvestors.co.in/policies>

b) Policy on materially significant Related Party Transactions

During the Financial year, there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. Refer to Note No. 38 to the Financial Statements for disclosure of related parties.

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

c) Policy on determination of Materiality of event and information

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

d) Policy for Record Management

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

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

e) Policy for Prohibition of Insider Trading

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

f) The Company has adopted a Code of Conduct for its Directors, Senior Management and employees. The Code of Conduct of the

Company serves as a guide for daily business interactions, reflecting the Company's standards for appropriate behaviour and its corporate values. The Code of Conduct has been communicated to the Company's Directors, Senior Management and Employees and each of them have affirmed compliance with the same. A certificate from Mr. R. Raghavan, Managing Director, to this effect has been obtained.

- g)** The Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct. The Code of Conduct of the Company serves as a guide for daily business interactions, reflecting the Company's standard for appropriate behavior and living Corporate Values. The Colgate-Palmolive Ethics Line phone number and email address are available on the Company's website at <http://www.colgateinvestors.co.in/policies> to report any genuine concerns about unethical behavior, any actual or suspected conduct, fraud or violation of the law, or activities in conflict with the Company's Code of Conduct.
- h)** The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.
- i)** There have been no instances during the year where recommendations of the Committees of the Board were not accepted by the Board.
- j)** The total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part for the financial year 2019-20 is ₹ 123.83 Lakhs.
- k)** Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under.

Sr. No.	Particulars	No. of Complaints
a.	Number of complaints filed during the financial year	3
b.	Number of complaints disposed of during the financial year	3
c.	Number of complaints pending as on end of the financial year	0

XI Compliance with Discretionary Requirements

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

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

As required under Regulation 17(8) of the SEBI Listing Regulations, the CEO and CFO of the Company have certified the accuracy of the Financial Statements, the Cash Flow Statement and adequacy of Internal Control Systems for financial reporting for the year ended March 31, 2020.

Declaration

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

For Colgate-Palmolive (India) Limited

Place: Mumbai
Date: May 21, 2020

R. Raghavan
Managing Director
(DIN: 08511606)

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

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

1. The Corporate Governance Report prepared by Colgate-Palmolive (India) Limited, contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) (“Applicable criteria”) for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

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

Auditor's Responsibility

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

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

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that at least one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held April 01, 2019 to March 31, 2020:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General meeting (AGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders' Relationship Committee;
 - (f) Risk management Committee;
 - v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.

- vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable, for the year ended March 31, 2020, referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency

or effectiveness with which the management has conducted the affairs of the Company.

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

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 20037924AAAACO7338

Place of Signature: Mumbai

Date: May 21, 2020

Management Discussion and Analysis Report

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

Appendix

Your Company is strongly focussed in the Personal Care business which includes Oral Care. The Oral Care business accounts for over 90 per cent of the Company's sales turnover. Within Oral Care, the Company continues to sustain the leadership position both in the Toothpaste and Toothbrush categories for the financial year ended March 31, 2020 despite a challenging business and competitive environment. As a leading consumer products company, we are also deeply committed to advancing technology that can address changing consumer needs. This is consistent with your Company's sustained endeavour which is to leverage technology to create products that will improve the quality of life for our consumers.

The Company follows a closely defined business strategy to develop and increase market leadership positions in key products categories. On an ongoing basis, management focuses on a variety of key indicators to monitor business health and performance. These indicators include market share, net sales, gross profit margin, operating profit, net income and earnings per share. The monitoring of these indicators and the Company's Code of Conduct and Corporate Governance practices help to maintain business health and strong internal controls. The investments needed to support the growth are developed through its funding the growth initiatives such as reduction in costs associated with direct materials, distribution and logistics, advertisement and promotional materials and reduction of packaging materials. While the predominant business of the Company has been confined to Oral Care where it continues to face intense competition, the outlook for industry is positive given the size of the opportunity. The Company believes that with its experience in operating in the challenging environment and continued focus to capture significant opportunities for growth by identifying and meeting consumer needs within its core categories, through its focus on the introduction of innovative products and the deployment of valuable consumer and shopper insights in the launch of successful new products, the Company's business will continue to grow strongly in the next several years.

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

- **Colgate Strong Teeth:** India's #1 toothpaste brand Colgate Strong Teeth has now been re-

launched with new Amino Shakti, making it our best ever formulation to give unbeatable strength to teeth.

- **Colgate Kids ZERO Toothpaste:** The all-natural fruit flavoured kids toothpaste, with 0% artificial preservatives, colours, flavours or sweeteners is specifically designed for different age groups of children.
- **Colgate Charcoal Clean:** Colgate Charcoal Clean is Colgate's offering in the form of Black gel based toothpaste with Bamboo Charcoal and Mint for a surprisingly clean mouth experience.
- **Colgate Zigzag Neem** was launched with bristles infused with Neem extract at an attractive consumer price point of ₹ 35/-.
- **Colgate Super Flexi Virat Pack:** A special edition of Super Flexi Black toothbrushes - the Virat Kohli Signature Series was launched. The limited edition range marked the first ever autographed range of toothbrushes by Colgate.
- **Premium Powered Toothbrushes with B150:** Colgate Proclinical 150 was launched with 2 variants Deep clean & Charcoal. It has an advanced sonic technology with 30,000 brush strokes per min for superior plaque removal.
- **Colgate Super Flexi Charcoal:** India's #1 selling Toothbrush brand Superflexi has re-launched its Black variant with an all new offering. The new bundle has charcoal infused bristles which is first of its kind in the value priced range.
- **Palmolive Luminous Oils Shower Gel:** Infused with botanical oils and natural extracts, recently launched Palmolive Luminous Oils Shower Gel range elevates the mood and makes for an indulgent bathing experience.
- **Palmolive Luminous Oils Shampoo:** Palmolive Luminous Oils Shampoos are specially crafted to provide nourishment to your hair, moisturize and strengthen them from within. It's made with a luxuriously rich blend of Essential Oils with Camellia, Rose extracts that help make your hair stronger, smoother and shinier.

Above launches were complemented by our existing best-in-class distribution network across the country through many distributors who are our pillars for many years including challenging times. Trust is the foundation of your Company's partnership which

helps us collaborate with key customers in Modern Trade and E-Commerce. Modern Trade continued to grow aggressively on the back of innovative new products, shopper engagement, new store openings and strong engagement with all the retailers. Cash & Carry stores focused and worked on increasing their distribution footprint in general trade thereby aiding both availability and distribution of products. The e-commerce channel continued on its exponential growth trajectory. In an economy which has ever increasing smartphone penetration, increasing digitization backed up with cheap mobile data, e-commerce is bound to continue to have strong growth in the years to come. A dedicated team of experts has been set up to work closely with all key customers to ensure that Colgate is ahead of all its competitors in all the categories it operates and thereby ensure that CP growth is in line with the growth of the e-commerce industry. Your company, in line with its reputation in the industry, has developed key initiatives to build strong relationships with consumers, dental professionals and customers.

As a testament to the above, Colgate was ranked as **India's Most Trusted Oral Hygiene brand in 2019, for the 9th consecutive year**, as per TRA'S Brand Trust Report for India, a consumer survey conducted among the country's top 1000 brands. Further, Colgate also continues to be the No.1 Most Trusted Oral Care Brand in the country for the 9th year in a row, as per The Economic Times Brand Equity Consumer Survey, conducted by Nielsen.

In India, almost one-third of the population does not have access to modern oral care. To address this situation, the Company has launched various outreach programs under the Keep India Smiling Mission. The Keep India Smiling mission continues Colgate's 80 plus years of commitment to build strong foundations and create a meaningful impact in the lives of people. It includes the company's long running, pan-India flagship programs, like - Bright Smiles, Bright Futures™ (BSBF) - to provide foundational Oral Health education, the Oral Health Month (OHM), to provide free dental-check-ups and foundational community initiatives like providing better water accessibility, women empowerment and livelihood programs. Adding to these flagship programs, we launched the Keep India Smiling Foundational Scholarship, to offer financial support and mentorship to people from less privileged backgrounds across India to help them translate their dreams into reality. Launched in partnership with ShikshaDaan Foundation, a non-profit organisation that specialises in providing

education and development to the underprivileged and Buddy4Study as technology partners, this is a distinct, national program which offers scholarships and mentorships across the fields of education, sports and community betterment.

Colgate launched the 'Smile karo aur shuru ho jao' campaign, in line with its brand purpose of 'Everyone deserves a future to smile about'. This new brand expression lays emphasis on the positive power of smile in starting new journeys, rooted in the Indian cultural insight of 'never say never' attitude. Through this campaign Colgate brings to life stories of real people championing optimism and has featured the inspiring stories of Haimanti Sen, the 22-year-old college student who turned a skywalk into a classroom for the underprivileged, Anand Arnold, the first Indian wheelchair bodybuilder, Yashaswi Jaiswal, the youngest Indian to score a double century in the history of 'List A' Cricket, Divyanshu Ganatra, India's first visually impaired solo paragliding pilot, and Sindhutai (Maai), mother to 1,400 orphans.

In our continuous endeavor to Keep India Smiling, Colgate received a **Guinness World Record** for most people brushing simultaneously at a single venue in November, 2019, when 26,382 people smiled their way through this record-breaking brushing event. It is yet another statement of Colgate's commitment to elevate the Oral Health consciousness in the country.

In recent years, the Company has experienced heightened competitive activity, particularly within the Naturals segment. Such activity includes aggressive marketing claims, as well as increased promotional spending. A new campaign "Mooh Swachh Toh Aap Healthy" (A pure mouth means a healthy you) for premium Ayurvedic toothpaste Colgate Vedshakti was announced in March'20. The campaign highlights the role of the mouth as the gateway to our body and how an unhealthy mouth, can increase the possibility of bacteria entering our system leading to higher risk of several health issues. Colgate Vedshakti promises to not only clean but purify the mouth for better Oral and Overall health. The high decibel campaign kick-started with the launch of a TV Campaign. **The campaign was amplified further across mediums like Print, Digital & Social Media. To ensure widespread reach, the brand also promoted the campaign through brand engagement with top Instagram influencers across states.** The campaign was brought to life in market space by our existing best-in-class distribution network across the country who with their team of salesmen ensured placement of the products in 2,00,000 new stores.

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

As the global pandemic COVID-19 started impacting India, we in order to ensure health and safety of our employees and their families took adequate pre-emptive measures on travel restriction and enhancing the hygiene & sanitization protocols across all offices and plants and were amongst the first FMCG companies to allow work from home to all its employees. Colgate team displayed their leadership qualities and worked with various regulatory authorities & industry groups to facilitate a more regular and consistent supply of our products to consumers across the country. The Company in collaboration with other FMCG companies worked on "Suraksha Store" initiative of the Central Government to ensure hygiene and safety practices to be adopted by retail stores in allocated geographies thus making those stores a safer place to shop by Consumers. We enrolled more than 1 lakh stores under the program within a short span of 30 days. **We are very agile**

through these times and adapted seamlessly to the need of the hour. For your Company the previous year 2019-20 had a strong volume and value growth, however for the impact of COVID-19 led to partial closures followed by complete lockdown towards the end of March 2020 which impacted our business operations. With restrictions getting picked up and markets opening the key to driving business initially will be covering and servicing all the stores. Looking forward, the Company expects challenging market conditions and unfavourable macroeconomic conditions to continue. The Company believes it is well prepared to meet the challenges ahead due to its strong financial condition, experience operating in challenging environments and continued focus on the Company's key priorities: growing sales through engaging with consumers, delivering world-class innovation and working with its distributors and retail partners; driving efficiency on every line of the income statement to increase margins; generating strong cash flow performance and utilizing that cash effectively to enhance total shareholder returns; and leading to win by staying true to the Company's culture and focusing on its stakeholders. The Company's commitment to these priorities, together with the strength of the Company's brands, its best-in-class distribution network and its cost-saving initiatives, should position the Company well to increase stakeholder value over the long term.

The Company believes that adequate internal control systems are in place. The discussion on the Company's financial performance, including segment-wise performance, is covered in the Directors' Report. There were no material developments on human resources during the Financial Year 2019-20 and industrial relations continue to be positive. The number of people employed by the Company as on March 31, 2020 was 2324.

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

Particulars	2018-19	2019-20
Debtors Turnover	21.58	26.22
Inventory Turnover	6.56	5.77
Interest Coverage Ratio*	0	0
Current Ratio	0.96	1.16
Debt Equity Ratio*	0	0
Operating Profit Margin (%)	24	22
Net Profit Margin (%) (after tax)	17	18

The Company's key financial ratios continue to be very healthy. The Return on Net Worth in the financial year 2019-20 has increased to 54% from 52% in the immediately previous financial year.

*Debt and Interest expense appearing in the Financial Statements for the current year wholly relate to the lease liability as per Ind AS 116 . For the previous year the same relate to finance lease of equipment (Ind AS-17), which commenced in Q4 of the financial year 2018-19.

Annual CSR Report

Annexure 2

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

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

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

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

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

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

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

2. The Composition of the CSR Committee : Dr. (Ms.) I. Shahani (Chairperson)
Mr. R. Raghavan
Mr. M. Chandrasekar
3. Average net profit of the Company for last three financial years : ₹ 986.02 crore
4. Prescribed CSR Expenditure (two per cent of the amount as in : ₹ 19.72 crore
item 3 above)
5. CSR expenditure spent during the financial year : ₹ 19.81 crore
 - a. Total amount to be spent for the financial year : ₹ 19.72 crore
 - b. Amount unspent, if any : Nil

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

(₹ In Crore)

Sr. No.	CSR Project or activity	Sector in which the Project is covered	Projects or programs Local area or other Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program –wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent: direct or through implementing agency
1	Bright Smiles, Bright Futures™	Promoting preventive health care	Across India	13.00	13.16	13.16	Direct as well as through implementing agency
2	Oral Health Month	Promoting preventive health care	Across India	0.40	0.33	0.33	
3	Read India Program with Pratham	Promoting education	Mumbai, Maharashtra	0.10	0.10	0.10	Through Registered Trust / Society / NGO/ Foundation
4	Education & Women Empowerment Program with Seva Mandir	Promoting Education, Empowering Women, Conservation of Natural Resources	Udaipur, Rajasthan	1.0	1.0	1.0	
5	“A Positive Step Program” with NTP+	Addressing inequalities	Mumbai, Maharashtra	0.22	0.22	0.22	
6	“Saksham” Program with SEEDS & their Implementation Partner IL&FS Skills	Vocational and skills training for upliftment of economically weaker youth	Uttar Pradesh, Bihar & West Bengal	0.50	0.50	0.50	
7	Water Program with Water for People, India Trust	Conservation of Natural Resources	Amravati, Maharashtra Baddi, Himachal Pradesh	1.40	1.40	1.40	
8	Education Program with Action Aid	Promoting Education	Himachal Pradesh & Sricity, Andhra Pradesh	0.50	0.50	0.50	
9	Keep India Smiling Foundational Scholarship Program	Promoting Education	Across India	2.60	2.60	2.60	
	TOTAL			19.72	19.81	19.81	

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

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

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

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

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

Children between the age group of 6 to 14 years studying in primary schools are taught good oral hygiene habits, the right techniques of brushing with the use of a tooth model and a toothbrush, and the importance of brushing at night through an interactive module, where the importance of a good mouth cleaning regimen is strongly instilled in them. At the end of the program, each child is given a 'Dental Health Pack' consisting of a toothpaste and a toothbrush, along with attractive charts depicting valuable oral care information in order to encourage these children to brush twice a day and take care of their oral care hygiene. A chart containing oral care information is left in each classroom as a reminder to the children, and for the teachers to reiterate the oral care message. School teachers are trained and provided with a 'Teacher's Guide' to help them instill good oral care habits on an on-going basis. The Teacher's Guide helps teachers advocate the importance of healthy teeth. As a pilot in the year 2019-20, along with the preventive Oral Health awareness for children, dental checkups were added in the ongoing BSBF program in two cities, predominantly in the government

or municipal schools. This pilot program was successfully implemented for approximately 2 million children.

BSBF has, so far, touched the lives of 170 million plus children between the ages of 6 and 14 years in schools across India since inception of the program. In the financial year 2019-20 alone, the BSBF program reached 7.34 million children across the country with Oral Health Awareness and Education.

2. **Oral Health Month:**

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

The program was further strengthened with the introduction of mobile vans to help oral health check-ups more accessible to people. This oral care health drive now encompasses free in-clinic dental check-ups, school contact programs, free dental check-ups in mobile dental vans, a retailer outreach program and other community outreach initiatives. In the past 15 years, OHM has grown phenomenally, emerging as a leading campaign for promoting oral health care in India. In the financial year 2019-20, in the months of November- December, Colgate tied up with couple of retail chains to provide free Oral Health screening & advise to the people who walk into these outlets/stores.

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

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

Colgate initiated 'A Positive Step', a program in collaboration with 'Network In Thane By People Living With HIV' (NTP+), a non-governmental

organization promoting education for HIV infected and affected children.

The program supports education, nutrition and the overall personality grooming of the infected and affected children with the help of NGO partners. The program that had started with a handful of children has grown to support approximately 80+ children now.

Our Knowledge Garden initiative (creative library) has encouraged and helped children develop a desire to learn through creative ways. Colgate employee volunteers spend their time engaging with these children through creative and fun based learning sessions which has helped these children sharpen their skills and given them the confidence to face challenges bravely and more positively. In the financial year 2019 -20, we kept the Mentorship Program for the students of 12th Standard and above as the primary focus for all round development of the children.

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

4. Programs with Seva Mandir:

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

Our association with Seva Mandir has supported programs in various domains like education for children, Women empowerment through livelihoods and support through Water Augmentation program for the less privileged communities in the Tribal & Rural villages of Udaipur, Rajasthan.

'Colgate Seva Mandir Education Scholarship Program' was launched in the financial year 2017-18 for children from tribal and rural areas of Rajasthan. The children enrolled in this program are primarily girls from less privileged families, who did not have opportunity to continue their education while staying in their villages. Through a defined process, Seva Mandir selected the most deserving children having aspirations to study

further. Colgate supports the entire education program including costs of school fees, hostel stay, study material, uniforms, travel, special coaching, remedial classes and sports. Children study in Vidya Bhawan School in Udaipur, which focuses on an all-round development of children through academics, cultural sensitization, sports and also by building in them a strong value system, through various engaging activities and initiatives. The academic scores of the sponsored children have progressed a lot as compared to their baseline assessment scores. Few children are appearing through open school to ensure they continue to have confidence. With a focus on all round development, focus on sports and fitness, few girls in the program have also qualified for District and State level Hockey tournaments.

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

In the financial year 2017-18, Colgate partnered with Seva Mandir in a feasibility study on economic conditions of women in the tribal villages and designed Women confident to aspire for a better future for family and their children. Lack of water in these villages was an hindrance in livelihood program and added to drudgery for women , which was addressed through Water Augmentation program.

The program focuses on the Economic and Social Empowerment of communities, specifically of women from 9 tribal villages in Udaipur, Rajasthan. The Program focuses on multiple dimensions like formation and strengthening of women self-help groups, savings within SHGs, exposure trips and technical training for livelihood options like backyard poultry, floriculture and agriculture enhancement, engagement of stakeholders to support the SHGs and various other collaborations. The program was formally

launched in September 2018, in one of the tribal villages of Alsigarh block, Udaipur, Rajasthan.

Today the program supports about 300+ women beneficiaries directly through livelihood program as well as 4500+ villagers benefited with agricultural livelihoods through Water Augmentation work in these villages. So far, Water Augmentation work has helped restoring 05 anicuts, 11 wells, helped 89 wells recharged, availability of water tanks and water filters in these villages resulting in more than 95 million litres water getting replenished for irrigation. 44% villagers have taken additional crops due to water availability throughout the year through recharged wells. Program has helped villagers to raise their incomes by 18% over baseline. More than 90% of loans are repaid. There is 70% reduction in drudgery and women are using this time for livelihoods as well as for family.

Looking at initial success, multi cropping and vegetable growing are added to support income enhancement. On the Occasion of International Women Day, Intervention on Financial and Digital literacy was announced as next important step to strengthen the program. There are number of inspiring stories in the program, where women are leading the way and making efforts to enable better future for their families and children confidently.

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

5. Read India with Pratham:

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

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

6. 'Saksham' Program with SEEDS:

Realizing the need to make the future generation more employable and self-reliant, Colgate launched 'Saksham', a pragmatic initiative for the social and economic empowerment of the youth from less privileged backgrounds, through an employability linked skill development program. Colgate launched this program in 2016 in partnership with NGO SEEDS and its implementation partner IL&FS Skills.

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

The 'Saksham' journey started with an enrolment of 55 candidates at Lucknow, Uttar Pradesh. The program has now expanded to Kanpur, Varanasi, Allahabad, Moradabad in Uttar Pradesh, Patna in Bihar and Kolkata in West Bengal. Till March 2020, more than 1000 candidates have been trained and certified and 700+ candidates have been facilitated with employment opportunities through the NGO and its implementation partner and the rest are undergoing the process. More information about the NGO is available on www.seedsimpact.org

7. Water with Water for People, India Trust:

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

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

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

The program aims to support projected cumulative coverage to 36 villages by 2022. The key components of this program are: water availability, accessibility, quality of water, rain water harvesting and support in sanitation (in schools/communities area as per plan) and education on hygiene and conservation of water through the WASH program based prioritization, sustainability, partnership of local communities and stakeholders and building capacities. Lot of emphasis is given to positively impact social behavior change in order to understand important of #EveryDropCounts and to ensure ownership through Water user committees, safety and security plans with local Panchayats, Enterprise promotion and work with village level institutions. The approach has helped sustainability of the program and meeting Sustainable Development Goals (SDGs) guidelines in alignment with JalShakti and Jal Jeevan Mission.

So far, water supply schemes in 03 villages, community water availability in 16 villages including schools, anganwadis and ashramshalas is completed. We are making progress as per the roadmap in these villages. More information about the NGO is available on <https://www.waterforpeople.org>

8. Education Program with Action Aid:

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

As per assessment, it was found that in spite of an interest and the potential to learn, children from villages and less privileged families are not well versed with computers and lack communication skills. Program started in 09 Government schools & 02 Community centres in and around Baddi, Himachal Pradesh. About 850 children are enrolled in the program. We have seen positive differences in learning and confidence building, acknowledged by the parents as well as community stakeholders. Employee volunteers from factories engage with children and help them in exposure trips, celebrations and appreciations. In the FY 2019-20, the program was expanded to 03 government schools in Sricity, Andhra Pradesh. Based on initial assessment, element of building drinking water, water availability for sanitation was added as part of the program. There is equal participation and collaboration of teachers and parents, which is necessary for ownership and sustenance of the program. Volunteers from Sricity factory engage with children in spreading Oral Health Awareness, various competitions and participate in other initiatives. More information about the NGO is available on www.actionaidindia.org

9. Keep India Smiling Foundational Scholarship Program:

In 2019, Colgate-Palmolive India under the aegis of Keep India Smiling Mission launched the Keep India Smiling Foundational Scholarship program. The program is run in partnership with the ShikshaDaan Foundation and Technology partner Buddy4Study. The program offers Financial support to deserving candidates across Urban and Rural India, who are meritorious but due to financial constraints lose the opportunity to enhance education or future employability aspects. Village Level Entrepreneurs (VLEs) are reached out by the implementation partners to reach to candidates who otherwise may not be aware of such opportunities. This foundational support is also supported with a LMS based Mentorship program, which will enable candidates to have more exposure to their personality grooming, improve language skills and understand various career opportunities available. The scholarships are provided in the areas of Education, Sports and for Community betterment.

Candidates apply on Keep India Smiling Website <https://www.colgatecares.co.in/keepindiasmiling/> for a particular category, which has set criteria mentioned on the application form. An expert panel of professionals excelling in their field is constituted, including World Boxing Champion and renowned Boxer Ms. Mary Kom. Panel will review the shortlist and with their experience and expertise, finalize the list. Panel members will also play a role in the mentorship process.

An extensive AI based first shortlist is prepared and a basic criteria and merit, followed by a round of interviews and verification of documents to prepare the shortlist for panel's review. Launched in June, 2019, the program has received about 75,000 applications. The allocations are in progress for Education

categories and after all the allocations, the Mentorship process will enable candidates to get exposure and gain confidence to be ready for next steps in life or career. More information about the partners is available on <https://www.buddy4study.com/>, <https://www.shikshadaan.com/>

On behalf of the Board

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

R. Raghavan
Managing Director
(DIN : 08511606)

Place : Mumbai
Date : May 21, 2020

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 2019-20 are outlined below:

Sanand Plant

• **Conservation of Energy:**

- At regular intervals Plant conducts a workshop viz. 'Energy Treasure Hunt' to encourage ideas on energy conservation from its employees. The ideas generated for energy conservation are being implemented, which has generated saving of 2.25% on per MT of production, quantifies to 486,367 kWh of energy saving in 2019. Further, during the financial year 2019-20 the plant has invested ₹11 Lakhs on identified projects which will save additional 332,545 kWh of energy on an annual basis.

• **Conservation of Water:**

- Last year Plant had harvested about 113,188 Cubic Meters (Cu M) of rain water, based on 2019 rainfall data. Further, Plant reuses waste water after treating it in the Effluent Treatment Plant for gardening. Last year, the plant had used 37,538 Cu M of treated water. In total the Plant had saved 150,726 Cu M of water which is more than the water consumed by the site (71,215 Cu M) from GIDC.

Goa Plant

• **Conservation of Energy:**

- Plant had also conducted a water workshop viz. 'Water Treasure Hunt' to explore water conservation ideas amongst employees. During the year many water saving projects were implemented which

resulted in saving of about 18% on per MT of production which quantifies to 5,369 Cu M of water saving.

Installed High efficiency Heavy Duty IE3 Motors for AOC & POC FF Making DOPP Mixers and Flex AHU motor, thus saving power on the fixed load.

- New portable equipment Air Leak Detectors and Clamp Flow meters are procured to detect the energy losses like compressed Air leakages and low liquid flow. These equipment helped to arrest the compressed air leakages and to correct the operation curver of the pumps thus saving the power.
- CFL lights are replaced with LED Lamps (from 36W to 18W) in Flex FF Finishing floor and 60% area of AOC & POC FF finishing floor of the Plant. This has reduced the Finishing lighting load by 50% and overall reduced the lighting load. Also improved the LUX level of the room.

• **Conservation of Water:**

- Installed NALCO 3D Trasar unit, a Global initiative for improving the quality of Cooling Tower used for Air Compressor, which will impact on reducing the blowdown water of the Cooling Tower.
- Site explored use of Gamma Jet Spray ball which reduces water consumption in C&S of making equipment at AOC and POC FF along with the new portable CIP pump skid.

Baddi Plant

• **Conservation of Energy:**

- Converted CFL lights (36watt*3nos=108 watt) 250 nos to LED lights 36 watt. Approx 288 KW/day saved by replacing the old fixture.
- Converted street lights from sodium lamps to LED. Resulting in a lesser power consumption of 32 KW/day. Also reduce the repair time.
- Some AHU frequency is reduced from 50 Hz to 30 Hz through VFD. Approx 325 KW/day saving.

- Some Convention pumps are replaced with energy efficient pumps. Approx 22 KW/day saving.
- Installation of timer on CIP pump in making area as earlier pumps run in manual mode during C&S of equipment & lines.

- **Conservation of Water:**

- RO reject water is used for Toilet flushing & urinal flushing resulting saving around 1500 KL/month.
- The reuse of reject water from online chlorine sensor & ozone sensor circulation water as raw water for the utilities purpose had reduced the overall ground water consumption by 76 KL per month and also the load on the Effluent Treatment Plant.
- Vacuum Pump water reduction by 170 KL/month after doing modification on the cooling circuits of all the vacuum pumps being used for the mixers.
- By installing timer on CIP pump in making area approx 6 KL water/C&S is saved.

Sricity Plant

- **Conservation of Energy :**

The Company has taken many initiatives in the Plant, majorly by investing in Solar Power plant for captive consumption to ensure commitment towards green power, sustainability, and saving initiatives. Many other initiatives were also taken in driving the productivity, process, utilities and ancillary equipment changes which delivered a reduction in energy index over 8%.

- Installation and commissioning of Phase -2 solar power plant having a capacity of 503 KW achieved an annual savings of 732 MWh. Total Solar plant capacity including phase 2(solar plant) is 1788KW.
- Replacement of AHU Motors and blowers with Multi motor control BLDC Motor with Inbuilt blowers in 5 AHUs' resulted in annual savings of 231 MWh.
- By Installation of Air boss Controller within the compressor line has led to reduced artificial demand which resulted in savings of 54 MWh.
- Through Installation of Separate

Compressor line for High-pressure system by separating the current line led to reduced Compressed air pressure through PRV which achieved savings of 45 MWh.

- By connecting the incoming water line directly to Utilities in place of a current incoming tank, transfer pump has been eliminated which resulted in savings of 35 MWh.
- By providing Occupancy sensors control on rooftop lighting, savings of 3 MWh have been achieved.

- **Conservation of Water:**

- Bio cakes usage along with increased hose down frequency in urinals, a waterless system has been achieved with a savings of 750 KL.
- Usage of RO Reject water in Domestic flushing a savings of 250 KL has been achieved.
- Reduction in hand wash operating time from 10 sec to 5 sec resulted in saving of 600 KL.
- Aerators were fixed for all the taps in the kitchen, resulting in a saving of 200 KL.

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 products The technology received by the Company is being absorbed and adapted to the demands of the local market.

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

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

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 Early Research and Product Development

partners in the U.S. to bring new actives/ ingredients into the toothpaste.

10. Worked with the cross category research team in the U.S. on highly advanced instrumentation techniques to generate scientific data support to the products.

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.

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

Technology Imported	Year of Import	Has the technology been fully absorbed?	If not fully absorbed, areas where absorption has not taken place, and reasons thereof
Colgate Kids Toothpaste (Strawberry and Bubble Fruit flavor)	2019-20	Yes	Not applicable
Colgate Kids premium Toothpaste (3 variants)	2019-20	Yes	Not applicable
Colgate Charcoal Clean Toothpaste	2019-20	Yes	Not applicable
Halo shampoo (5 mL sachet)	2019-20	Yes	Not applicable
Palmolive Luminous oil - Shower Gel (2 variants)	2019-20	Yes	Not applicable
Palmolive Luminous oil - Liquid Hand Soap (2 variants)	2019-20	Yes	Not applicable
Palmolive Luminous oil - Shampoo (2 variants)	2019-20	Yes	Not applicable
Colgate Dental Cream relaunch with Amino Shakti Technology	2019-20	Yes	Not applicable
Colgate Cibaca Vedshakti relaunch	2018-19	Yes	Not applicable
Technology for Colgate Cibaca toothpaste	2018-19	Yes	Not applicable
Colgate Total DZA Advanced Health and Colgate Total DZA Charcoal toothpaste	2018-19	Yes	Not applicable
Palmolive Skin Therapy Facial Bar (3 variants)	2018-19	Yes	Not applicable
Plax Mouthwash Relaunch with Freezestorm technology (All variants)	2018-19	Yes	Not applicable
Technology for next generation anticavity toothpaste technology	2018-19	Yes	Not applicable
New MaxFresh Red with Freezestorm technology	2017-18	Yes	Not Applicable
Colgate Kids Minions Toothpaste specifically designed for kids	2017-18	Yes	Not Applicable
Colgate Swarna Vedshakti Toothpaste as a premium natural segment Toothpaste	2017-18	Yes	Not Applicable
Technology for Colgate Dental Cream Toothpaste	2017-18	Yes	Not Applicable

Details of expenditure on R&D are given below:

Expenditure on R&D	₹ In Lakhs
	Financial year 2019-20
Capital	-
Recurring	7,87.72
Total	7,87.72

C) Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings and Outgo: During the year, the Company was able to generate export earnings of ₹ 201,78 Lakhs and the Foreign exchange outgo was ₹ 696,25.33 Lakhs.

On behalf of the Board

R. Raghavan	M.S. Jacob
Managing Director	Whole-time Director & CFO
(DIN : 08511606)	(DIN : 07645510)

Place : Mumbai
Date : May 21, 2020

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

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

Sr. No.	Name of the Executive Director	Ratio
1.	Mr. I. Bachaalani*	72:1
2.	Mr. Ram Raghavan*	39:1
3.	Mr. M. S. Jacob	31:1
4.	Mr. M. Chandrasekar	25:1

*Associated as Executive Director for a part of the financial year 2019-20, and remuneration data reflects the payment made during this period.

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

Non-executive Directors:

The Non-executive Independent Directors of the Company are paid only 'Sitting fees' for attending the Meetings of the Board, the Committees including meetings of Independent Directors. They are also paid a fixed Commission as per the Shareholders approval. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The Non-executive Non-Independent Director of the Company does not receive any remuneration from the Company.

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

Sr. No.	Name of the Executive Director	Approx. increase in percentage in the financial year 2019-20 as compared to the financial year 2018-19 (without earnings from exercise of ESOPs)
1.	Mr. I. Bachaalani* (Managing Director)	N.A.
2.	Mr. Ram Raghavan* (Managing Director)	N.A.
3.	Mr. M. S. Jacob (Whole-time Director & CFO)	-5.8%
4.	Mr. M. Chandrasekar (Whole-time Director)	-6.9%

Sr. No.	Name of the Executive Director	Approx. increase in percentage in the financial year 2019-20 as compared to the financial year 2018-19 (without earnings from exercise of ESOPs)
5.	Mr. K. Randhir Singh (Company Secretary & Compliance Officer)	16.6%

* Being associated as Managing Director of the Company only for part of the financial year 2019-20, hence figures are not comparable with the financial year 2018-19.

3. The percentage increase in the median remuneration of employees in the financial year:

The percentage change in the median remuneration of all the Salaried & Clerical (S&C) employees in the financial year 2019-20 was -1.4% as compared to the financial year 2018-19.

4. The number of permanent employees on the rolls of the Company:

The number of permanent employees on the rolls of the Company as on March 31, 2020 is 2,324.

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

In the financial year 2019-20 there is an average increase of 10.9% in the fixed remuneration of all the employees (other than the managerial personnel) as compared to increase of 8.0% in the fixed remuneration of all the Executive Directors.

6. Affirmation:

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

On behalf of the Board

Mr. R. Raghavan
Managing Director
(DIN : 08511606)

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

Place : Mumbai
Date : May 21, 2020

Form No. AOC-2

Annexure 5

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arms length basis —

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were not at arms length basis.

2. Details of material contracts or arrangement or transactions at arms length basis —

The details of material contracts or arrangements or transactions at arms length basis for the year ended March 31, 2020 are as follows:

Sr. no	Name(s) of the related party & Nature of relationship	Nature of transactions	Transactions Value (₹ in Crores)	Duration of transactions	Salient terms of transactions	Date of approval by the board	Amount paid in advance (₹ in Crores)
1.	Colgate-Palmolive Company, USA ('Colgate, USA') Promoter Company/ Holding Company	Payment of Royalty upto 5% on total net sales of the products sold	195.69	Repetitive, Annual/ quarterly basis	1. Shareholders approved the Related Party Transaction for payment of Royalty upto 5% for a period of 5 years effective July 01, 2019. 2. Your Company has entered into License Agreement for 5 years, effective August 01, 2016 with Colgate, USA. 3. Under the said agreement Colgate, USA: - has granted a non-exclusive right to use the Patents, Design Registrations/Rights, Trademarks, Know-How and Copyright and Database Rights; - has granted right to make, have made through contract manufacturers, use distribute and sell licensed products in India; - has granted additional Intellectual Property and Know-how rights, which from time to time, Colgate, USA becomes the owner or beneficial owner of; 4. In consideration of the rights granted, your Company to pay royalty of 5% on the total net sales of licensed products; 5. Company shall faithfully observe the standards specified by Colgate, USA, as to methods of manufacture and quality in labeling, marketing, selling, advertising and promotion of licensed products; 6. The Agreement is having a term of five years effective from 1st August 2016 until 31st July 2021, until terminated by either party.	May 27, 2019	-

On behalf of the Board

R. Raghavan
Managing Director
(DIN : 08511606)

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

Place : Mumbai
Date : May 21, 2020

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended 31st March 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2020** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowings as there was no reportable event during the financial year under review.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable as the Company has not issued any shares during the year under review;
 - e. The Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable as the Company has not granted any shares/options under the said guidelines/regulations during the financial year under review;
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued and/or listed any debt securities during the financial year under review;

- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted/ has proposed to delist its equity shares from any stock exchange during the financial year under review;
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not bought back / has proposed to buy-back any of its securities during the financial year under review.
- vi. The Company has identified and confirmed the following laws as being specifically applicable to the Company:
1. The Hazardous Wastes (Management and Handling) Rules 1989;
 2. Factories Act, 1948;
 3. The Drugs and Cosmetics Act, 1940;
 4. The Legal Metrology Act, 2009;
 5. The Legal Metrology (Packaged Commodities) Rules, 2011;
 6. Plastic Waste Management Rules, 2016;
 7. The Legal Metrology (Packaged Commodities) Amendment Rules, 2017
 8. Local laws as applicable to various offices and plants.

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

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

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

We further report that: -

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

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

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

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

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

For S. N. ANANTHASUBRAMANIAN & CO.

Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert No.: 606/2019

S.N.ANANTHASUBRAMANIAN

PARTNER

FCS: 4206

C.O.P. No: 1774

ICSI UDIN: F004206B000254918

Date: 19th May, 2020

Place: Thane

Annexure A

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

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

For S. N. ANANTHASUBRAMANIAN & CO.

Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert No.: 606/2019

S. N. ANANTHASUBRAMANIAN

PARTNER

FCS: 4206

C.P. No: 1774

ICSI UDIN: F004206B000254918

Date : 19th May, 2020

Place : Thane

Business Responsibility Report

Annexure 7

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

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24200MH1937PLC002700
2.	Name of the Company	Colgate-Palmolive (India) Limited
3.	Registered address	Colgate Research Centre, Main Street, Hiranandani Gardens, Powai, Mumbai – 400 076, Maharashtra, India
4.	Website	www.colgatepalmolive.co.in
5.	E-mail ID	investors_grievance@colpal.com
6.	Financial Year reported	April 1, 2019 - March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company's business segment is "Personal Care" (including Oral Care).
8.	List three key products/services that the Company manufactures/provides (as in the Balance Sheet):	i. Toothpaste ii. Toothbrush iii. Mouthwash
9.	Total number of locations where business activity is undertaken by the Company (i) Number of International Locations (ii) Number of National Locations	- None - 8 (Factories, Head Office & Branches)
10.	Markets served by the Company - Local / State / National / International	All

Section B: Financial Details of the Company

(₹ In Lakhs)

1.	Paid up Capital (₹)	27,20
2.	Total Turnover (₹)	4,487,57
3.	Total profit after taxes (₹)	816,47
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%
5.	List of activities in which expenditure in 4 above has been incurred	Kindly refer the Annual CSR Report under Annexure 2 to the Report of the Directors

Section C: Other Details

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

Section D: BR Information

1. Details of Director/Directors responsible for Business Responsibility

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

Sr. No.	Particulars	Details
1.	Name	Mr. Ram Raghavan
2.	DIN Number (if applicable)	08511606
3.	Designation	Managing Director
4.	Telephone number	022 - 6709 5050
5.	e-mail ID	investors_grievance@colpal.com

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

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

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

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

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

Principle 5: Businesses should respect and promote human rights.

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

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

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

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

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

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

* Colgate has a globally applicable Code of Conduct policy.

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

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

3. Governance related to BR

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

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

Section E: Principle-wise performance

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

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

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

Colgate has a stringent anti-bribery policy viz. Global Anti-Bribery Policy that recognizes the local anti-bribery laws of the country in which we do business as well as the US Foreign Corrupt Practices Act which has extra-territorial jurisdiction. The Company rigorously follows the Policy in true letter and spirit without any deviation and expects all of its third party

partners to comply with the Global Anti-Bribery Policy as a strict mandate.

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

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

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

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

The Company received 6 (six) code of conduct complaints during the Financial Year 2019-20 which was duly investigated and appropriate action was taken. The numbers of complaints under POSH Act and before the Consumer Dispute Redressal Forums are provided in further sections of this report.

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

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

- Colgate is committed to improving the sustainability profile of its packaging, through regular evaluation of materials and processes. For example, cartons that have lower thickness contribute to improved biodegradability and recyclability.
- Most of the toothpaste cartons of the

Company are made of recycled paper board which can be further recycled. Additionally, all shippers are made from recycled paper and can be further recycled.

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

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

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

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

Our manufacturing plants all across India continue to work on Save Water by engaging teams to identify, quantify and implement pragmatic ideas and most importantly inculcate the culture of saving water, all the efforts have resulted in considerable savings of water in our manufacturing locations.

At Colgate, we understand the importance of availability of water for human development. Since 2013, Colgate has partnered with Water For People and reached out to communities in West Bengal and Bihar with a water program. Key objective of the program is to focus on availability, accessibility and quality of water. This goes aligned to the objectives of Jal Shakti Abhiyan and Jal Jeevan Mission, which adds to the SDG objective of universal and equitable access to safe and affordable drinking water for all.

A collaborative and engaging approach to this objective has been successfully executed to ensure ownership and sustainability. At the community level, Water For People India established Water User Committees (WUCs) at each of the water points that were constructed or rehabilitated. So far, 1639 WUC members have been trained by Water for People

and their supporting partners or members, to effectively operate and manage their communities' water systems. WUCs are empowered to ensure water point functionality by strengthening its tie up with Jalabandhus and Nirmal Bandhus - the network of private, mobile mechanics who are skilled to operate and maintain water points and are also linked with local Governments through WUCs or NGO resources on the ground. So far, 196 Jalbandhus and Nirmal Bandhus are skilled which have about 50% of women representation. A strong Water, Sanitation and Hygiene (WASH) Program is running, which is creating awareness and sensitization amongst the younger generations for saving water, ensuring no leakages and maintaining proper hygiene/sanitation in the schools. WASH program is supported by relevant ICE material and through pictorial presentations. The Water program in these locations have been able to replenish 780,229,136 Litres of water for the communities.

Keeping our commitment for Water, in 2018, Colgate India had expanded its partnership to the tribal villages of Amravati district in Maharashtra with Water For People India Trust. The program aims to support projected cumulative coverage to 36 villages by 2022. Work is in progress as per planned milestones in collaborations and engagement with local communities, local and district level government authorities and stakeholders. Innovative solution to water testing is executed through water quality testing toolkits which are handy to test bacterial contamination. Local youth and women are trained to carry out these tests. So far the program has been able to replenish 49,275,800 Litres of water. The villages reached so far, have water safety and security plans duly ratified by Gram Panchayats. Details of Maharashtra program can be found in Annual CSR Report - Annexure 2.

Continuing the efforts and focus to support communities with water, Colgate India expanded its efforts on Water Availability in partnership with NGO Seva Mandir in tribal villages of Udaipur, Rajasthan. Through a feasibility study, it was observed that Water distress in these villages was forcing villagers to migrate as it was

limiting their opportunity for agriculture and other livelihood opportunities. Apart from farming /agriculture and livestock livelihood opportunities, there are not many sources of income generation in these villages hence migration. Women and girls in the households have to travel to fetch drinking water and water for cattle. To support these communities with livelihood opportunities and availability of water, the program was launched in 09 tribal villages of Udaipur, Rajasthan. In a small time frame, the program has helped replenish 95,00,000 Litres of water enhancing 33% of the agriculture area and reducing 70% distance to fetch water. Income levels of villagers have been enhanced. Drudgery for women has been reduced considerably in these villages. Details of Udaipur program can be found in Annual CSR Report - Annexure 2.

Along with community programs on water, Colgate India launched a Save Water Cause Campaign in partnership with leading organized wholesaler Metro Cash & Carry across their stores in India. The objective of the cause campaign was to collaborate with business partners and sensitize consumers for saving water through various social or print media platforms and also to support the communities with the cause campaign funds. One month-long campaign launched on the occasion of World Water Day surely helped generate awareness for #EveryDropCounts and funds so contributed were allocated to NGO Water for People - India Trust to execute water plans of piped water connections in 02 villages in Birbhum District, West Bengal. Water plans in these villages included installation of community water points, provision of drinking water in a school and water for sanitation. A collaborative & sustainable solution on water has positively impacted lives of women and girls.

Save Water cause campaign has been running for 2 years now. In the year 2018, through this campaign, piped water connections were provided for a village and schools in 03 villages in Amravati District. Along with this, focus was given

on engaging and sensitizing communities on right use of water, ensuring operation and maintenance of infrastructure through various meetings, discussions and IEC materials

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

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

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

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

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

Yes, all 4 of our manufacturing sites are TRUE Zero waste Rating system from GBCI (Green Business Certification Inc.) at the highest certification status of "Platinum", this status was conferred to us in early 2019. We continue to maintain the certification as our Diversion Rating at more than 90% as per the requirements. Further, more than 90% of the waste generated during the manufacturing process at the Company's plants is being diverted to recycling. The Company has also contracted with a waste management Service Provider entity named NEPRA Environmental Solutions Pvt. Ltd. The said Service Provider is responsible for collection, sorting, processing, and recycling of an uncontaminated multi layered packaging waste from the market. This is also a part of the Extended Producers Responsibility (EPR) under Plastic Waste Management. This helps in diverting the Industrial waste towards recycling and co-processing of the waste to avoid landfills.

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

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

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

1. Please indicate the Total number of employees:

Total number of employees: 2,324

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

The total number of employees hired on temporary / contractual / casual basis: 815

3. Please indicate the Number of permanent women employees:

Number of permanent women employees: 211

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

Number of permanent employees with disabilities: 1

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

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

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

There are 2,324 permanent employees as of March 31, 2020. Of these, about 452 employees are a part of the majority union at Goa Factory. Approximately 19.44% of the permanent employees are Members of this union.

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

The Company has not received any complaint relating to child labour, involuntary labour and on discriminatory employment during the Financial Year 2019-20. Further, during the Year, three complaints under sexual harassment were received and investigated and all the three complaints were resolved by the Internal Complaints Committee.

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

- Permanent Employees : 100%
- Permanent Women Employees : 100%
- Contractual Manpower : 100%
- Employees with Disabilities : 100%

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

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

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

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

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

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

The company has partnered with various Not For Profits Organisations through its initiatives to support less privileged, marginalized sections of communities. Some of these initiatives include Keep India Smiling Foundational Scholarships and mentorship program for the youth coming from low income group families across India both from rural and urban geographies, Employability liked Skill Development program for youth, Women Empowerment through livelihoods and water augmentation, Water Programs, Empowering children with Education, Education and Nutrition program for children infected and affected with HIV+. A detailed note on each program is given in the Annual CSR Report Annexure 2.

In addition to these CSR programs, Colgate India has worked with NGO partners to extend its support to the communities during difficult times of Natural Disasters / Calamities. NGO partners, who have experience and expertise such disasters, reach to the worst hit communities across different states in India. In 2019, Floods brought devastation in various parts of the country. Odisha Cyclone support was extended largely on availability of drinking water, providing communities with basic household support, provision of solar lamps and few shelter repair work. Based on rapid need assessment, support is extended in the form of immediate relief material, hygiene kits, dry ration kits etc. Subsequent floods and devastation in the states of Maharashtra, Karnataka, Bihar and Madhya Pradesh were supported by the company in partnership with the Action Aid association. The support was assessed on quick assessment and was in the form of relief materials like Dry Ration Kits, Hygiene kits, Nutrition Kits for lactating mothers, Sanitary napkins and other Household Goods for most affected families in these locations. Rehabilitation support was also extended to 626 families for shelter repair, helping with education material for the children and livelihood support of tricycles. Along with this, local business teams have extended their support on availability of oral care products through various local networks.

In the past, relief work in Tamil Nadu (2015) supported women with disabilities through immediate support and skill training. In 2018, rehabilitation interventions for vulnerable communities were supported during the Kerala Flood disaster in wards of Chengannur Block, Alleppey district.

Principle 5: Businesses should respect and promote human rights.

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

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

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

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

We have not received any complaints regarding human rights in the past Financial Year.

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

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

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

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

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

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

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

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

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

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

For details kindly refer the Annexure 3 of the Board's Report for Financial Year 2019-20 i.e. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo.

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

Yes, the Emissions / Waste generated by the Company are within the permissible limits given by the Central Pollution Control Board / State Pollution Control Board for the Financial Year 2019-20.

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

We have not received any show cause notice to any of the sites from CPCB / SPCB in the Financial Year 2019-20.

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

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

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

- a) The Advertising Standards Council of India – ASCI
- b) Indian Beauty & Hygiene Association - IBHA
- c) The Associated Chambers of Commerce and Industry of India - ASSOCHAM
- d) American Chamber of Commerce in India – AMCHAM

- e) Confederation of Indian Industry – CII
- f) Federation of Indian Chambers of Commerce and Industry – FICCI
- g) Bombay Chamber of Commerce and Industry – BCCI
- h) Council for Fair Business Practices - CFBP
- i) Ayurvedic Drug Manufacturer's Association – ADMA

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

Through the membership of trade and industry associations, the Company has represented for development of regulations for better governance and economic reforms.

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

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

Yes, the Company has programmes / initiatives / projects in pursuit of the policy related to Principle 8. Please refer to Annual CSR Report in Annexure 2 to the Annual Report for Financial Year 2019-20.

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

The Company has engaged with NGOs / registered non-profit Trusts / Societies that support the aforesaid programs such as NGO - Water for People India Trust, which works towards water availability, accessibility, quality of water, education on hygiene and conservation of water through WASH and Sustainability aspects. The Program with NGO NTP+ supports the education, nutrition and overall personality grooming of the children infected/affected with HIV. NGO SEEDS with their implementation partner helps in empowerment of the less privileged and marginalized youth through employability linked skill development program.

Our association with NGO Seva Mandir has supported programs in various domains like education for children, women empowerment and water augmentations in the tribal and rural areas. Colgate supports NGO Pratham for their initiative “Read India” to support the cause of education. Our Program with NGO Action Aid aims to bring a positive impact in the lives of the children, by empowering them with computer literacy and communication skills. In line with our philosophy of everyone deserves a future to smile about, in 2019, Colgate India launched a Pan India Scholarship Program, ‘Keep India Smiling Foundational Scholarship’ which provides financial support and mentorship to deserving candidates coming from less privileged families / low income group families. The program has been launched in partnership with NGO Shikshadaan and their implementation partner Buddy4Study. Company through an agency and its direct resources implements Bright Smiles, Bright Futures™ and Oral Health Month Program to help preventive oral health & hygiene awareness and right brushing techniques for children predominantly in rural and municipality schools in various parts of the country.

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

For a large program, NGOs/Trusts Conduct assessment of the impact of the programs / initiatives. There is a process of monitoring mechanism and reviewing impact indicators w.r.t. each program and initiative.

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

The details of the community development programs/ projects and CSR expenditure are available in the CSR Report under Annexure 2 to the Board’s Report for Financial Year 2019-20.

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

For a success of a program, it is pertinent that there is voice and opinion of end users even at the stage of designing the program. Overall

programs are designed with contextualization to the local level to understand geographical and sociological context. With this approach, community programs with the partnerships are executed with inclusions, collaborations and engagement. For the large programs, efforts are made on capacity building for institutions as well as program teams, which can help sustenance of the program and at the same time address systemic challenges, if any. Success of our programs is a result of this approach and key stakeholder engagement including end users and communities at large. Efforts are also made to create customised social behavior change processes through various ways. Local bodies and stakeholders are part and parcel of the decision making process and take ownership of programs. We aim to scale programs after initial few years of settling and creating a systemic approach. More details about each program is available in the Annual CSR Report under Annexure 2 to the Board’s Report for financial year 2019-20.

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

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

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

As on March 31, 2020, a total of 8 consumer cases were pending before various consumer courts. All these cases are sub-judice.

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

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

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

Apart from the routine consumer cases mentioned above, there are no pending cases

against the Company regarding unfair trade practices or anti-competitive behaviour. The company had received in the normal course, some complaints with respect to its online / TVC commercials through the Advertising Standards Council of India (ASCI). All these routine complaints have been resolved satisfactorily.

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

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

On behalf of the Board

R. Raghavan
Managing Director
(DIN : 08511606)

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

Place : Mumbai
Date : May 21, 2020

Independent Auditor's Report

To the Members of Colgate-Palmolive (India) Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Colgate-Palmolive (India) Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2020

(a)	Revenue Recognition (as described in note 27 of the IND AS financial statements)	
	<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, as per Ind AS 115.
(b)	Contingent liabilities / provisions in relation to tax Litigations (as described in note 34 of IND AS financial statements)	
	<p>The Company has received various demand orders and notices under various tax laws. The Company is contesting these demands and has made provision where the outflow of resources embodying economic benefits is probable.</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.

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2020

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

Other Information

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

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

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

Responsibilities of Management for the Ind AS Financial Statements

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

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

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

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

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2020

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2020

section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2018;

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the

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

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 34 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 20037924AAAACP4193

Place of Signature: Mumbai

Date: May 21, 2020

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2020

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

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

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2020

Income Tax				
Sr. No.	Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (₹ Lakhs)
1	Income Tax Act, 1961	2011-2012 to 2015-2016	Income Tax Appellate tribunal	367,13.25
		2006-07 and 2007-08	First Appellate Authority	42.75
		1996-1997 to 2000-2001	High Court	11,00.21
	Total			378,56.22
Sales Tax				
Sr. No.	Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (₹ Lakhs)
1)	Statute applicable in Maharashtra, UP	1993-1994 and 2004-2005	High court	51.86
2)	Statute applicable in Uttar Pradesh, Andhra Pradesh, Madhya Pradesh, Kerala, Rajasthan, Uttaranchal, Delhi, Tripura, West Bengal, Bihar, Odisha, Assam, Maharashtra, Gujrat, Karnataka, Jharkhand, Goa, Chandigarh and Haryana	1988-89, 1995-1996, 1996-1997, 1998-99, 2000-2001, 2001-2002 and 2003-2004 to 2016-2017	Assessing authorities and First Appellate Authorities of various states	12,15.95
3)	Statute applicable in Maharashtra, Uttar Pradesh, Andhra Pradesh, Kerala, Bihar, Odisha and Karnataka	1987-1988, 1990-1991, 1995-1998, 1999-2002, 2003-2004, and 2013-2014	Sales Tax Appellate Tribunal of various States	1,83.18
	Total			14,51.00
Service Tax				
Sr. No.	Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (₹ Lakhs)
1	Service Tax (Finance Act, 1994)	July 2007 to October 2008	Customs, Excise and Service Tax Appellate Tribunal	15.20
		2003-2004 to 2009-2010	First appellate authorities	7.51
	Total			22.71
Excise Duty				
Sr. No.	Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (₹ Lakhs)
1	The Central Excise Act, 1944	1994-95, 2005-06 to 2010-11 and 2014 - 2017	Customs, Excise and Service Tax Appellate Tribunal	16,80.59
		1998-1999 to 2004-2005 and 2006-2007 to 2016-2017	First appellate authorities	10,77.12
	Total			27,57.71

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2020

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

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 20037924AAAACP4193

Place of Signature: Mumbai

Date: May 21, 2020

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2020

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

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

We have audited the internal financial controls over financial reporting of Colgate-Palmolive (India) Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

A company's internal financial control over financial reporting with reference to these IND AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS 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

Independent Auditor's Report (Contd.)

Independent Auditor's Report for the year ended March 31, 2020

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 Over Financial Reporting With Reference to these Ind AS financial statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 20037924AAAACP4193

Place of Signature: Mumbai

Date: May 21, 2020

Balance Sheet as at March 31, 2020

	Note	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3(A)	1,122,86.16	1,190,85.12
Capital Work-in-Progress	3(B)	190,03.27	198,70.35
Other Intangible Assets	3(C)	-	-
Financial Assets			
(i) Investments	4	18,61.85	31,15.16
(ii) Loans	5	2,03.56	2,69.83
(iii) Others	6	17,69.04	14,31.70
Other Non-Current Assets	7	15,96.70	28,28.40
Current Tax Assets (Net)	33(d)	224,73.30	150,31.88
		<u>1,591,93.88</u>	<u>1,616,32.44</u>
Current Assets			
Inventories	8	296,92.18	248,57.37
Financial Assets			
(i) Trade Receivables	9	132,56.43	209,78.64
(ii) Cash and Cash Equivalents	10	397,81.68	377,99.83
(iii) Bank Balances [other than (ii) above]	11	23,45.17	21,35.37
(iv) Loans	12	113,47.97	114,96.42
(v) Others	13	7,32.21	6,47.14
Other Current Assets	14	40,47.46	31,01.09
		<u>1,012,03.10</u>	<u>1,010,15.86</u>
		<u>2,603,96.98</u>	<u>2,626,48.30</u>
Total Assets			
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	27,19.86	27,19.86
Other Equity	16	1,566,96.03	1,419,55.46
Total Equity		<u>1,594,15.89</u>	<u>1,446,75.32</u>
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Lease liabilities	17	83,97.24	-
(ii) Borrowings	18	-	77,71.09
(iii) Other Financial Liabilities	19	1,18.13	1,18.13
Provisions	20	48,82.53	18,36.91
Deferred Tax Liabilities (Net)	21	5,03.86	30,86.86
Other Non-Current Liabilities	22	49.01	49.52
		<u>139,50.77</u>	<u>128,62.51</u>
Current liabilities			
Financial Liabilities			
(i) Lease liabilities	17	17,52.43	-
(ii) Trade Payables	23	-	-
- Total outstanding dues of micro enterprises and small enterprises		12,72.70	6,02.11
- Total outstanding dues of creditors other than micro enterprises and small enterprises		599,78.64	607,16.09
(iii) Other Financial Liabilities	24	25,52.47	219,76.72
Other Current Liabilities	25	103,42.43	103,43.78
Provisions	26	60,48.24	63,88.36
Current Tax Liabilities (Net)	33(e)	50,83.41	50,83.41
		<u>870,30.32</u>	<u>1,051,10.47</u>
		<u>1,009,81.09</u>	<u>1,179,72.98</u>
		<u>2,603,96.98</u>	<u>2,626,48.30</u>
Total Liabilities			
Total Equity and Liabilities			
Significant accounting policies	1B		

In terms of our report of even date.

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

Jayesh Gandhi
Partner
Membership Number - 037924

Mumbai, May 21, 2020

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)

R. Raghavan
Managing Director
(DIN : 08511606)

K.R. Singh
Company Secretary
(F-6621)

Mumbai, May 21, 2020

Statement of Profit and Loss for the year ended March 31, 2020

	Note	₹ Lakhs	Year Ended March 31, 2020 ₹ Lakhs	Year Ended March 31, 2019 ₹ Lakhs
Revenue from Operations	27		4,525,08.34	4,462,43.18
Other Income	28		49,24.27	37,65.54
(A) Total Income			4,574,32.61	4,500,08.72
Expenses				
Cost of Materials Consumed [Refer Note 35B]		1,350,33.47		1,328,47.32
Purchases of Stock-in-Trade		244,10.57		254,58.22
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	(21,55.89)		(24,47.67)
Employee Benefits Expense	30	332,28.45		295,90.34
Finance Costs	31	9,61.55		2,49.53
Depreciation and Amortisation Expense	3A	197,94.04		159,16.83
Other Expenses	32	1,418,24.59		1,371,89.16
(B) Total Expense			3,530,96.78	3,388,03.73
(C) Profit Before Exceptional Item and Tax (A-B)			1,043,35.83	1,112,04.99
(D) Exceptional Items	44		-	(30,50.52)
(E) Profit Before Tax (C-D)			1,043,35.83	1,142,55.51
Tax Expense:	33			
Current Tax [Net of prior period reversals ₹ 30,98.52 Lakhs (Previous Year: ₹ 32,66.31 Lakhs)]		247,50.04		371,68.69
Deferred Tax	21	(20,60.81)		(4,70.06)
(F) Total Tax Expense			226,89.23	366,98.63
(G) Profit for the year (E-F)			816,46.60	775,56.88
Other Comprehensive Income (net of Tax)				
Items that will not be reclassified to Profit and Loss				
Re-measurement loss/(gains) on defined benefit plans			20,74.80	(14.72)
Tax adjustment on above	21		(5,22.19)	5.09
(H) Re-measurement loss/(gains) on defined benefit plans (Net of tax)			15,52.61	(9.63)
(I) Total Comprehensive Income (G-H)			800,93.99	775,66.51
Earnings Per Equity Share attributable to the Owners of the Company (Rupees)	37			
[Face Value of Re. 1 per Equity Share]				
Basic and Diluted			30.02	28.52
Significant accounting policies	1B			

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

In terms of our report of even date.

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

Jayesh Gandhi
Partner
Membership Number - 037924

Mumbai, May 21, 2020

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)

R. Raghavan
Managing Director
(DIN : 08511606)

K.R. Singh
Company Secretary
(F-6621)

Mumbai, May 21, 2020

Statement of Changes in Equity as at March 31, 2020

	Number of shares (in Lakhs)	Amount (₹ Lakhs)
(A) Equity Share Capital (Note 15)		
As at April 1, 2018	27,19.86	27,19.86
Increase / (Decrease) during the year	-	-
As at March 31, 2019	27,19.86	27,19.86
Increase / (Decrease) during the year	-	-
As at March 31, 2020	27,19.86	27,19.86

(B) Other Equity (Note 16)

₹ Lakhs

Particulars	Reserves and Surplus				Total
	Securities Premium	General Reserve	Share Options Outstanding Account	Retained Earnings	
Balance as at April 1, 2018	12,79.93	384,37.13	5,90.69	1,094,33.08	1,497,40.83
Profit for the year	-	-	-	775,56.88	775,56.88
Other Comprehensive Income	-	-	-	14.72	14.72
Tax Adjustment on Other Comprehensive Income	-	-	-	(5.09)	(5.09)
Total Comprehensive Income for the year	-	-	-	775,66.51	775,66.51
Dividend paid (including dividend distribution tax) (Refer Note 16 (iv))	-	-	-	(852,52.19)	(852,52.19)
Employee stock option expense (Refer Note 39(c))	-	-	8,06.77	-	8,06.77
Transferred to Retained Earnings for employees transferred during the year	-	-	(1,08.99)	1,08.99	-
Payments made against liability created	-	-	(5,36.17)	-	(5,36.17)
Amount charged by Group Company	-	-	(5,69.19)	-	(5,69.19)
Tax Adjustment on Employee stock option [Refer Note 33 (c)]	-	-	1,98.90	-	1,98.90
Balance as at March 31, 2019	12,79.93	384,37.13	3,82.01	1,018,56.39	1,419,55.46
Profit for the year	-	-	-	816,46.60	816,46.60
Other Comprehensive Income	-	-	-	(20,74.80)	(20,74.80)
Tax Adjustment on Other Comprehensive Income	-	-	-	5,22.19	5,22.19
Total Comprehensive Income for the year	-	-	-	800,93.99	800,93.99
Dividend paid (including dividend distribution tax) (Refer Note 16 (iv))	-	-	-	(655,78.62)	(655,78.62)
Employee stock option expense (Refer Note 39 (c))	-	-	9,74.45	-	9,74.45
Transferred from Share Options Outstanding account for employees transferred during the year	-	-	(6,73.79)	6,73.79	-
Payments made against liability created	-	-	(5,83.42)	-	(5,83.42)
Amount credited by Group Company	-	-	(2,28.39)	-	(2,28.39)
Tax Adjustment on Employee stock option [Refer Note 33 (c)]	-	-	62.56	-	62.56
Balance as at March 31, 2020	12,79.93	384,37.13	(66.58)	1,170,45.55	1,566,96.03

Significant accounting policies (Refer Note 1B)

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

In terms of our report of even date.

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003

Jayesh Gandhi

Partner

Membership Number - 037924

Mumbai, May 21, 2020

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)

R. Raghavan

Managing Director

(DIN : 08511606)

K.R. Singh

Company Secretary

(F-6621)

Mumbai, May 21, 2020

Cash Flow Statement for the year ended March 31, 2020

	Year Ended March 31, 2020 ₹ Lakhs	Year Ended March 31, 2019 ₹ Lakhs
Cash flow from Operating Activities:		
Profit before Exceptional Item and Tax	1,043,35.83	1,112,04.99
Adjustment for:		
Unrealised Foreign Exchange (Gain) (Net)	(1,15.58)	(1,21.76)
Depreciation and Amortisation Expenses	197,94.04	159,16.83
Lease Rentals received	(2,36.25)	(2,36.25)
Net gain on disposal of property, plant and equipment	(2.13)	(9.19)
Interest Income On Financial Assets at Amortized Cost	(25,43.80)	(28,91.33)
Finance Cost	9,61.55	1,68.22
Bad Debts Written Off/ Provision for Doubtful Debts	9.50	4,06.87
Provisions no Longer Required Written Back	(15,80.63)	-
Interest income from Unwinding of discount on security deposits	(1,30.52)	(4,49.19)
Employee share-based payment expense	9,74.45	8,06.77
Operating Profit before Working Capital Changes	1,214,66.46	1,247,95.96
Adjustment for Increase/Decrease in Working Capital:		
Increase in Inventories	(48,34.81)	(21,86.82)
Decrease in Financial Assets	74,53.16	128,80.35
(Increase)/ Decrease in Other Assets	(11,21.62)	42,30.30
Increase/ (Decrease) in Financial Liabilities	9,99.80	(6,01.84)
Increase in Other Liabilities and Provisions	11,23.84	6,20.11
Payment of Lease Liabilities	(39,67.87)	-
Cash Generated from Operations	1,211,18.96	1,397,38.06
Direct Taxes Paid (Net)	(321,28.90)	(414,38.31)
Net Cash Generated from Operating Activities (A)	889,90.06	982,99.75
Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment including Capital Work-in-Progress and Capital Advance	(60,39.85)	(138,80.52)
Proceeds from disposal of Property, Plant and Equipment	3.44	34,58.38
Proceeds from disposal of Current Investments	73.16	0.38
Lease Rentals received	2,36.25	2,36.25
Investment in Inter Corporate and Bank Deposits	-	(23,05.35)
Proceeds from disposal of Non-Current Investments	12,53.31	-
Interest Received	26,08.05	29,20.13
Net Cash used in Investing Activities (B)	(18,65.64)	(95,70.73)
Cash Flow from Financing Activities:		
Payment of Finance Lease Obligation	-	(12,05.00)
Dividends Paid	(731,49.27)	(646,21.86)
Dividend Distribution Tax Paid	(111,81.49)	(145,35.93)
Employee share-based payments	(8,11.81)	(11,05.36)
Net Cash used in Financing Activities (C)	(851,42.57)	(814,68.15)

Cash Flow Statement for the year ended March 31, 2020 (Contd.)

	Year Ended March 31, 2020 ₹ Lakhs	Year Ended March 31, 2019 ₹ Lakhs
Net increase in Cash and Cash Equivalents (A+B+C)	19,81.85	72,60.87
Cash and Cash Equivalents at the beginning of the year	377,99.83	305,38.96
Cash and Cash Equivalents at the end of the year	397,81.68	377,99.83
Bank Balances in:		
Current Accounts	38,23.08	61,46.60
Deposit Accounts (with less than 3 months original maturity)	359,58.60	316,53.23
Cash and Cash Equivalents as at March 31, 2020 (Refer Note 10)	397,81.68	377,99.83
Changes in liabilities arising from Financing Activities:		
1) Dividend		
Unpaid Dividend as at beginning of the year	210,97.31	150,02.91
Dividend Declared	543,97.13	707,16.26
Dividend Paid	(731,49.27)	(646,21.86)
Unpaid Dividend as at year end (Refer Note 24)	23,45.17	210,97.31
2) Payment of Finance lease obligation		
Finance lease obligation outstanding as at beginning of the year	-	-
Present Value of Finance lease obligation	-	93,51.00
Finance charges payable under finance lease	-	1,68.22
Payment of Finance lease obligation	-	(12,05.00)
Finance lease obligation outstanding as at year end	-	83,14.22
Breakup of Finance lease obligation		
Long term maturities of finance lease obligations (Refer Note 18)	-	77,71.09
Current maturities of finance lease obligations (Refer Note 24)	-	5,43.13
	-	83,14.22

Notes:

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

In terms of our report of even date.

For S R B C & CO LLP

Chartered Accountants
Firm Registration No. 324982E/E300003

Jayesh Gandhi

Partner
Membership Number - 037924

Mumbai, May 21, 2020

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)

R. Raghavan
Managing Director
(DIN : 08511606)

K.R. Singh
Company Secretary
(F-6621)

Mumbai, May 21, 2020

Notes to the Financial Statements for the year ended March 31, 2020

1A. Background:

Colgate-Palmolive (India) Limited is a subsidiary of Colgate-Palmolive, USA and a listed Company in India. The Company was incorporated on September 23, 1937 under the provisions of The Companies Act. The registered office of the company is located at Colgate Research Center, Main street, Hiranandani Gardens, Powai, Mumbai – 400076. Its shares are listed on two recognised stock exchanges in India. The Company is engaged in manufacturing/trading of toothpaste, tooth powder, toothbrush, mouthwash and personal care products.

These financial statements for the year ended March 31, 2020 were approved by the Board of Directors on May 21, 2020.

1B. Significant Accounting Policies:

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

(a) Basis of preparation

i. Compliance with Ind AS

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

ii. Historical Cost Convention

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

- Certain financial assets and liabilities are measured at fair value;
- Defined Benefit Plans - plan assets measured at fair value;
- Share-Based payments; and

- Assets held for sale – measured at lower of cost and fair value less costs to sell

iii. Current versus Non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Based on the nature of products and the time between the acquisition of assets

Notes to the Financial Statements for the year ended March 31, 2020

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 Indian currency (INR), which is the Company's functional and presentation currency.

ii. Transactions and balances

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

(c) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic

benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

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

Capital Work-In-Progress

Cost and direct expenses incurred for construction of assets or assets to be acquired, which are not ready to use in the manner intended by the management are disclosed under Capital Work- In-Progress.

Depreciation methods, estimated useful lives and residual value

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

Notes to the Financial Statements for the year ended March 31, 2020

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.

(d) Leases

As a Lessee

The Company adopted Ind AS 116 with modified retrospective method i.e. no change to prior period financial statements and has applied the standard to contracts or arrangements that were previously identified as leases applying Ind AS 17.

At the commencement date of a lease, the Company recognises 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 remeasurement 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 recognises 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 remeasured if there is a modification or a change in the lease term. The Company separately recognises 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 reflect 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

Notes to the Financial Statements for the year ended March 31, 2020

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 recognised over the lease term on the same basis as rental income. Contingent rents are recognised 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 capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

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

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

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit

is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(f) Intangible assets

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

Amortisation

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

The estimated useful life and amortization 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 recognised as an intangible asset when the Company can demonstrate:

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

(g) Impairment of non-financial assets

At each balance sheet date, the Company reviews whether there is an indication that an asset may be impaired. If any

Notes to the Financial Statements for the year ended March 31, 2020

indication exists, the company estimates the recoverable amount of its assets other than inventory and deferred tax. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is determined as higher of the asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (cash generating unit). Assessment is done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in 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 recognised.

(h) Inventories

Inventories of raw and packing materials, stores, work-in-progress, finished goods and stock in trade are valued at lower of cost and net realisable value.

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

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

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

(i) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at

amortised cost net of any expected credit losses, if any. The Company provides for expected credit losses based on the probability of defaults that are possible over the life of the asset.

(j) Cash and Cash equivalents

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

(k) Financial Assets:

i. Initial recognition and measurement

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

ii. Subsequent measurement

For purposes of subsequent measurement, the Company classifies its financial assets in the following measurement categories:

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in 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

Notes to the Financial Statements for the year ended March 31, 2020

in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Debt instruments

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

Amortised cost

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

Fair value through Other Comprehensive Income (FVOCI)

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

assets is included in other income using the effective interest rate method.

Fair value through Profit or Loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through Profit or Loss is recognised in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

iii. Derecognition

A financial asset is derecognised only when:

- the rights to receive cash flows from the financial asset have expired, or
- the Company has transferred its rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows to one or more recipient

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset. Expected credit losses are recognized for all financial assets subsequent to initial recognition.

Notes to the Financial Statements for the year ended March 31, 2020

(l) Financial Liabilities

i. Classification as liability or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii. Initial recognition and measurement

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

iii. Subsequent measurement

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

iv. Derecognition

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are usually unsecured. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value.

Provisions

The Company recognises a provision when there is a present legal or constructive obligation as 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 recognised 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.

Notes to the Financial Statements for the year ended March 31, 2020

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

The Company provides volume based incentives to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Incentives are offset against amounts payable by the customer. To estimate & recognize a liability for the incentives, the Company applies methods which best predicts the amount of incentive and is primarily driven by the number of volume thresholds contained in the contract. The volume incentive is estimated at contract inception and recognized when it is highly probable that significant revenue reversal will not occur.

Company's contracts with trade customers do not have significant financing components or non cash consideration and the Company does not have unbilled revenue or significant amounts of prepayments from customers.

The company pays sales commission to its employees for contract that they obtain for sales of goods and immediately expensed out sales commissions (included under employee benefits).

Contract balances

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligation to transfer goods or services under the contract.

ii. Service Income

Service Income is recognised on cost plus basis as per the terms of the contract with customers, as and when the service is performed.

iii. Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

iv. Rental income

Rental income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

v. Government Grant

Government grants are recognised 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 recognised 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 recognised 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.

Notes to the Financial Statements for the year ended March 31, 2020

(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 recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the Balance Sheet.

ii. Long term employee Benefits

• Defined Contribution Plans

Provident Fund, Superannuation Fund and Employee's State Insurance:

The Company has Defined Contribution Plans for its employees such as Provident Fund, Superannuation Fund, Employee's State Insurance etc. and contribution to these plans are charged to the Statement of Profit and Loss as incurred, as the Company has no further obligation beyond making the contributions.

• Defined Benefit Plans

Gratuity:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating

to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the Statement of changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit and loss as past service cost. Remeasurements are not reclassified to Profit or Loss in subsequent periods.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Provident Fund:

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest as per the notified rate. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year. Measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the Statement of changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit and loss as past service cost. Remeasurements are not

Notes to the Financial Statements for the year ended March 31, 2020

reclassified to Profit or Loss in subsequent periods.

Pension:

The Company provides for retirement/post-retirement benefits for certain employees in the form of Pension (Non-funded) which are in the nature of Defined Benefit Plans. Such benefits are provided for on the basis of an independent actuarial valuation done at the year-end using Projected Unit Credit Method. Measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the Statement of changes in Equity and in the Balance Sheet. Remeasurments are not reclassified to profit or loss in subsequent periods.

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year and are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Voluntary Retirement Scheme:

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

iii. Share based Payments

The Company does not provide any equity-based compensation to its employees. However, the parent Company, Colgate Palmolive Company, U.S.A. ("the grantor") maintains equity incentive plans that provide for the grant of stock-based awards to its executive directors and certain categories of officers and employees. The 2009 Executive Incentive Compensation Plan and 2013 Incentive Compensation Plan ("Incentive Plan") provides for the grant of non-qualified and incentive stock options, as well as restricted stock units which are together referred to as employee stock options. Exercise prices in the case of non-qualified and incentive stock options are not less than the fair value of the underlying common stock of the grantor on the date of grant.

A stock option gives an employee, the right to purchase shares of Colgate Palmolive Company common stock at a fixed price for a specific period of time. Stock options generally have a term of six years and vest over three years.

A restricted stock unit (RSU) provides an employee with a share of Colgate Palmolive Company common stock upon vesting. Restricted stock units vest in annual installments generally over a period of three years. Dividends will accrue with each restricted stock unit award granted subsequent to grant date.

Employee Stock Options (ESOPs') issued by the parent entity are accounted for as equity-settled as the Company has no obligation to settle the share-based payment transaction and also the shares are of parent Company.

Company recognises the expense over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, as determined on the grant date, based on the fair value of the options/RSUs. At the end of each period, the entity revises its estimates of

Notes to the Financial Statements for the year ended March 31, 2020

the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Profit and Loss, with a corresponding adjustment to equity.

In case where there is a clear link between the recharge from the parent company and the expense, Company will account the recharge as capital distribution even if the amount of recharge is more than the expense recognised over the vesting period (as the recharge is based on the intrinsic value)

In case where the employee has not served the Company during the vesting period and for which they get the debit note from parent, the cost 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.

Upon adoption of the Appendix C to Ind AS 12, the Company evaluated 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 have 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. Adoption of this appendix has not resulted any impact on the financial statements of the Company.

• **Current Tax**

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

• **Deferred Tax**

Deferred tax is recognised for all the deductible temporary differences by using the liability method, only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company

Notes to the Financial Statements for the year ended March 31, 2020

reassesses unrecognised deferred tax assets, if any.

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

(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 recognised amounts and there is an intention to settle on a net basis, or realise 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, from the proceeds.

(t) Earnings Per share

i. Basic Earnings per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii. Diluted Earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2. Critical accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Notes to the Financial Statements for the year ended March 31, 2020

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 30)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 3)
- Estimation of taxes (Note 21 and 33)
- Estimation of impairment of trade receivables (Note 9)
- Estimation of provision and contingent liabilities (Note 26 and 34)
- Estimation of Share based payments to employees (Note 39)

- Estimation of variable consideration in respect of revenue recognition (Refer Note 1B(m) and Note 27)

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

2A. Standards issued but not yet effective

Ind AS 8.30 requires disclosure of standards that have been issued but are not yet effective.

Since there were no standards issued but not effective till date, this disclosure is not applicable.

Notes to the Financial Statements for the year ended March 31, 2020

Note 3 (A) (I) : Property, Plant and Equipment

₹ Lakhs

Particulars	Gross Carrying Amount				Accumulated Depreciation/Amortisation				Net Carrying Amount
	Cost / Gross carrying value as at April 1, 2019	Additions/ Adjustments	Disposals/ Transfers/ Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation/ Amortisation for the year	Disposals/ Transfers/ Adjustments	As at March 31, 2020	As at March 31, 2020
Right-of-use assets [Refer 3 (D)]	218,33.58	31,70.82	33,56.03	216,48.37	3,11.20	36,06.56	12,37.33	26,80.43	189,67.94
Buildings [Refer Note (ii) and (iv) below]	414,51.37	20,17.76	-	434,69.13	78,13.01	22,88.00	-	101,01.01	333,68.12
Plant and Equipment (Owned)	1,088,09.56	40,27.57	13.74	1,128,23.39	427,91.18	125,49.51	12.74	553,27.95	574,95.44
Plant and Equipment (On Lease)	93,51.01	-	93,51.01	-	2,33.78	-	2,33.78	-	-
Furniture and Fixtures	25,46.13	50.23	5,18.05	20,78.31	23,24.60	1,24.40	5,50.57	18,98.43	1,79.88
Office Equipment	48,14.38	9,19.85	(4,84.05)	62,18.28	22,01.05	12,25.57	(5,16.88)	39,43.50	22,74.78
Total Assets	1,888,06.03	101,86.23	127,54.78	1,862,37.48	556,74.82	197,94.04	15,17.54	739,51.32	1,122,86.16
Capital Work-in-Progress [Refer Note 3 B below]									190,03.27

- (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. 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 (A) for disclosures of contractual commitments for the acquisition of property, plant and equipment.
- (iv) Buildings include investment property with net carrying value of ₹ 2,26.68 Lakhs (March 31, 2019 : ₹ 2,39.25 Lakhs) and fair value of ₹ 32,92 Lakhs (March 31, 2019 : ₹ 34,65 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 209,00/- per square feet. The rental income and depreciation expense for the year ended March 31, 2020 are ₹ 2,36.25 Lakhs (March 31, 2019 : ₹ 2,36.25 Lakhs) and ₹ 12.56 lakhs (March 31, 2019 : ₹ 12.56 Lakhs) respectively. (Refer Note 17).
- (v) In the previous year, the Company had acquired plant and equipments amounting to ₹ 93,51.01 lakhs on finance lease. The carrying value of the same was ₹ 91,17.23 lakhs as on March 31, 2019.
- (vi) In the previous year, the Company had revised useful life of certain assets basis technical reassessment by the Company from 9.58 years to 15 years in the previous year. Had the Company continued with the previously adopted useful life of these assets depreciation charge for the year ended March 31, 2019 would be higher and the net profit before tax would have been lower by ₹ 4,36 lakhs.

Notes to the Financial Statements for the year ended March 31, 2020

Note 3 (A) (II) : Property, Plant and Equipment

₹ Lakhs

Particulars	Gross Carrying Amount				Accumulated Depreciation/Amortisation				Net Carrying Amount
	Cost as at April 1, 2018	Additions	Disposals/Transfers	As at March 31, 2019	As at April 1, 2018	Depreciation/Amortisation for the year	Disposals/Transfers	As at March 31, 2019	As at March 31, 2019
Land- Leasehold [Refer Note (i)]	77,86.18	1.31	-	77,87.49	2,27.79	83.41	-	3,11.20	74,76.29
Buildings [Refer Note (ii) and (iv)]	407,81.57	6,71.01	1.21	414,51.37	56,15.78	21,97.53	0.30	78,13.01	336,38.36
Plant and Equipment (Owned) [Refer Note (vi)]	991,90.78	98,51.93	2,33.15	1,088,09.56	310,11.75	119,77.37	1,97.94	427,91.18	660,18.38
Plant and Equipment (On Lease)	-	93,51.01	-	93,51.01	-	2,33.78	-	2,33.78	91,17.23
Furniture and Fixtures	24,32.12	1,18.79	4.78	25,46.13	15,59.56	7,68.32	3.28	23,24.60	2,21.53
Office Equipment	43,60.96	4,54.29	0.87	48,14.38	15,45.50	6,56.42	0.87	22,01.05	26,13.33
Total Assets	1,545,51.61	204,48.34	2,40.01	1,747,59.94	399,60.38	159,16.83	2,02.39	556,74.82	1,190,85.12
Capital Work-in-Progress [Refer Note 3 B below]									198,70.35

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

Particulars	As at March 31, 2019			As at March 31, 2020		
	Gross Carrying Value	Accumulated Depreciation	Net Carrying Amount	Gross Carrying Value	Accumulated Depreciation	Net Carrying Amount
Right-of-use assets (excluding land)	-	-	-	137,21.69	21,46.80	115,74.89
Land- Leasehold	79,26.68	4,50.39	74,76.29	79,26.68	5,33.63	73,93.05
Buildings	474,35.31	137,96.95	336,38.36	494,53.07	160,84.95	333,68.12
Plant and Equipment	1,355,52.88	695,34.50	660,18.38	1,394,91.21	819,95.77	574,95.44
Plant and Equipment (On Lease)	93,51.01	2,33.78	91,17.23	-	-	-
Furniture and Fixtures	37,21.04	34,99.51	2,21.53	32,36.43	30,56.55	1,79.88
Office Equipment	67,84.46	41,71.13	26,13.33	79,87.62	57,12.84	22,74.78
Total Assets	2,107,71.38	916,86.26	1,190,85.12	2,218,16.70	1,095,30.54	1,122,86.16

Note 3 (B) : Capital Work-in-Progress

Capital Work-in-Progress movement during the year

Particulars	As at March 31, 2019	As at March 31, 2020
Opening	158,57.57	198,70.35
Add - Addition during the year	151,10.11	61,48.33
Less - Capitalised during the year	110,97.33	70,15.41
Closing	198,70.35	190,03.27

Capital Work-in-Progress includes ₹ 1,66.60 lakhs (March 31, 2019 - ₹ 1,85 lakhs) being salary of ₹ 78.16 lakhs (March 31, 2019 - ₹ 1,36.36 lakhs) and other expenses of ₹ 88.44 lakhs (March 31, 2019 - ₹ 48.64 Lakhs) incurred towards capital projects. Salary and other expenses disclosed in Note 30 and Note 32 respective are net of amounts included in CWIP.

Notes to the Financial Statements for the year ended March 31, 2020

Note 3 (C): Other Intangible Assets

The Gross carrying value of intangible assets of ₹ 90,66.41 lakhs have been fully depreciated and the carrying value as at March 31, 2020 is Nil. (March 31, 2019 - Nil). Intangible assets comprise Goodwill, Trademarks, Copyright and Technical Know-how.

Note 3 (D): Right-of-use assets recognized and the movements during the year

	Plant and Equipment	Vehicles	IT Equipment	Buildings	Leasehold Land*	Others	Total
As at April 01, 2019 (Refer Note 46)	100,40.45	1,32.84	2,06.00	22,90.85	74,76.29	13,75.95	215,22.38
Addition	-	25.30	1,93.23	29,52.29	-	-	31,70.82
Amortisation	10,50.14	69.42	2,04.65	18,40.28	83.24	3,58.83	36,06.56
Deletion	-	-	-	21,18.70	-	-	21,18.70
As at March 31, 2020	89,90.31	88.72	1,94.58	12,84.16	73,93.05	10,17.12	189,67.94

*Refer Note 3 (A) (I) (i)

As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
---	---

Note 4: Non-Current Investments

Investment in Bonds at amortised cost (Unquoted):

1,200 6.70% (Tax-Free) Indian Railway Finance Corporation Bonds (Series-68B) of face value of ₹ 100,000 each	-	12,53.52
800 7.51% (Tax- Free) Secured, Redeemable, Non-Convertible Bonds of Power Finance Corporation Limited (Series-79A) of face value of ₹ 100,000 each	8,27.58	8,27.49
99,675 8.20% (Tax-Free) Secured, Redeemable, Non-Convertible Bonds of Power Finance Corporation Limited (Series-I) of face value of ₹ 1000 each	10,34.27	10,34.15
	18,61.85	31,15.16

Note 5: Non-Current Loans

Secured and Considered Good

Loans to Employees	2,03.56	2,69.83
	2,03.56	2,69.83

Note 6: Other Non-Current Financial Assets

Security Deposits (Amortised Cost)	15,19.71	11,82.72
Deposits with banks (with maturity period of more than 12 months) *	2,49.33	2,48.98
	17,69.04	14,31.70

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

Notes to the Financial Statements for the year ended March 31, 2020

	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
Note 7: Other Non-current Assets		
Capital Advances [Refer Note 35 (A)]	9,49.01	11,09.42
Deposits with Government and other authorities	6,47.69	8,04.38
Prepaid Expenses	-	9,14.60
	<u>15,96.70</u>	<u>28,28.40</u>
Note 8: Inventories		
(lower of cost or Net realisable value)		
Raw and Packing Materials	72,89.48	49,05.79
Work-in-Progress	24,80.64	17,08.40
Finished Goods	142,24.90	126,66.90
Stock-in-Trade	33,79.83	33,79.18
[includes goods in transit ₹ 14,95 Lakhs, (March 31, 2019: ₹ 3,59.67 Lakhs)]		
Stores and Spares	23,17.33	21,97.10
	<u>296,92.18</u>	<u>248,57.37</u>
Note 9: Trade Receivables		
Trade Receivables	99,08.93	190,49.90
Receivables from related parties [Refer Note 38]	40,95.79	28,41.86
Less : Allowance for doubtful debts	(7,48.29)	(9,13.12)
	<u>132,56.43</u>	<u>209,78.64</u>
<i>Unsecured and Considered Good</i>		
Trade Receivables which have significant increase in credit Risk	7,48.29	9,13.12
Trade Receivables - credit impaired	-	-
Allowance for doubtful debts	(7,48.29)	(9,13.12)
	<u>132,56.43</u>	<u>209,78.64</u>
Note 10: Cash and Cash Equivalents		
Bank Balances in:		
- Current Accounts	38,23.08	61,46.60
- Deposit Accounts (with less than 3 months original maturity)	359,58.60	316,53.23
	<u>397,81.68</u>	<u>377,99.83</u>
Note 11: Other Bank Balances		
Earmarked balances with Banks in:		
- Unpaid Dividend Account	22,66.19	20,58.32
- Unpaid Share Capital Reduction Account (Year 2007)	78.98	77.05
	<u>23,45.17</u>	<u>21,35.37</u>

Notes to the Financial Statements for the year ended March 31, 2020

	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
Note 12: Current Loans		
<i>Secured and Considered Good</i>		
Loans to Employees	72.17	82.85
<i>Unsecured and Considered Good</i>		
Inter-Corporate Deposits*	112,75.80	114,13.57
	113,47.97	114,96.42
* [Inter-Corporate Deposits includes amounts with maturity period ranging 45-91 days (March 31, 2019 - ranging 34-91 days)]		
Note 13: Other Current Financial Assets		
Receivables from Related Parties [Refer Note 38]	3,77.04	1,38.14
Security Deposits	2,76.91	4,70.82
Insurance Claims Receivable	78.26	38.18
	7,32.21	6,47.14
Note 14: Other Current Assets		
Balances with Government Authorities	9,20.56	2,32.88
Prepaid Expenses	13,96.82	13,12.86
Advances to Suppliers	15,22.70	11,93.05
Employee Advances	1,37.60	1,57.08
Fringe Benefit Advance Tax	69.78	69.78
Defined Benefit Plan asset - Gratuity [Refer Note 30 II (B) (iv) (a)]	-	1,35.44
	40,47.46	31,01.09
Note 15: Equity Share Capital		
Authorised Equity Share Capital:		
	Number of shares	Amount (₹ in Lakhs)
As at April 1, 2019	1,37,00,00,000	137,00.00
Increase during the year	-	-
As at March 31, 2020	1,37,00,00,000	137,00.00

Notes to the Financial Statements for the year ended March 31, 2020

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, 2018	27,19,85,634	27,19.86
Increase / (Decrease) during the year	-	-
As at March 31, 2019	<u>27,19,85,634</u>	<u>27,19.86</u>
Increase / (Decrease) during the year	-	-
As at March 31, 2020	<u><u>27,19,85,634</u></u>	<u><u>27,19.86</u></u>

(B) Rights, Preferences and Restrictions attached to Equity Shares:

The Company has one class of Equity Shares having par value of Re. 1 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
Colgate-Palmolive Company, U.S.A., the Ultimate Holding Company 108,952,694 (March 31, 2019 - 108,952,694) equity shares.	10,89.53	10,89.53
Colgate-Palmolive (Asia) Pte Ltd., Singapore, Subsidiary of the Ultimate Holding Company 29,758,852 (March 31, 2019 - 29,758,852) equity shares.	2,97.59	2,97.59
Norwood International Incorporated, U.S.A., Subsidiary of the Ultimate Holding Company 1,126 (March 31, 2019 - 1,126) equity shares.	0.01	0.01

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

	As at March 31, 2020	As at March 31, 2019
Colgate-Palmolive Company, U.S.A.		
Number of Shares	10,89,52,694	10,89,52,694
% of Holding	40.06	40.06
Colgate-Palmolive (Asia) Pte Ltd., Singapore		
Number of Shares	2,97,58,852	2,97,58,852
% of Holding	10.94	10.94

(E) Aggregate number of equity shares issued as bonus, shares during the period of five years immediately preceding the reporting date

	Number of shares	Equity Share Capital (par value in Lakhs)
Equity shares allotted as fully paid bonus shares in the year 2015-16	13,59,92,817	13,59.93

Notes to the Financial Statements for the year ended March 31, 2020

	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
Note 16: Other Equity		
Securities Premium Account [Refer (i) below]	12,79.93	12,79.93
General Reserve [Refer (ii) below]	384,37.13	384,37.13
Share Options Outstanding Account [Refer (iii) below]	(66.58)	3,82.01
Retained Earnings [Refer (iv) below]	1,170,45.55	1,018,56.39
Total Other Equity	1,566,96.03	1,419,55.46
(i) Securities Premium Account		
Balance at the beginning of the year	12,79.93	12,79.93
Balance at the end of the year	12,79.93	12,79.93
(Securities Premium reserve is used to record the premium on issue of shares. The reserve will be or can be utilised in accordance with the provisions of the Companies Act, 2013)		
(ii) General Reserve		
Balance at the beginning of the year	384,37.13	384,37.13
Balance at the end of the year	384,37.13	384,37.13
(Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.)		
(iii) Share Options Outstanding account [Refer Note 39]		
Balance at the beginning of the year	3,82.01	5,90.69
Add: Employee stock option expense	9,74.45	8,06.77
Less: Transferred to Retained Earnings for employees transferred during the year	(6,73.79)	(1,08.99)
Less: Payments made against liability created	(5,83.42)	(5,36.17)
Less: Amount credited by Group Company	(2,28.39)	(5,69.19)
Add: Tax Adjustment on above	62.56	1,98.90
Balance at the end of the year	(66.58)	3,82.01
(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, 2020

	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
(iv) Retained Earnings		
Balance at the beginning of the year	1,018,56.39	1,094,33.08
Add: Profit for the year	816,46.60	775,56.88
Add: Other Comprehensive (Expense)/ Income	(15,52.61)	9.63
Add: Transferred from Share Options Outstanding account for employees transferred during the year	6,73.79	1,08.99
Less: Appropriations		
- Special Interim Dividend [₹ 8/- per share (2019 - ₹ 11/- per share) (Refer Note 45)]	(217,58.85)	(299,18.42)
- First Interim Dividend [₹ 12/- per share (2019 - ₹ 8/- per share)]	(326,38.28)	(217,58.85)
- Second Interim Dividend (2019 - ₹ 7/- per share)]	-	(190,38.99)
- Dividend Distribution Tax	(111,81.49)	(145,35.93)
Balance at the end of the year	1,170,45.55	1,018,56.39
	1,566,96.03	1,419,55.46

(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 between 10 years, while other leases have lease terms between 2 and 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).

Carrying amounts of lease liabilities and the movements during the year

	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
As at April 01 (Refer Note 46)	121,44.00	-
Addition	31,70.82	-
Interest	9,61.55	-
Payment	(39,67.87)	-
Deletion		
As at March 31	101,49.67	-
Non current	83,97.24	-
Current	17,52.43	-

Notes to the Financial Statements for the year ended March 31, 2020

	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
Depreciation expense of right-of-use assets (Note 3D)	36,06.56	-
Interest expense on lease liabilities (Note 31)	9,61.55	-
Expense relating to leases of low-value assets (included in Note 32 under lease rentals)	4,74.47	-
Expense relating to short-term leases (included in Note 32 under lease rentals)	58.64	-
	5,33.11	-

The effective interest rate for lease liabilities is 7.34% to 8.26%, with maturity between 2021-2029.

The Company had total cash outflows for leases of ₹ 39,67.87 lakhs in 31 March 2020.

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 ₹ 2,36.25 lakhs (March 31, 2019 : ₹ 2,36.25 Lakhs) has been disclosed as "Lease Rentals" under Other Income in Note 28 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.

	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
Note 18: Borrowings		
Long term maturities of finance lease obligations [Refer Note 35 (C)] (Effective interest rate - 8.26%)	-	77,71.09
	-	77,71.09

Note 19: Other Non-Current Financial Liabilities

Security Deposits	1,18.13	1,18.13
	1,18.13	1,18.13

Notes to the Financial Statements for the year ended March 31, 2020

	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
Note 20: Non-Current Provisions		
Provision for Employee Benefits:		
- Gratuity [Refer Note 30 II (B) (iv) (a)]	16,54.42	-
- Pension [Refer Note 30 II (B) (v)]	52.72	41.66
- Compensated Absences [Refer Note 30 III]	23,66.99	17,95.25
- Provident Fund [Refer Note 30 II (B) (iv) (b)]	8,08.40	-
	<u>48,82.53</u>	<u>18,36.91</u>
Note 21: Deferred Tax (Assets) / Liabilities [Net]		
The balance comprises temporary differences attributable to:		
Deferred Tax Liabilities:		
Difference between carrying value of property, plant and equipment and written down value as per tax	47,13.26	80,28.02
Deferred Tax Assets:		
Impact of indexation on leasehold land	(8,23.62)	(7,49.25)
Voluntary retirement obligation	-	(2,04.46)
Expenses allowable on payment basis for tax purposes	(13,90.27)	(21,48.10)
Employee benefits	(18,07.18)	(15,20.27)
Impairment of trade receivables	(1,88.33)	(3,19.08)
	<u>5,03.86</u>	<u>30,86.86</u>
Movement in Deferred Tax (Assets) / Liabilities		
Opening balance as at beginning of the year	30,86.86	35,51.84
Tax (income) during the year recognised in profit or loss [Refer Note 33 (a)]	(20,60.81)	(4,70.07)
Tax (income) during the year recognised in OCI	(5,22.19)	5.09
Closing balance as at year end	<u>5,03.86</u>	<u>30,86.86</u>
Note 22: Other Non-Current Liabilities		
Payable under Voluntary Retirement Scheme	49.01	49.52
	<u>49.01</u>	<u>49.52</u>
Note 23: Trade Payables		
Trade Payables	520,88.32	513,95.36
Trade Payable to related parties [Refer Note 38]	91,63.02	99,22.84
	<u>612,51.34</u>	<u>613,18.20</u>
-Total outstanding dues of micro enterprises and small enterprises [Refer Note 43]	12,72.70	6,02.11
-Total outstanding dues of creditors other than micro enterprises and small enterprises	599,78.64	607,16.09
	<u>612,51.34</u>	<u>613,18.20</u>

Notes to the Financial Statements for the year ended March 31, 2020

	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
Note 24: Other Current Financial Liabilities		
Unpaid Dividends* :		
- Third Interim Dividend**	-	190,38.99
- Others**	22,66.19	20,58.32
Unpaid Balance for Share Capital Reduction (Year 2007)**	78.98	77.05
Capital Creditors	2,07.30	2,59.23
Current maturities of finance lease obligations [Refer Note 35 (C)]**	-	5,43.13
	<u>25,52.47</u>	<u>219,76.72</u>

*There are no amounts due for payment to the Investor Education and Protection Fund (IEPF) under Section 125 of the Companies Act, 2013 as at the year end as per the Company records.

** Considered for movement in liabilities arising from financing activities in cashflow.

Note 25: Other Current Liabilities

Payable towards Statutory Liabilities	20,32.61	30,77.82
Employee Benefits Payable	66,14.14	68,34.10
Payable under Voluntary Retirement Scheme	3.16	3.58
Advances from Customers	16,92.52	4,28.28
	<u>103,42.43</u>	<u>103,43.78</u>

Note 26: Current Provisions

Provision for Employee Benefits :		
- Compensated Absences [Refer Note 30 III]	3,67.79	2,89.69
Others:		
Provision for Statutory Liabilities [Refer Note (A)]	24,23.77	32,44.67
Other Matter [Refer Note (B)]	32,56.68	28,54.00
	<u>60,48.24</u>	<u>63,88.36</u>

(A) Provision for statutory liabilities

Opening Balance	32,44.67	32,87.32
Add: Provision made	5,01.78	2,81.19
Less: Provision Utilised/Reversed	(13,22.68)	(3,23.84)
Closing Balance	<u>24,23.77</u>	<u>32,44.67</u>

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

Notes to the Financial Statements for the year ended March 31, 2020

	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
(B) Other Matter		
Opening Balance	28,54.00	23,43.64
Add: Provision made	4,02.68	5,10.36
Closing Balance	<u>32,56.68</u>	<u>28,54.00</u>

Provision for other matter represents claim against the Company not acknowledged as debt that may materialise in respect of matter of a Leased Property in dispute.

	Year Ended March 31, 2020 ₹ Lakhs	Year Ended March 31, 2019 ₹ Lakhs
Note 27: Revenue from Operations		
Revenue from Contract with Customers :		
Sale of Products (net of GST)	4,487,56.67	4,432,43.88
Other Operating Revenue		
- Service Income	30,96.10	25,22.13
- Scrap Sales	4,15.57	4,77.17
Subtotal (A)	<u>4,522,68.34</u>	<u>4,462,43.18</u>
Government Grant (B)	2,40.00	-
Total (A+B)	<u>4,462,43.18</u>	<u>4,328,42.44</u>

Disaggregated revenue information

1) Type of goods or service		
Personal Care (Including Oral Care)	4,487,56.67	4,432,43.88
Research and Development Service Income	30,96.10	25,22.13
Scrap Sales	4,15.57	4,77.17
Total revenue from contracts with customers	<u>4,522,68.34</u>	<u>4,462,43.18</u>
2) Geographical		
India	4,320,90.78	4,261,71.60
Outside India	201,77.56	200,71.58
	<u>4,522,68.34</u>	<u>4,462,43.18</u>
3) Timing of revenue recognition		
Sale on transfer of goods to customer at a point in time	4,491,72.24	4,437,21.05
Service Income as and when services completed	30,96.10	25,22.13
	<u>4,522,68.34</u>	<u>4,462,43.18</u>
4) Revenue		
External customer	4,346,73.18	4,301,11.71
Inter company	175,95.16	161,31.47
	<u>4,522,68.34</u>	<u>4,462,43.18</u>

Notes to the Financial Statements for the year ended March 31, 2020

	Year Ended March 31, 2020 ₹ Lakhs	Year Ended March 31, 2019 ₹ Lakhs
Contract balances		
Trade receivables*	132,56.43	209,78.64
Contract Liability - Advances from Customers**	16,92.52	4,28.28

*Trade receivables are non-interest bearing and on credit allowed to certain customers. There is no significant increase in trade receivable compared to last year. As on March 31, 2020, ₹ 7,48.29 lakhs (March 31, 2019 - ₹ 9,13.12 lakhs) is recognised as allowance for doubtful debts.

**Contract Liability represents short term advances received from customer to deliver the goods.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Revenue as per contracted price	5,017,28.64	4,858,78.60
Adjustments		
Sales return	(30,55.46)	(11,39.47)
Variable Consideration - off invoice [Refer 1B (m) (i)]	(464,04.84)	(384,95.95)
Revenue from contract with customers	<u>4,522,68.34</u>	<u>4,462,43.18</u>

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.

	Year Ended March 31, 2020 ₹ Lakhs	Year Ended March 31, 2019 ₹ Lakhs
Note 28: Other Income		
Interest income on Financial Assets at Amortised cost	25,43.80	28,91.33
Interest income from Unwinding of discount on security deposits	1,30.52	4,49.19
Bad debts recovered	-	17.51
Lease Rentals [Refer Note 17]	2,36.25	2,36.25
Foreign Exchange Gain (Net)	1,48.55	-
Net gain on disposal of property, plant and equipment	2.13	9.19
Provisions no Longer Required Written Back	15,80.63	-
Miscellaneous Income	2,82.39	1,62.07
	<u>49,24.27</u>	<u>37,65.54</u>

Notes to the Financial Statements for the year ended March 31, 2020

	Year Ended March 31, 2020 ₹ Lakhs	Year Ended March 31, 2019 ₹ Lakhs
Note 29: Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress:		
Opening Stock		
Finished Goods	126,66.90	104,75.88
Stock-in-Trade	33,79.18	36,45.11
Work-in-Progress	17,08.40	11,85.82
	177,54.48	153,06.81
Less: Closing Stock		
Finished Goods	140,49.90	126,66.90
Stock-in-Trade	33,79.83	33,79.18
Work-in-Progress	24,80.64	17,08.40
	199,10.37	177,54.48
	(21,55.89)	(24,47.67)

	Year Ended March 31, 2020 ₹ Lakhs	Year Ended March 31, 2019 ₹ Lakhs
Note 30: Employee Benefits Expense		
Salaries, Wages and Bonus	286,00.26	258,57.92
Contribution to Provident Fund, Gratuity and Other Funds	21,91.16	20,55.93
Share Based Payments to Employees [Refer Note 39 (c)]	9,74.45	8,06.77
Compensated Absences [Refer III below]	7,92.40	1,07.89
Staff Welfare Expenses	6,70.18	7,61.83
	332,28.45	295,90.34

I Defined Contribution Plans

Charge to Statement of Profit and Loss for Defined Contribution Plans:

- Employers' Contribution to Provident Fund	2,17.59	95.19
- Employers' Contribution to Superannuation Fund	1,59.03	1,36.72
- Employers' Contribution to Employee's State Insurance	65.04	64.43
- Employers' Contribution to Employee's Pension Scheme 1995	3,16.36	2,93.65
- Employers' Contribution to National Pension Scheme	91.08	75.96

Total (Included in Employee Benefits Expense - Contribution to Provident Fund, Gratuity and Other Funds)

8,49.10	6,65.95
---------	---------

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.

Notes to the Financial Statements for the year ended March 31, 2020

A) Significant actuarial assumptions were as follows:

	Year Ended March 31, 2020	Year Ended March 31, 2019
Discount Rate (per annum)	6.85%	7.80%
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	₹ Lakhs		
	Present value of obligation (A)	Fair value of plan assets (B)	Net Amount (A)-(B)
Opening Balance as at April 1, 2018	60,64.44	61,05.05	(40.61)
Current service cost (i)	5,41.52	-	5,41.52
Past service cost (ii)	-	-	-
Interest expense (iii)	4,66.41	4,85.30	(18.89)
Total amount recognised in the Statement of Profit and Loss	10,07.93	4,85.30	5,22.63
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(49.43)	49.43
Loss from change in financial assumptions	36.80	-	36.80
Experience (gain)	(1,29.52)	-	(1,29.52)
Gain from change in demographic assumptions	25.83	-	25.83
Total amount recognised in other comprehensive income	(66.89)	(49.43)	(17.46)
Employers contributions	-	6,00.00	(6,00.00)
Benefit Payments	(5,70.77)	(5,70.77)	-
Closing Balance as at March 31, 2019	64,34.71	65,70.15	(1,35.44)
Opening Balance as at April 1, 2019	64,34.71	65,70.15	(1,35.44)
Current service cost (i)	5,54.29	-	5,54.29
Past service cost (ii)	-	-	-
Interest expense/(income) (iii)	4,90.66	5,16.82	(26.16)
Total amount recognised in the Statement of Profit and Loss (i+ii+iii)	10,44.95	5,16.82	5,28.13

Notes to the Financial Statements for the year ended March 31, 2020

B) Balance Sheet Amounts...(Contd.)

i) Balance Sheet amounts- Gratuity

Particulars	₹ Lakhs		
	Present value of obligation (A)	Fair value of plan assets (B)	Net Amount (A)-(B)
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	35.55	(35.55)
Loss from change in financial assumptions	8,50.08	-	8,50.08
Experience losses	4,47.20	-	4,47.20
Gain from change in demographic assumptions	-	-	-
Total amount recognised in other comprehensive income	12,97.28	35.55	12,61.73
Employers contributions	-	-	-
Benefit payments	(6,09.62)	(6,09.62)	-
Closing Balance as at March 31, 2020	81,67.32	65,12.90	16,54.42

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% (March 31,2019 - 8.65%).

Particulars	₹ Lakhs		
	Present value of obligation (A)	Fair value of plan assets (B)	Net Amount (A)-(B)
Opening Balance as at April 1, 2018	178,84.26	178,84.26	-
Current service cost	8,91.40	-	8,91.40
Interest expense	13,98.56	13,98.56	-
Total amount recognised in the Statement of Profit and Loss	22,89.96	13,98.56	8,91.40
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	1,51.39	(1,51.39)
Experience losses	1,51.39	-	1,51.39
Total amount recognised in other comprehensive income	1,51.39	1,51.39	-
Contributions:			
Employers	-	8,91.40	(8,91.40)
Employees	15,25.36	15,25.36	-
Payment for plan:			
Benefit payments	(19,19.08)	(19,19.08)	-
Settlements	(5,70.35)	(5,70.35)	-
Closing Balance as at March 31, 2019	193,61.54	193,61.54	-

Notes to the Financial Statements for the year ended March 31, 2020

B) Balance Sheet Amounts...(Contd.)

ii) Balance Sheet amounts- Provident Fund

Particulars	₹ Lakhs		
	Present value of obligation (A)	Fair value of plan assets (B)	Net Amount (A)-(B)
Opening Balance as at April 1, 2019	193,61.54	193,61.54	-
Current service cost	9,72.72	-	9,72.72
Interest expense	15,51.58	15,51.58	-
Total amount recognised in the Statement of Profit and Loss	25,24.30	15,51.58	9,72.72
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
Loss from change in financial assumptions	8,08.40	-	8,08.40
Experience losses	(64.04)	(64.04)	-
Total amount recognised in other comprehensive income	7,44.36	(64.04)	8,08.40
Contributions:			
Employers	-	9,72.72	(9,72.72)
Employees	17,15.36	17,15.36	-
Payment for plan:			
Benefit payments	(8,84.40)	(8,84.40)	-
Settlements	(3,56.53)	(3,56.53)	-
Closing Balance as at March 31, 2020	231,04.63	222,96.23	8,08.40

iii) Balance sheet amounts- Pension (Non-funded Scheme)

The Company operates a defined benefit pension plan. The pension benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Particulars	₹ Lakhs
	Present value of obligation
Opening Balance as at April 1, 2018	81.13
Current service cost	5.77
Interest expense	4.49
Total amount recognised in Statement of Profit and Loss	10.26
<i>Remeasurements</i>	
Loss from change in financial assumptions	0.17
Experience losses	2.57
Total amount recognised in other comprehensive income	2.74
Benefit payments	(52.47)
Closing Balance as at March 31, 2019	41.66

Notes to the Financial Statements for the year ended March 31, 2020

B) Balance Sheet Amounts...(Contd.)

Particulars	₹ Lakhs Present value of obligation
Opening Balance as at April 1, 2019	41.66
Current service cost	3.15
Interest expense	3.25
Total amount recognised in Statement of Profit and Loss	6.40
<i>Remeasurements</i>	
Loss from change in financial assumptions	3.60
Experience losses	1.06
Total amount recognised in other comprehensive income	4.66
Benefit payments	-
Closing Balance as at March 31, 2020	52.72

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

a) Gratuity

	Year Ended	
	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
Present Value of Obligation as at the end of the year	81,67.32	64,34.71
Fair Value of Funded Plan Assets as at the end of the year	(65,12.90)	(65,70.15)
Liability recognised in the Balance Sheet	16,54.42	(1,35.44)

[Included in Non Current Provisions ₹ 16,54.42 Lakhs (Refer Note 20) and in Other Current Asset as on March 31, 2019 - ₹ 1,35.44 Lakhs (Refer Note 14)]

b) Provident Fund (Funded Scheme)

	Year Ended	
	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
Present Value of Obligation of Funded Plan as at the end of the year	231,04.63	193,61.54
Fair Value of Funded Plan Assets as at the end of the year	(222,96.23)	(193,61.54)
Liability recognised in the Balance Sheet	8,08.40	-

[Included in Non-Current Provisions ₹ 8,08.40 lakhs (March 31, 2019 ₹ Nil) (Refer Note 20)]

Notes to the Financial Statements for the year ended March 31, 2020

B) Balance Sheet Amounts...(Contd.)

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

a) Pension

	Year Ended	
	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
Present Value of Obligation of Non-funded Plan as at the end of the year	52.72	41.66
Liability recognised in the Balance Sheet	52.72	41.66

[Included in Non-Current Provisions ₹ 52.72 Lakhs (March 31, 2019 ₹ 41.66 Lakhs) (Refer Note 20)].

(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, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
Government of India Securities	0%	0%
Insurer Managed Funds	100%	100%
Others	0%	0%

b) Provident Fund

Category of Assets (% Allocation)	Year Ended	
	March 31, 2020 %	March 31, 2019 %
Government of India Securities	44%	43%
Other Debt Instruments	44%	47%
Equity instruments	6%	7%
Others	6%	4%

C) Sensitivity Analysis

i) Gratuity

Discount Rate:

	March 31, 2020	March 31, 2019
Impact of increase in 50 bps on DBO	-5.68%	-5.51%
Impact of decrease in 50 bps on DBO	6.19%	5.99%

Salary Escalation Rate:

	March 31, 2020	March 31, 2019
Impact of increase in 50 bps on DBO	6.15%	6.01%
Impact of decrease in 50 bps on DBO	-5.70%	-5.58%

ii) Provident Fund

Guaranteed Rate of Return:

	March 31, 2020	March 31, 2019
Impact of increase in 100 bps on DBO	6.05%	2.89%
Impact of decrease in 100 bps on DBO	3.18%	0.00%

Notes to the Financial Statements for the year ended March 31, 2020

	Year Ended	
	March 31, 2020	March 31, 2019
iii) Pension		
Discount Rate:		
Impact of increase in 50 bps on DBO	-3.67%	-4.08%
Impact of decrease in 50 bps on DBO	3.82%	4.27%

D) Projected Plan Cash flow:

The expected contribution payable to the Gratuity plan for the year ended March 31, 2020 is ₹ 4,00 Lakhs. The expected contribution payable to the Provident Fund plan for the year ended next year is INR 10,40.80 lakhs.

The weighted average duration to the payment of these cash flows for Gratuity is 11.86 years (March 31, 2019 : 11.48 years) and for Pension is 4.71 years (March 31, 2019 : 8.35 years). The weighted average duration to the payment is for Provident Fund plan is 14.24 years.

Expected cash flow profile of the benefits to be paid to the current membership of the plan: Gratuity

	Year Ended	
	March 31, 2020	March 31, 2019
Less than a year	3,11.14	2,88.50
Between 1- 2 years	2,96.71	2,78.18
Between 2- 5 years	11,88.60	10,62.20
Between 5- 9 years	27,81.80	21,00.01
10 years and above	170,64.88	156,59.95

Expected cash flow profile of the benefits to be paid to the current membership of the plan: Pension

	Year Ended	
	March 31, 2020	March 31, 2019
Between 2- 5 years	-	-
Between 5- 9 years	89.57	81.91
10 years and above	-	-

III Other Employee Benefit - Compensated Absences

The liability for Compensated Absences as at the year end is ₹ 27,34.78 Lakhs ('March 31, 2019 : ₹ 20,84.94 Lakhs).

	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
Included in :		
Non-Current Provisions (Refer Note 20)	23,66.99	17,95.25
Current Provisions (Refer Note 26)	3,67.79	2,89.69
	27,34.78	20,84.94
Movement of Compensated Absences:		
Balance at the beginning of the year	20,84.94	22,32.50
Add: Charge during the year	7,92.40	1,07.89
Less: Amount paid during the year	1,42.56	2,55.45
Balance at the end of the year	27,34.78	20,84.94

Notes to the Financial Statements for the year ended March 31, 2020

	Year Ended March 31, 2020 ₹ Lakhs	Year Ended March 31, 2019 ₹ Lakhs
Note 31 : Finance Costs		
Interest expense on lease liabilities (Refer Note 17 and 35C)	9,61.55	1,68.22
Interest expense on Income tax	-	81.31
	<u>9,61.55</u>	<u>2,49.53</u>
Note 32: Other Expenses		
Consumption of Stores and Spares	23,48.12	22,12.14
Processing Charges	14,14.79	14,23.20
Power and Fuel	45,34.52	46,45.02
Freight and Forwarding Charges	149,09.20	152,22.72
Lease Rentals [Refer Note 17 and 35 B]	5,33.11	41,54.09
Rates and Taxes	1,60.24	1,65.38
Insurance	4,57.19	4,13.46
Repairs and Maintenance		
- Plant and Machinery	36,42.41	31,81.93
- Buildings	2,12.77	2,18.31
- Others	68.93	67.53
	<u>39,24.11</u>	<u>34,67.77</u>
Advertising	626,01.81	564,70.59
Fees and Commission to Independent Directors	1,48.00	1,06.38
Auditors' Remuneration [Refer Note (A) below]	1,23.83	1,14.67
Royalty		
- Royalty Expense	195,69.78	196,17.09
- Withholding tax on Royalty	23,98.99	24,04.79
	<u>219,68.77</u>	<u>220,21.88</u>
Expenditure towards Corporate Social Responsibility [Refer Note (B) below]	19,81.23	18,21.35
Bad Debts Written Off	9.50	-
Provision for Doubtful Debts	-	4,06.87
Foreign Exchange Loss (Net)	-	4.23
Travel and Conference Expenses	26,55.32	31,49.35
Outside Services	143,61.31	130,44.89
Miscellaneous	96,93.54	83,45.17
	<u>1,418,24.59</u>	<u>1,371,89.16</u>
(A) Auditors' Remuneration (excluding Goods and Services Tax) :		
As Auditor :		
- Statutory Audit	65.00	61.18
- Limited Review	32.50	30.50
- Tax Audit	17.00	17.00
- Certification	0.50	-
Other Services	5.02	2.00
Reimbursement of Expenses	3.81	3.99
	<u>1,23.83</u>	<u>1,14.67</u>

Notes to the Financial Statements for the year ended March 31, 2020

	Year Ended March 31, 2020 ₹ Lakhs	Year Ended March 31, 2019 ₹ Lakhs
(B) Corporate Social Responsibility Expenditure		
(I) Gross amount required to be spent by the Company during the year	18,03.73	16,67.50
(II) Amount spent during the year:		
(A) In cash -		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above:		
- Promoting preventive health care	13,49.23	13,66.10
- Addressing inequalities	22.00	15.00
- Promoting education	3,30.00	85.00
- Conservation of natural resources and other allied areas	2,10.00	1,70.00
- Vocational and skill training for upliftment of economically weaker youth	50.00	60.00
- Empowering women through livelihood program	20.00	20.00
(B) Yet to be paid in cash -		
- Promoting preventive health care	-	1,05.25
	19,81.23	18,21.35
	Year Ended March 31, 2020 ₹ Lakhs	Year Ended March 31, 2019 ₹ Lakhs

Note 33 : Income Tax Expenses

(a) Income tax expense

Current tax

Current tax on profit for the year	278,48.56	404,35.00
Adjustments for current tax of prior periods	(30,98.52)	(32,66.31)
Total current tax expenses	247,50.04	371,68.69

Deferred tax

Relating to origination and reversal of temporary differences	(20,60.81)	(4,70.07)
Income tax expenses	226,89.23	366,98.62

Notes to the Financial Statements for the year ended March 31, 2020

	Year Ended March 31, 2020 ₹ Lakhs	Year Ended March 31, 2019 ₹ Lakhs
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	1,043,35.83	1,142,55.51
Tax at the Indian tax rate of 25.168% (March 31,2019 - 34.944%)*	262,59.24	3,99,25.45
Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
Expenses not deductible for tax purposes	7,05.85	8,18.81
Income claimed exempt for tax purposes	(54.65)	(4,05.69)
Item with special rate considered separate other than normal rate	-	6,04.43
Income considered under separate head of income	(18.63)	(9,78.06)
Adjustments for current tax of prior periods	(30,98.52)	(32,66.31)
Impact of differential rate used for deferred tax*	(11,04.06)	-
Income tax expense	226,89.23	366,98.63
<p>*The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws [Amendment] Ordinance, 2019. Accordingly, the Company has recognized Provision for Income Tax for the period ended March 31, 2020 and re-measured its net Deferred Tax Liabilities basis the rate prescribed in the said section. The change has resulted in reversal of Deferred Tax Liabilities outstanding as at April 01, 2019 of ₹ 11,04.06 Lakhs during the year.</p>		
(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	62.56	1,98.90
(d) Current Tax Assets (Net)		
Current Tax Assets (Net) [Net of Provision of Tax ₹ 1,734,15.18 Lakhs, March 31, 2019 : ₹ 1,486,81.89 Lakhs]	224,73.30	150,31.88
(e) Current Tax Liabilities (Net)		
Current Tax Liabilities (Net) [Net of Advance Tax payments ₹ 787,50.08 lakhs, March 31, 2019 : ₹ 787,50.08 lakhs]	50,83.41	50,83.41

Notes to the Financial Statements for the year ended March 31, 2020

	As at March 31, 2020 ₹ Lakhs	As at March 31, 2019 ₹ Lakhs
Note 34: Contingent Liabilities		
(To the extent not provided for)		
Claims against the Company not acknowledged as debts:		
- Excise and Related Matters	53,29.49	58,13.09
- Service Tax Matters	22.71	2,56.99
- Sales Tax Matters	4,17.25	3,19.07
- Income Tax Matters	759,35.77	532,13.68
- 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 35: Commitments

A) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advances of ₹ 9,49.01 Lakhs (March 31, 2019 : ₹ 11,09.52 Lakhs) (Refer Note 7)]	1,024.58	1,171.11
--	----------	----------

B) Operating Leases

As a Lessee

Future minimum lease payments under non-cancellable operating leases as of March 31, 2019 prior to adoption of Ind AS 116 were as follows :

	Year Ended March 31, 2020 ₹ Lakhs	Year Ended March 31, 2019 ₹ Lakhs
Within one year	-	9,67.54
After one year but not more than five years	-	5,58.13
More than five years	-	-
Lease payments recognised in Statement of Profit and Loss are shown as "Lease Rentals" under Other Expenses in Note 32.	-	41,54.09
Operating lease expense pertaining to Contract Manufacturer's included in Cost of Materials Consumed	-	3,88.44

Notes to the Financial Statements for the year ended March 31, 2020

C) Finance Leases

The Company had finance lease for items of plant and equipment. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments as of March 31, 2019 prior to adoption of Ind AS 116 were, as follows :

	Year Ended March 31, 2020 ₹ Lakhs		Year Ended March 31, 2019 ₹ Lakhs	
	Minimum lease payments	Present value of Minimum lease payments	Minimum lease payments	Present value of Minimum lease payments
Within one year	-	-	12,05.00	5,43.13
After one year but not more than five years	-	-	48,20.00	26,59.75
More than five years	-	-	60,25.00	51,11.34
Total minimum lease payments	-	-	120,50.00	83,14.22
Less amounts representing finance charges	-	-	37,35.78	-
Present value of minimum lease payments	-	-	83,14.22	83,14.22
Included in :				
Long term maturities of finance lease obligations (Refer Note 18)	-	-	77,71.09	-
Current maturities of finance lease obligations (Refer Note 24)	-	-	5,43.13	-
	-	-	83,14.22	-

Interest expense on lease liabilities for year ended March 31 2019 amounting to ₹ 1,68.22 lakhs represents interest recognized on finance lease liabilities. The above leases have been shown under Right of use asset and lease Liabilities post adoption of IndAS 116. [Refer Note 17 and Note 3(D)].

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)

	Year Ended March 31, 2020	Year Ended March 31, 2019
i) Basic and Diluted Earnings Per Share (₹)		
Profit for the year (₹ Lakhs)	81,646.60	77,556.88
Weighted average number of outstanding shares for Basic and Diluted EPS (Nos.)	27,19,85,634	27,19,85,634
Nominal Value of shares outstanding (Re.)	1	1
Basic and Diluted Earnings Per Share (₹)	30.02	28.52
ii) Weighted average number of shares used as the denominator		
Opening Balance	27,19,85,634	27,19,85,634
Increase / (Decrease) during the year	-	-
Weighted average number of shares used as the denominator for calculating basic and diluted earnings per share	27,19,85,634	27,19,85,634

Notes to the Financial Statements for the year ended March 31, 2020

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 Pty. Ltd., South Africa
	: Colgate-Palmolive (Thailand) Ltd., Thailand
	: Colgate-Palmolive (H.K.) Ltd., Hongkong*
	: Colgate-Palmolive Asia Pacific Ltd., Wan Chai, Hongkong (Formerly known as Colgate-Palmolive Management Services HK Ltd)
	: Colgate-Palmolive (China) Co. Ltd., China
	: Colgate Palmolive (Vietnam) Ltd, Vietnam
	: Colgate Sanxiao Company Limited, China*
	: Colgate-Palmolive (Burlington) Limited
	: Colgate Palmolive Temizlik Urunleri Sanayi ve Ticaret S.A., Turkey
	: Colgate-Palmolive Cameroun S.A., Cameroun
	: Hawley & Hazel Chemical Co., (Zhongshan) Ltd, China
	: Colgate-Palmolive (Eastern) Pte. Ltd., Singapore
	: 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*
	: Mission Hills S.A. DE. C. V., Mexico
	: Colgate Palmolive Bt. Ltd., (Blantyre), Malawi
	: Colgate Oral Pharmaceuticals Inc. Carrollton, U.S.A.
	: Colgate-Palmolive CACE Region, Istanbul, Turkey
	: Colgate-Palmolive Senegal, Senegal
	: Colgate-Palmolive (Pakistan) Limited, Pakistan*
	: Colgate Philippines Inc., Philippines
	: Colgate-Palmolive Mocambique Limitada
	: Colgate Palmolive West East Investments, U.S.A.
	: Tom's Of Maine, U.S.A.
	: Colgate-Palmolive Ghana Ltd, Ghana
	: Colgate-Palmolive Europe Sarleu Div
	: CP Middle East Exports Ltd
	: Colgate-Palmolive (Myanmar) Limited, Myanmar

Notes to the Financial Statements for the year ended March 31, 2020

Note 38: Disclosure of Related Parties (Contd.)

- : Colgate Palmolive Espana S.A., Spain*
- : Hill'S Pet Nutrition Asia Limited
- : Colgate-Palmolive Arabia Ltd.
- : Colgate-Palmolive Pty. Ltd., Australia
- : Hawley & Hazel Chemical (Taiwan) Co., Taiwan*
- : Colgate-Palmolive (Russia) Ltd., Russia
- : Hypo Homecare Products Limited, Nigeria

C) Key Managerial Personnel of the Company

(i) Executive Directors

- : I. Bachaalani (Up to July 31, 2019)
- : M.S. Jacob
- : R. Raghavan (effective August 01, 2019)
- : M. Chandrashekhar

(ii) Non-Executive and Non Independent Directors

- : V. Nambiar (Up to September 01, 2018)
- : M. Deoras (effective September 01, 2018)

(iii) Non-Executive and Independent Directors

- : R. A. Shah
- : P. K. Ghosh
- : V. S. Mehta
- : I. Shahani
- : S. Gopinath
- : S. Kripalu (effective June 01, 2018)

(iv) Company Secretary

- : K.R.Singh

D) Post Employment Benefit Funds

- : Colgate-Palmolive (India) Limited Provident Fund
- : Colgate-Palmolive India Gratuity Fund for Workmen
- : Colgate-Palmolive India Gratuity Fund for Non-Workmen

* There are no transactions with the Company during the current year

Notes to the Financial Statements for the year ended March 31, 2020

Note 38: Disclosure of Related Parties (Contd.)

(i) Transactions entered into with Parties referred to in Category A and B

₹ Lakhs

Nature of Transaction	Parties referred to in Category A		Parties referred to in Category B		Total	
	Year Ended		Year Ended		Year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Purchase of Goods/Materials						
Colgate-Palmolive (Thailand) Ltd.	-	-	-	0.08	-	0.08
Colgate-Palmolive Asia Pacific Limited	-	-	37,79.23	47,69.84	37,79.23	47,69.84
Colgate-Palmolive Company, U.S.A.	4,97.00	3,15.99	-	-	4,97.00	3,15.99
Others	-	-	3,02.83	5,21.42	3,02.83	5,21.42
Sub-Total	4,97.00	3,15.99	40,82.06	52,91.34	45,79.06	56,07.33
Sale of Goods/Materials						
Colgate-Palmolive Europe Sarleu Div	-	-	23,17.79	5,73.36	23,17.79	5,73.36
Colgate-Palmolive East Africa Ltd., Kenya	-	-	6,26.67	4,02.93	6,26.67	4,02.93
Colgate-Palmolive Pty. Ltd., South Africa	-	-	8,78.96	15,90.69	8,78.96	15,90.69
Colgate-Palmolive Pty. Ltd., Boksburg	-	-	77,22.48	87,75.46	77,22.48	87,75.46
Others	-	-	29,53.58	22,99.09	29,53.58	22,99.09
Sub-Total	-	-	144,99.48	136,41.53	144,99.48	136,41.53
Purchase of Fixed Assets/Spares						
Colgate-Palmolive Company, U.S.A.	4,67.62	-	-	-	4,67.62	-
Others	-	-	2.33	-	2.33	-
Sub-Total	4,67.62	-	2.33	-	4,69.95	-
Services Rendered (inclusive of Goods and Service Tax)						
Colgate-Palmolive Company, U.S.A.	34,69.18	28,15.87	-	-	34,69.18	28,15.87
Others	-	-	3,36.53	3,28.06	3,36.53	3,28.06
Sub-Total	34,69.18	28,15.87	3,36.53	3,28.06	38,05.71	31,43.93
Services Received						
Colgate-Palmolive Company, U.S.A.*	95,36.42	85,67.28	-	-	95,36.42	85,67.28
Colgate Global Business Services Pvt Ltd., India	-	-	14,56.44	11,26.75	14,56.44	11,26.75
Sub-Total	95,36.42	85,67.28	14,56.44	11,26.75	109,92.86	96,94.03
Reimbursement of Expenses Charged by the Company/(on the Company)						
Colgate-Palmolive Company, U.S.A.*	(33,25.43)	(58,07.78)	-	-	(33,25.43)	(58,07.78)
Colgate-Palmolive Asia Pacific Limited	-	-	(4,35.98)	(2,79.88)	(4,35.98)	(2,79.88)
Others	-	-	2,48.78	3,65.43	2,48.78	3,65.43
Sub-Total	(33,25.43)	(58,07.78)	(1,87.20)	85.55	(35,12.63)	(57,22.23)
Dividend Paid						
Colgate-Palmolive Company, U.S.A.	294,17.23	207,01.01	-	-	294,17.23	207,01.01
Colgate-Palmolive (Asia) Pte. Ltd., Singapore	-	-	80,34.89	56,54.18	80,34.89	56,54.18
Norwood International Incorporated, U.S.A.	-	-	0.30	0.21	0.30	0.21
Sub-Total	294,17.23	207,01.01	80,35.19	56,54.39	374,52.42	263,55.40
Royalty [exclusive of withholding tax of ₹ 23,98.98 lakhs (March 31, 2019 - ₹ 24,04.79 lakhs)]						
Colgate-Palmolive Company, U.S.A.	195,69.78	196,17.09	-	-	195,69.78	196,17.09
Sub-Total	195,69.78	196,17.09	-	-	195,69.78	196,17.09

*The above amount includes accruals for the year ended March 31, 2018 of ₹ 24,40.64 lakhs for which debit note is received during the year March 31, 2019.

Notes to the Financial Statements for the year ended March 31, 2020

Note 38: Disclosure of Related Parties (Contd.)

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

	₹ Lakhs	
	Year Ended	
	March 31, 2020	March 31, 2019
Executive Directors		
Remuneration	12,45.86	14,04.24
Contribution to Provident and Other Funds *	55.30	56.15
Share Based Payments	7,18.07	3,20.17
Sub Total	20,19.23	17,80.56
*As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.		
- Executive Directors		
I. Bachaalani	8,65.35	11,65.13
M. S. Jacob	3,76.22	2,94.92
R. Raghavan	4,75.99	-
M.Chandrasekar	3,01.67	3,20.51
Sub Total	20,19.23	17,80.56
- Independent Directors		
Sitting Fees and Commission		
R. A. Shah	25.00	18.70
P. K. Ghosh	24.50	18.45
V. S. Mehta	25.50	19.20
I. Shahani	25.00	17.15
S. Gopinath	24.50	18.45
S. Kripalu	23.50	14.43
Sub Total	1,48.00	1,06.38
- Company Secretary		
K.R.Singh	50.91	43.65
Sub Total	50.91	43.65

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

Contribution made by the Company in the following funds:		
Colgate-Palmolive (India) Limited Provident Fund	9,72.72	8,91.40
Colgate-Palmolive India Gratuity Fund for Workmen	-	75.00
Colgate-Palmolive India Gratuity Fund for Non-Workmen	-	5,25.00

Notes to the Financial Statements for the year ended March 31, 2020

Note 38: Disclosure of Related Parties (Contd.)

₹ Lakhs

Outstanding Balances	Parties referred to in Category A		Parties referred to in Category B		Total	
	Year Ended		Year Ended		Year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Trade Receivables						
Colgate-Palmolive Company, U.S.A.	8,26.94	7,04.96	-	-	8,26.94	7,04.96
Colgate Palmolive West East Investments, U.S.A.	-	-	2,90.50	2,96.06	2,90.50	2,96.06
Colgate-Palmolive Pty. Ltd., Boksburg	-	-	10,53.97	7,85.29	10,53.97	7,85.29
Colgate-Palmolive South Africa	-	-	1,36.98	31.51	1,36.98	31.51
Others	-	-	17,87.40	10,24.04	17,87.40	10,24.04
Sub-Total (Refer Note 9)	8,26.94	7,04.96	32,68.85	21,36.90	40,95.79	28,41.86
Trade Payables						
Colgate-Palmolive Company, U.S.A.	73,93.61	87,08.15	-	-	73,93.61	87,08.15
Colgate-Palmolive Asia Pacific Limited, Hongkong	-	-	15,75.38	7,45.56	15,75.38	7,45.56
Colgate Global Business Services Pvt Limited, India	-	-	-	2,33.50	-	2,33.50
Others	-	-	1,94.03	2,35.63	1,94.03	2,35.63
Sub-Total (Refer Note 23)	73,93.61	87,08.15	17,69.41	12,14.69	91,63.02	99,22.84
Other Receivables (included in Other Current Financial Assets)						
Colgate-Palmolive Company, U.S.A.	25.77	2.15	-	-	25.77	2.15
Colgate-Palmolive Asia Pacific Limited, Hongkong	-	-	1,02.49	75.84	1,02.49	75.84
Colgate Palmolive West East Investment, U.S.A.	-	-	18.68	17.17	18.68	17.17
Colgate Global Business Services Pvt Ltd	-	-	1,68.43	9.50	1,68.43	9.50
Others	-	-	61.67	33.48	61.67	33.48
Sub-Total (Refer Note 13)	25.77	2.15	3,51.27	1,35.99	3,77.04	1,38.14

Terms and conditions:

Transactions relating to dividends and bonus shares were on the same terms and conditions that apply to other shareholders.

Goods and Services procured or provided from/ to related parties are generally priced at arm's length. Other reimbursement of expenses to/ from related parties is on Cost basis.

All other transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are repayable/ receivable in cash.

Notes to the Financial Statements for the year ended March 31, 2020

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.

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

Particulars	March 31, 2020		March 31, 2019	
	Weighted Average Exercise price	Number of options	Weighted Average Exercise price	Number of options
Options outstanding at the beginning of the year	4,368	3,83,053	4,194	4,07,195
Options granted/transferred during the year	4,768	1,39,673	4,426	97,332
Exercised during the year	3,625	(66,627)	2,893	(72,928)
Transferred to other group companies during the year	4,446	(99,041)	4,498	(20,776)
Lapsed during the year	4,572	(13,822)	4,705	(27,770)
Options outstanding at the end of the year	4,599	3,43,236	4,368	3,83,053
Options vested and exercisable at the end of the year		2,74,733		3,02,071

The weighted average share price at the dates of exercise of options exercised during the year ended March 31, 2020 was ₹ 5,041/- (March 31, 2019 : ₹ 4,996)

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, 2020	March 31, 2019
			Number of options	Number of options
2013	2019 - 2020	2,795 - 3,476	-	31,347
2014 - 2016	2019 - 2022	3,907 - 4,890	1,44,005	1,92,339
2017 - 2018	2020 - 2024	4,440 - 4,729	1,35,699	1,59,367
2019	2027 - 2029	5,153	63,532	-
Total			3,43,236	3,83,053
Weighted average remaining contractual life of options outstanding at end of year			3.64 Years	3.37 Years

Notes to the Financial Statements for the year ended March 31, 2020

Note 39 - Share Based Payments...(Contd.)

Fair Value of options granted

The fair value at the grant date of options granted during the year ended March 31, 2020 was ₹ 747.06 per option (March 31, 2019 : ₹ 617.53 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, 2020 and March 31, 2019 are as below:

Particulars	March 31, 2020	March 31, 2019
Expected volatility (%)	19.20%	17.70%
Expected life of the options	6 years	4.5 years
Risk free interest rate(%)	1.54%	2.80%
Grant Year	2019	2018
Expiry Year	2029	2024
Expected dividend (%)	2.35%	2.46%

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected volatility was determined based on the volatility of the equity share for the period of one year prior to issue of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

(b) Restricted Stock Units (RSU's)

Particulars	March 31, 2020		March 31, 2019	
	Weighted Average Grant date Fair value	Number of Units	Weighted Average Grant date Fair value	Number of Units
Units outstanding at the beginning of the year	4,618	34,629	4,057	36,284
Units granted / transferred during the year	4,937	21,207	4,540	10,850
Exercised during the year	4,490	(8,490)	3,611	(8,107)
Transferred to other group companies during the year	4,693	(6,491)	4,801	(847)
Lapsed during the year	4,706	(813)	4,645	(3,551)
Units outstanding at the end of the year	4,780	40,042	4,618	34,629

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

Particulars	March 31, 2020	March 31, 2019
Weighted average remaining contractual life of RSUs outstanding at end of year	1.42 Years	1.11 Years

The weighted average fair value at the date of exercise of RSU's exercised during the year ended March 31, 2020 was ₹ 4,963 (March 31, 2019 : ₹ 4,801)

(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, 2020	March 31, 2019
Employee share based payment expense [Refer Note 29]	9,74.45	8,06.77

Notes to the Financial Statements for the year ended March 31, 2020

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

₹ Lakhs

	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial Assets						
(i) Investments - Non-Current	-	-	18,61.85	-	-	31,15.16
(ii) Trade Receivable	-	-	132,56.43	-	-	209,78.64
(iii) Cash and Cash Equivalents	-	-	397,81.68	-	-	377,99.83
(iv) Other Bank Balances	-	-	23,45.17	-	-	21,35.37
(v) Loans - Current	-	-	113,47.97	-	-	114,96.42
(vi) Loans - Non Current	-	-	2,03.56	-	-	2,69.83
(vii) Receivable from Related Parties	-	-	3,77.04	-	-	1,38.14
(viii) Security Deposits - Non-Current	-	-	15,19.71	-	-	11,82.72
(ix) Security Deposits - Current	-	-	2,76.91	-	-	4,70.82
(x) Insurance Claim Receivables	-	-	78.26	-	-	38.18
(xi) Deposits with Banks	-	-	2,49.33	-	-	2,48.98
Total Financial Assets	-	-	712,97.91	-	-	778,74.09
Financial Liabilities						
(i) Trade payables-Total outstanding dues of micro enterprises and small enterprises	-	-	12,72.70	-	-	6,02.11
(ii) Trade payables-Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	599,78.64	-	-	607,16.09
(iii) Security Deposits - Non-Current	-	-	1,18.13	-	-	1,18.13
(iv) Borrowings	-	-	-	-	-	77,71.09
(v) Lease Liabilities	-	-	101,49.67	-	-	-
(vi) Capital Creditors	-	-	2,07.30	-	-	2,59.23
(vii) Current maturities of finance lease obligations	-	-	-	-	-	5,43.13
(viii) Unpaid Dividends	-	-	22,66.19	-	-	210,97.31
(ix) Unpaid Balance of Share Capital Reduction	-	-	78.98	-	-	77.05
Total financial liabilities	-	-	740,71.61	-	-	911,84.14

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

Notes to the Financial Statements for the year ended March 31, 2020

(iii) Fair value of financial assets and liabilities measured at amortised cost

₹ Lakhs

	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
(i) Investments - Non-Current	18,61.85	18,61.85	31,15.16	31,15.16
(ii) Trade Receivable	132,56.43	132,56.43	209,78.64	209,78.64
(iii) Cash and Cash Equivalents	397,81.68	397,81.68	377,99.83	377,99.83
(iv) Other Bank Balances	23,45.17	23,45.17	21,35.37	21,35.37
(v) Loans - Current	113,47.97	113,47.97	114,96.42	114,96.42
(vi) Loans - Non Current	2,03.56	2,03.56	2,69.83	2,69.83
(vii) Receivable from Related Parties	3,77.04	3,77.04	1,38.14	1,38.14
(viii) Security Deposits - Non-Current	15,19.71	15,19.71	11,82.72	11,82.72
(ix) Security Deposits - Current	2,76.91	2,76.91	4,70.82	4,70.82
(x) Insurance Claim Receivables	78.26	78.26	38.18	38.18
(xi) Deposits with Banks	2,49.33	2,49.33	2,48.98	2,48.98
Total Financial Assets	712,97.91	712,97.91	778,74.09	778,74.09
Financial Liabilities				
(i) Trade payables-Total outstanding dues of micro enterprises and small enterprises	12,72.70	12,72.70	6,02.11	6,02.11
(ii) Trade payables-Total outstanding dues of creditors other than micro enterprises and small enterprises	599,78.64	599,78.64	607,16.09	607,16.09
(iii) Security Deposits	1,18.13	1,18.13	1,18.13	1,18.13
(iv) Borrowings	-	-	77,71.09	77,71.09
(v) Lease Liabilities	101,49.67	101,49.67	-	-
(vi) Capital Creditors	2,07.30	2,07.30	2,59.23	2,59.23
(vii) Current maturities of finance lease obligations	-	-	5,43.13	5,43.13
(viii) Unpaid Dividends	22,66.19	22,66.19	210,97.31	210,97.31
(ix) Unpaid Balance of Share Capital Reduction	78.98	78.98	77.05	77.05
Total financial liabilities	740,71.61	740,71.61	911,84.14	911,84.14

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.

Notes to the Financial Statements for the year ended March 31, 2020

The Company's Management works closely with its Treasury department and Internal Audit department to ensure there are appropriate policies and procedures governing the operations of the Company with a view to providing assurance that there is visibility into financial risks and that the business is being run in conformity with the stated risk objectives. Periodic reviews with concerned stakeholders provides an insight into risks to the business associated with currency movements, credit risks, commodity price fluctuations, etc. and necessary deliberations are undertaken to ensure there is an appropriate response to the developments.

A MANAGEMENT OF LIQUIDITY RISK

The Company follows a conservative policy of ensuring sufficient liquidity at all times through a strategy of profitable growth, efficient working capital management as well as prudent capital expenditure and dividend policies. The Company has a overdraft facility with banks to support any temporary funding requirements. The Company is cognizant of reputational risks that are associated with the liquidity risk and the risk is factored into the overall business strategy.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

As at March 31, 2020, the Company had undrawn letter of credit facilities in aggregate of ₹ Nil (March 31, 2019: ₹ Nil).

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

	₹ Lakhs					
	Carrying amount	Payable on demand	Less than 3 months	3-12 months	More than 12 months	Total
As at March 31, 2020						
(i) Trade payables	612,51.34	-	612,51.34	-	-	612,51.34
(ii) Security Deposits	1,18.13	-	-	-	1,18.13	1,18.13
(iii) Lease Liabilities	101,49.67	-	4,38.11	13,14.32	83,97.24	101,49.67
(iv) Capital Creditors	2,07.30	-	2,07.30	-	-	2,07.30
(v) Unpaid Dividends	22,66.19	22,66.19	-	-	-	22,66.19
(vi) Unpaid Balance of Share Capital Reduction	78.98	78.98	-	-	-	78.98
As at March 31, 2019						
(i) Borrowings	77,71.09	-	-	-	77,71.09	77,71.09
(ii) Trade payables	613,18.20	-	613,18.20	-	-	613,18.20
(iii) Security Deposits	1,18.13	-	-	-	1,18.13	1,18.13
(iv) Capital Creditors	2,59.23	-	2,59.23	-	-	2,59.23
(v) Unpaid Dividends	210,97.31	20,58.32	190,38.99	-	-	210,97.31
(vi) Unpaid Balance of Share Capital Reduction	77.05	77.05	-	-	-	77.05
(vii) Current maturities of finance lease obligations	5,43.13	-	-	5,43.13	-	5,43.13

Notes to the Financial Statements for the year ended March 31, 2020

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
<p>1. CURRENCY RISK</p> <p>The Company is subject to the risk of changes in foreign currency values that impact costs of imported raw material (directly and by local suppliers), import of finished goods, equipment for expansion at the plants, expatriate costs, service income, reimbursement of expenses, service related charges from overseas related and third parties as well as revenue from exports. Receivable and Payable having foreign currencies denomination in the balance sheet will also be impacted.</p> <p>As at March 31, 2020, the unhedged exposure to the Company on holding financial assets and liabilities other than in its functional currency amounted to ₹ 42,89.9 Lakhs and ₹ 42,51.36 Lakhs respectively (March 31, 2019 : 37,94.28 Lakhs and ₹ 51,72.01 Lakhs)</p>	<p>The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, Euro, and Chinese Yuan. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented.</p>	<p>As an estimation of the approximate impact of the residual risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in exchange rates.</p> <p>A 1% strengthening of the INR against key currencies to which the Company is exposed at year end would have led to approximately an additional ₹ 0.39 lakhs pre-tax loss in the Statement of Profit and Loss (2018-19 : ₹ 13.78 lakhs pre-tax gain). A 1% weakening of the INR against these currencies would have led to an equal but opposite effect.</p> <p>A 1% strengthening of the INR against key currencies would have led to approximately an additional pre-tax gain of ₹ 8,45 lakhs in the Statement of Profit and Loss (2018-19 : ₹ 7,67 Lakhs pre-tax gain). A 1% weakening in currency prices would have led to an equal but opposite effect.</p>
<p>2. COMMODITY PRICE RISK</p> <p>The Company is exposed to the risk of changes in commodity prices in relation to its purchase of its raw materials especially corn, carton board, resins and palm oils.</p>	<p>The Company develops periodic financial forecasts based on commodity price forecasts by its Procurement group and appropriate actions including selling price changes and cost saving measures to reduce the impact of commodity price changes is considered as part of the financial modelling.</p>	<p>A 1% increase in commodity prices would have led to approximately ₹ 5.99 lakhs additional loss in the Statement of Profit and Loss (2018-19: ₹ 6,19 Lakhs loss). A 1% weakening in commodity prices would have led to an equal but opposite effect.</p>

Notes to the Financial Statements for the year ended March 31, 2020

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 ₹ 132,56.43 Lakhs as at March 31, 2020 and ₹ 209,78.64 Lakhs as at March 31, 2019.

(I) Reconciliation of loss allowance provision- Trade receivables

	March 31, 2020	March 31, 2019
Loss allowance at the beginning of the year	9,13.12	5,06.24
Add / (Less) : Changes in loss allowances	(1,64.83)	4,06.88
Loss allowance at the end of the year	7,48.29	9,13.12

Balance as on March 31, 2019

	Not due	0-180	>180	Total
Ageing				
Gross carrying amount	52,48.86	155,53.18	10,89.72	218,91.76
Provision for doubtful debts	-	-	(9,13.12)	(9,13.12)
Carrying amount of trade receivables (net of Provision)	52,48.86	155,53.18	1,76.60	209,78.64

Balance as on March 31, 2020

	Not due	0-180	>180	Total
Ageing				
Gross carrying amount	55,31.42	72,68.14	12,05.16	140,04.72
Provision for doubtful debts	-	-	(7,48.29)	(7,48.29)
Carrying amount of trade receivables (net of Provision)	55,31.42	72,68.14	4,56.87	132,56.43

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in debt instruments. The Company has concentrated its main investment activities with a limited number of counter-parties which have secure credit ratings, to reduce this risk. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department.

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 Managements assessment of the balances of key elements to ensure strategic decisions and day to day activities. The capital structure of the Company is managed with a view of the overall macro economic conditions and the risk characteristics of the underlying assets.

The Company's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Company, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Company.

Notes to the Financial Statements for the year ended March 31, 2020

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: The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end*	12,72.70	6,02.11
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0.02
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,42.94	28,31.90
(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	1.57	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made**	1.96	10.14
(vii) Further interest remaining due and payable for earlier years	0.56	-

* The principal amount represents amount outstanding (due as well as not due) as at the Balance Sheet date.

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

Note 44: Exceptional Item for the year ended March 31, 2019 represents profit before tax of ₹ 34,11.57 Lakhs on the sale of the Company's former factory leasehold land and buildings at Aurangabad, Maharashtra and ₹ 3,61.05 Lakhs on severance and related expenses.

Note 45: Subsequent to year end, the Company has declared a Second Interim Dividend of ₹ 16/- per share aggregating to ₹ 435,18 Lakhs on May 21, 2020 which will be paid on and from June 16, 2020. For the financial year 2018-19, subsequent to year ended March 31, 2019, the Company had declared a Special Interim Dividend of ₹8/- per share aggregating to ₹ 262,31 Lakhs (including dividend distribution tax) on May 27, 2019. In accordance with the provisions of Ind AS 10, these dividends are not recognised as a liability for the respective years.

Note 46: Effective April 1, 2019, the company adopted Ind AS 116 "Leases", applied to all contracts having lease components existing on April 1, 2019 using the modified retrospective method. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The Company has measured the Right-of-use asset and lease liability based on the remaining lease period and payments discounted using the incremental borrowing rate as of the date of initial application. On initial date of application, the adoption of the new standard resulted in recognition of Right-of-use asset (ROU) of ₹ 215,22.38 lakhs (including leasehold land) and a lease liability of ₹ 121,44 lakhs. The Company has accounted amortisation on ROU and finance cost on lease liability in the statement of Profit and Loss. The effect of this adoption is not significant on the profit for the year and earning per share.

Note 47: The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, Investments, Inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions including conditions in India because of this pandemic, the Company, as at the date of approval of these financial results has assessed impact on expected future performance of the Company by using internal and external sources of the information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of the assets are fully recoverable. The Company, being into the business of essential products, currently believes that the impact of COVID-19 on the Company's financial statement may not be material. The management continues to evaluate impact of COVID-19 situation on the Company.

Notes to the Financial Statements for the year ended March 31, 2020

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

In terms of our report of even date.

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003

Jayesh Gandhi

Partner

Membership Number - 037924

Mumbai, May 21, 2020

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

M. S. Jacob

Whole-time Director &

Chief Financial Officer

(DIN : 07645510)

Mumbai, May 21, 2020

R. Raghavan

Managing Director

(DIN : 08511606)

K.R. Singh

Company Secretary

(F-6621)

Form No. SH-13 -Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,

(Name of the Company) _____

(Address of the Company) _____

_____ Pincode _____

We _____

residing at _____

_____ the holder(s) of the securities, particulars of which are given hereunder, wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my / our death.

(1) Particulars of the Securities (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

(2) Particulars of Nominee

Name:		Date of Birth:		Please affix recent passport size photograph of the Nominee signed across
Father's / Mother's / Spouse's name:		Occupation:	Nationality:	
E-mail id:				
Phone No:	Relationship with the security holder:			Signature of the Nominee
Address: _____ _____ Pincode _____				

(3) In case Nominee is a Minor

Date of Birth	Date of attaining Majority:	Name of guardian:
Address of guardian: _____ _____ Pincode _____		

(4) Particulars of Nominee in case Minor Nominee dies before attaining age of majority

Name:		Date of Birth:		Please affix recent passport size photograph of the Nominee signed across
Father's / Mother's / Spouse's name:		Occupation:	Nationality:	
E-mail id:				
Phone No:	Relationship with the security holder:			Signature of the Nominee
Address: _____ _____ Pincode _____				

Name of the Security Holder(s)	Signature
1.	
2.	
3.	

Name of Witness		Signature of Witness with dare
Address of Witness : _____ _____ Pincode _____		
Place:	Date:	



Your company cares about the environment and sustainability,
and we urge you to do the same. Please do not print this out
unless absolutely necessary.