

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 financial year ended March 31, 2021.

1. Financial Results

	(₹ In Crore)	
	F.Y. 2020-21	F.Y. 2019-20
Total Revenue (a+b+c)	4,871.56	4,574.33
Sales (Including Excise Duty) (a)	4,810.48	4,487.57
Other Operating Revenue (b)	30.74	37.52
Other Income (c)	30.35	49.24
Profit before Tax and exceptional items and Tax	1,350.21	1,043.36
Profit before Taxation	1,350.21	1,043.36
Tax Expense	314.83	226.89
Profit for the year	1,035.38	816.47
Other Comprehensive Income (net of Tax)(gain)	(3.24)	15.53
Total Comprehensive Income	1,038.62	800.94
Balance brought forward	1,170.46	1,018.56
Profit available for appropriation	1,038.62	800.94
Balance transferred to Retained Earnings from Share Options Outstanding Account	1.51	6.74
Appropriation :		
Dividend	(1,468.72)	(543.97)
Dividend Distribution Tax	-	(111.81)
Balance carried forward	741.86	1,170.46

2. Business Performance

Reported Net Sales for the financial year 2020-21 stood at ₹ 4,810.48 crores against ₹ 4,487.57 crores of previous year. Net Sales increased by 7.2% in comparison to the previous year. Reported Net Profit after tax for the financial year 2020-21 was ₹ 1,035.39 crores, an increase of 26.8% over the previous year.

Despite the challenging business and economic environment, your Company continues to sustain its leadership position in both the Toothpaste and Toothbrush categories during the financial year 2020-21.

3. Dividend

Your Company's Board of Directors declared two interim dividends, aggregating to ₹ 38/- per share, for the financial year 2020-21. The first interim dividend of ₹ 18/- per share was declared in October 2020 and the second interim dividend of ₹ 20/- per share was declared in March 2021. The first interim dividend was

paid on November 18, 2020 and the second interim dividend was paid on April 16, 2021. Having declared two interim dividends, your Company's Board has not recommended a final dividend for the financial year 2020-21.

4. Transfer to Reserves

No amount has been transferred to the general reserves.

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 2020-21, the following products were launched/re-launched:

Colgate Vedshakti's new brand proposition: With the "Mooh Swachh Toh Aap Healthy" (Pure Mouth means



a Healthy You) media campaign, Colgate Vedshakti became the first Oral Care brand that educated consumers about the connection between Oral Health & Overall Health. Our mouth is a gateway to the body and it is imperative we keep it clean and germ free. This high decibel campaign was kickstarted with the launch of a new TVC and further amplified with multiple print & digital initiatives through the year.

The consumers resonated with the brand's message. A testimony to this was The Economic Times Brand Equity rating the Colgate Vedshakti media campaign #6 in their list of 'India's Top 100 Campaigns of 2020' across all advertised categories.

The flagship naturals brand strengthened its position as the Ayurvedic Oral Care expert with two new launches - Vedshakti Mouth Protect Spray & Vedshakti Oil Pulling.

- **Colgate Vedshakti Mouth Protect spray:** Is a first of a kind solution powered by Ayurveda that offers instant germ kill through the convenience and simplicity of a mouth spray. When we are out of our homes, it's not easy to keep the constantly growing mouth-germs in check. Colgate Vedshakti Mouth Protect Spray is a breakthrough innovation. It provides instant germ-killing action in the mouth, refreshes mask-breath with its minty saunf flavor and fits easily in the pocket.
- **Colgate Vedshakti Oil pulling:** Oil Pulling is an ancient oral 'kriya' recommended in Ayurvedic scriptures as an essential part of daily morning health rituals or 'dinacharya'. Incorporating Oil Pulling to your existing oral regimen helps remove impurities and promote Oral Health, keeping Oral diseases at bay. Combining this centuries-old practice of Oil Pulling with Colgate's oral care expertise, we created an antioxidant rich blend of 5 oils (Sesame, Eucalyptus, Basil, Clove and Lemon) known to deep clean & detoxify the mouth every morning, giving benefits in oral health and beyond.

With the two new launches, Colgate Vedshakti became an Ayurveda Platform. A new, premium visual identity was developed which unified all the brands in the portfolio and gave a distinct signature of Ayurvedic expertise to Brand Vedshakti.

With the Vedshakti Toothpaste, Vedshakti Mouth Protect Spray & Oil Pulling, we are now providing a range of oral care solutions that helps to keep your mouth clean and detoxified to help you stay healthy.

Colgate Super Flexi Salt: India's #1 selling toothbrush brand, Super Flexi, has launched the first ever Salt toothbrush, with Salt infused slim tip bristles to provide superior cleaning. This offering comes at an attractive price point of ₹ 25.

Colgate Zig Zag Turmeric: Colgate Zig Zag Turmeric is India's first turmeric toothbrush. The brush has the unique offering of 100% Anti-bacterial bristles infused with turmeric, that inhibit bacterial build up on the bristle surfaces. This offering is an extension to Colgate's range of Natural toothbrushes at ₹ 35.

Colgate Magik: To make brushing an exciting and interactive learning experience and to help kids develop right oral care habits, we have launched Colgate Magik, a first of its kind augmented reality toothbrush that completely transforms toothbrushing time into a fun adventure.

Toothpaste for Diabetics: Diabetes and Oral care are closely interlinked and better oral care can help in better diabetes management. Your Company has launched Colgate's first ever Toothpaste for Diabetics. It's unique formula harnesses the goodness of Ayurvedic ingredients with cutting edge oral science helping people with Diabetes keep their gums healthy, thus helping them manage oral care as part of their diabetes management.

Colgate Visible White Instant: We launched Colgate Visible White Instant, a toothpaste which promises an instant teeth whitening benefit to consumers. It has a unique technology and contains optical brighteners that whiten teeth from the first brushing itself.

Colgate Zig Zag Anti Bacterial: One of India's leading toothbrush brands, "Colgate Zig Zag" is now equipped with 100% Anti-Bacterial bristles, transforming into Colgate Zig Zag Anti-Bacterial. Infused with Silver Ions, these unique bristles inhibit bacteria build up on the bristle surface. Inside the mouth, Zig Zag's multi-angled bristles remove germs in between teeth. New Zig Zag now offers superior benefits for overall protection.

Palmolive Hand Sanitizer: Palmolive India launched its range of sanitizers in a record time, as an agile response during the onset of the COVID pandemic in the country. Palmolive Antibacterial Hand Sanitizer kills 99.9% of disease-causing germs instantly, without using soap or water. Its 72% alcohol based formula helps protect from illness causing germs and infection. The non-sticky, gel based formula is safe for hands and leaves them feeling soft and pampered.

Colgate Gentle Range: The New 'Colgate Gentle' addresses the growing need for a brushing experience that doesn't harm soft tissues in the mouth or aggravate problems. The range has been specially curated with Dentists to deliver enhanced care for a healthy mouth and is also endorsed by IDA (Indian Dental Association).

- Gentle Clean for effective everyday care at an affordable entry price point of ₹ 30

- Gentle Sensitive specially designed for Sensitive teeth at ` 50
- Gentle GumCare designed to improve gum health in 4 weeks at ` 75
- Gentle Enamel designed to gently protect tooth enamel & priced at a premium of ` 120
- And finally the flagship bundle Gentle Ultrafoam with a patented design technology that delivers enhanced foam for a gentlest yet superior Clean.

Palmolive Hand wash 150ml Doy Packs: Palmolive Liquid Handwash variants of Sea Minerals and Orchid Milk were re-launched in an innovative 150ml doypack with a spout in September'20. The pack provides an added convenience of use to the consumer, with the unique spout design. The pack reached a phenomenal distribution of around 198,000 stores in its launch month.

Palmolive Charcoal and Mint Bodywash: An E-commerce exclusive pack, Palmolive Body Butter Charcoal & Mint Bodywash is infused with Charcoal and Mint. The natural cleansing power of charcoal removes impurities, and mint adds a long-lasting freshness. It works like a scrub for the skin and has pH balanced formula along with 0% Alcohol, Parabens, Silicones, Animal derivatives, Gluten or Bpa; making it safe for any skin type.

Palmolive Luminous Oil Enriching Bodywash: An extension to the Luminous Range of Bodywash, Palmolive Luminous Oil Enriching Bodywash comes with a rich formula infused with 100% natural ingredients. Coconut hydrates and leaves skin feeling soft and supple, while Jojoba Oil helps in skin repair and damage control.

Colgate DentistsforMe: To stay at the forefront of oral care and to spread smile during this pandemic when dentists clinics were shut, your Company has launched Colgate DentistsforMe.in the first of its kind teledentistry platform that brings to people from all over India, access to Dentists from the comfort of their homes. You can video, audio call or chat with the 250+ dentists across the country whom we have partnered with, to get help with dental issues that you or anyone in the family might face, completely free of charge!

Dental Problems, despite not being fatal, are grievously painful when they occur and on occasions when meeting a dentist physically is inconvenient. Colgate DentistsforMe.in is an easy option to consult an expert dentist in a click. DentistsforMe app is available on Google Play Store and Apple Store or you may sign up at www.dentistsforme.in

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 the planet. 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.

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 key environmental issues 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. As an organization we continue to live our values and remain unwavering in our focus to improve the health and well being of our consumers. One of our topmost priorities of the Company has been the health and safety of its people. The Company, continues 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. We are thankful to our customers, business partners and employees for their continued support during these challenging times. Our sharp focus aimed at fulfilling demand and ensuring uninterrupted access ensured agile and innovative approaches, specifically in our Supply Chain and Distribution efforts. Our disciplined approach to managing all revenue and cost drivers, despite all the uncertainties and challenges around us on account of the pandemic, drove improvements in key financial metrics. We continue to focus our efforts on providing our consumers with a future they can smile about with their health and well-being at the core. During the financial year 2020-21 your Company has ensured to extend wholehearted support to combat the ongoing COVID-19 crises by distribution of ration kits, hygiene products, hand sanitizers, etc, across geographies in India. While Colgate has globally tied up with the World Health Organization for donation of hygiene products, we at Colgate India took a multi-fold approach to support the communities which were adversely impacted and we appreciate efforts of on the ground teams of NGO partners, support extended by Government bodies and local administration of the areas and communities we operate.

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, 2021, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- b) they have selected such accounting policies and 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 and loss 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, empowering children with education, enhancing access to water and supporting livelihoods & women empowerment through water augmentation. 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 and in partnership with reputed NGOs and agencies.

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 2020-21:

- i. Bright Smiles, Bright Futures™;
- ii. Education programs with Seva Mandir and Action Aid and supporting Read India program of Pratham;
- iii. A Positive Step program with NGO NTP+ for children infected & affected with HIV+ ;
- iv. Employability linked skilling program "Saksham" with SEEDs and Learnnet skills;
- v. Water program with Water for People India Trust and Water Augmentation for livelihoods and Women Empowerment with Seva Mandir;
- vi. Keep India Smiling Foundational Scholarship Program with Shikshadaan; and
- vii. COVID-19 relief work for communities adversely impacted through various NGO partners

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 2020-21.

At Colgate, we consider every employee as one of the most valuable resources contributing towards the

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

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

There were no pending complaints as of the end of the financial year 2019-20. During the financial year 2020-21, five complaints were received, investigated and 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 cooperation 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 cpilagm@colpal.com

14. Directors and Key Managerial Personnel

During the financial year 2020-21, the following changes took place in the Board of Directors and the Key Managerial Personnel (in the order of their occurrence):

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

The Company has received the necessary disclosures under the Companies Act, 2013 and the 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 the SEBI Listing Regulations and are independent of the management. Further, the Independent Directors possess integrity and necessary expertise & experience (including the proficiency) which bring tremendous value to the Board and to the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Chandrasekar Meenakshi Sundaram (DIN: 07667965), Whole-time Director, retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

Further, based on the recommendation of the Nomination & Remuneration Committee, the Board at its meeting held on May 17, 2021, considered and approved the re-appointment of Mr. M.S. Jacob (DIN: 07645510) as a Whole-time Director & CFO of the Company for a period of 5 (five) consecutive years with effect from October 28, 2021, subject to the approval of shareholders and any other necessary approvals as may be required.

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 and others on the Company operations, strategic business plans, new products and technologies. Apart from above, Independent Directors are also familiarized with various regulatory developments, changes in laws, etc. 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>

Gist of Familiarization programs conducted during the financial year 2020-21 are as follows:

Sr. No.	Programme/Presentation
1.	Update on Business operations
2.	Strat plan
3.	Regulatory update and Corporate Governance
4.	Update on Brand protection Risk
5.	Presentation on compliance
6.	Update on eCommerce in India
7.	Swarna Vedshakti (SVS) platform Update
8.	Innovation & R&D - Update
9.	Business update on Western Region
10.	Update on Cyber Security

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 and Regulations and Standards of better governance and administration of your Company. Some of the important Policies that are 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:** This 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 Statutory 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 2020-21, 5 (five) Board meetings were held. The details of the meetings are provided in the Corporate Governance Report that forms part of the Board's Report.

18. Committees

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

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

19. Annual Performance Evaluation by the Board

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



The annual performance evaluation process has been designed in such a manner which helps to measure effectiveness of the entire Board and its Committees. Such processes help in ensuring overall performance of the Board and demonstrates a high level of corporate governance standards. There are various key performance areas and evaluation criterias which are measured and analysed during the annual performance evaluation process, few of them are as follows:

Sr. No.	Particular	Key performance areas/evaluation criteria
1.	For Independent Directors	<ul style="list-style-type: none"> Fulfilling the criteria of Independence and is independent from the management. Devoting sufficient time and attention towards professional obligation for informed and balanced decision making. Exercises responsibilities in a bona fide manner in the interest of the Company.
2.	For Executive Directors	<ul style="list-style-type: none"> Maintains a high standard of ethical behaviour and does not have a conflict of interest with the Company. Understands duties, responsibilities, qualifications, disqualifications and liabilities as a director. Ensure best Corporate Governance practices and compliance with the applicable laws and regulations.
3.	For the Chairperson	<ul style="list-style-type: none"> Maintains a high standard of ethical behavior and provides effective leadership. Encourages active participation by all members of the Board and promotes open communication. Well prepared on the issues and provides constructive contribution and inputs in Meetings.
4.	For Committees	<ul style="list-style-type: none"> Committee effectively performs the responsibilities as outlined in the charter and applicable laws and regulations. Committee's composition in terms of size, skills/ expertise and experience is appropriate to perform its responsibilities. Committee meetings are conducted effectively with sufficient time spent on significant or emerging issues.
5.	For the Board	<ul style="list-style-type: none"> Composition is appropriate in terms of its diversity, balance of skills, experience and independence. Members of the Board serving as Independent Directors are sufficiently independent from the Management. Board meetings are conducted effectively, with sufficient time spent on significant or emerging issues.

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 the 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 the Company's Code of Conduct and its ethical ways of working.

21. Public Deposits

During the financial year 2020-21, 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 2020-21 were at arm's length and in the ordinary course of business. All related party transactions were reviewed and approved by the Audit Committee. During the financial year 2020-21, your Company has not entered into any material related party transaction as per the SEBI Listing Regulations with any of its related parties. Disclosures pursuant to the Accounting Standards on related party transactions have been made in the notes to the Financial Statements. To regulate related party transactions, the Company has also framed a Policy on Related Party Transactions and the same is available on the Company's website.

The shareholders of the Company had approved a Material Related Party Transaction for payment of Royalty to Colgate Palmolive Company, USA, Promoter Company through postal ballot in the financial year 2019-20. The said approval was sought for 5 (five) years effective from July 01, 2019.

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

24. Auditors

M/s. S R B C & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 324982E/ E300003), were appointed as Statutory Auditors of the Company at the 76th AGM held on August 3, 2017, for a period of five consecutive years from the conclusion of the 76th AGM till the conclusion of the 81st AGM, subject to ratification by Members of the Company at every AGM to be held thereafter. Further, in view of the amended provisions of Section 139 of the Companies

Act, 2013, notified on 7th May 2018, the Members 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 2020-21 does not contain any qualification, reservation or adverse remarks. Further, during the financial year 2020-21, 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. Anantha subramanian & Co., Company Secretaries in practice, to carry out the Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013. The report of the Secretarial Auditor in Form MR-3 is attached as **Annexure 5** to this Report. The Secretarial Auditors' Report for the financial year 2020-21 does not contain any qualification, reservation or adverse remarks.

26. Annual Return

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

27. Business Responsibility Report

The Business Responsibility Report for the financial year 2020-21, as stipulated under Regulation 34 of the SEBI Listing Regulations is attached as **Annexure 6** to this Report.

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

During the financial year 2020-21, 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. Material changes affecting the Company

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report.

30. 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.

31. 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.

32. 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

Place: Mumbai

Date: May 17, 2021

M.S. Jacob

*Whole-time Director
& CFO*

(DIN : 08511606)

(DIN : 07645510)