

Report of the Directors

To,
The Members,
Colgate-Palmolive (India) Limited

Your Directors are pleased to present their 81st Report and Audited Financial Statements of the Company for the financial year ended March 31, 2022.

1. FINANCIAL HIGHLIGHTS

(₹ In Crores)

	FY 2021-22	FY 2020-21
Total Revenue (a+b+c)	5,126.05	4,871.56
Sales (Including Excise Duty) (a)	5,066.46	4,810.48
Other Operating Revenue (b)	33.33	30.74
Other Income (c)	26.26	30.35
Profit before Tax and exceptional items and Tax	1,409.01	1,350.21
Profit before Taxation	1,409.01	1,350.21
Tax Expense	330.69	314.83
Profit for the year	1,078.32	1,035.38
Other Comprehensive Income (net of Tax) (gain)	(4.67)	(3.24)
Total Comprehensive Income	1,082.99	1,038.62
Balance brought forward	741.86	1,170.46
Profit available for appropriation	1,082.99	1,038.62
Balance transferred to Retained Earnings from Share Options Outstanding Account	-	1.51
Appropriation :		
Dividend	(516.77)	(1,468.72)
Dividend Distribution Tax	-	-
Balance carried forward	1,308.08	741.86

2. BUSINESS PERFORMANCE

Reported Net Sales for the financial year 2021-22 stood at ₹ 5,066.46 crores against ₹ 4,810.48 crores of the previous year. Net Sales increased by 5.3% in comparison to the previous year. Reported Net Profit after tax for the financial year 2021-22 was ₹ 1,078.32 crores, an increase of 4% over the previous year.

Despite the challenging business and economic environment, your Company continued to sustain its leadership position in both the Toothpaste and Toothbrush categories during the financial year 2021-22.

3. DIVIDEND

The Board of Directors of the Company declared two interim dividends, aggregating to ₹ 40/- per equity share, for the financial year 2021-22. The first interim dividend of ₹ 19/- per equity share was declared on October 25, 2021 and paid on and from November 22, 2021 and the second interim dividend of ₹ 21/- per equity share was declared on April 28, 2022 and

paid on and from May 25, 2022. Considering the declaration of two interim dividends, the Board of Directors have not recommended a final dividend for the financial year 2021-22.

4. TRANSFER TO RESERVES

During the year, no amount was transferred to the general reserves.

5. FOCUS ON INNOVATION AND NEW LAUNCHES/ CAMPAIGN

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

In the financial year 2021-22, the following products were launched/re-launched:

- **Colgate Gum Expert:** 90%# of Indians suffer from gum issues with more than half of them experiencing gum bleeding. Your Company has launched a specialized toothpaste in December, 2021 which provides relief from gum bleeding

#Source: National Oral Health Policy 2021



Report of the Directors (Contd.)

& reverses the early signs of gum infection by harnessing the power of turmeric extracts (curcuminoids). The product launch was accompanied with a communication campaign which centered around the key benefit of reducing gum bleeding while spotlighting the presence of unique turmeric extracts in the product.

- **Colgate Visible White O2:** Your Company, in March, 2022, has launched a revolutionary new toothpaste with Active Oxygen Technology which delivers one shade whiter teeth in just 3 days, when used as directed. Its advanced formula releases millions of warm bubbles of oxygen that get gently absorbed in the teeth enamel thereby lightening the micro-stain molecules to unlock a radiant white smile. The product was launched in premium looking cartons and was also accompanied with launch of a communication campaign to build awareness of the launch which was centered around the need for young beauty consumers to be their authentic selves and let their inner confidence shine through with their radiant smiles.
- **Colgate Vedshakti (Re-launch):** The Family Naturals toothpaste segment has been growing faster than the category over the past few years wherein Ayurvedic Naturals brands have been growing even faster. Colgate Vedshakti has been your Company's lead brand in the Ayurvedic Naturals segment. In Q1 2022, we re-launched the brand with a reformulated product, fresh packaging and a new communication. The new product delivered improved sensorials vis-à-vis the erstwhile Vedshakti formula while the communication was crafted to land the brand's proposition i.e. A Clean Mouth for a Healthy You (Mooh Swacch Toh Aap Healthy)
- **Colgate Strong Teeth (Re-launch):** In May 2022, your Company's largest single brand, Colgate Strong Teeth toothpaste has been re-launched with fresh packaging (highlighting the remineralization benefit of the toothpaste via the call-out "Calcium Boost" along with a new logo unit) and new communication to elevate the importance of the need for strong teeth in the minds of our consumers. Colgate Strong Teeth toothpaste has arginine and fluoride which facilitates the remineralization of Calcium from the mouth's saliva onto the teeth at a rate which is better than an average fluoride-only or non-fluoride toothpaste thereby making the teeth stronger.
- **Colgate RecyClean:** As an entry into the sustainability segment, this is our first of its kind toothbrush with a handle made of 100% recycled plastic. The bristles are made of plant derived nylon and are Bisphenol A (BPA) free. This also comes in packaging made with recycled material.
- **Colgate Water Flosser:** A strategic addition to our devices business, Colgate Water flosser gives you the flawless clean plaque removal. It has a unique, easy to hold design with a built in nozzle component +3 pressure modes to choose from as per your requirements.
- **Pro-Clinical 250R Electric Toothbrush:** Adding on to our existing Pro-Clinical range, we introduced 250R Rechargeable, Electric Toothbrushes in 3 variants - Deep Clean, Charcoal and Whitening. These have Sonic technology giving upto 30,000 strokes/minute resulting in a 5x better clean and plaque removal vs regular manual toothbrushes.
- **Pro-Clinical 500R Electric Toothbrush:** An upgrade to the 250R Range, 500R Pro-Clinical Rechargeable, Electric Toothbrushes have 2 brushing modes - with different intensities (20K/30K Strokes/Minute). This range has 2 variants: Whitening and Sensitive, and comes with an additional case for ease of storing while traveling.
- **Palmolive Face Cleansing Range (Launch):** Palmolive entered into Face Cleansing category with our new Palmolive range of Face care products. The range features unique and innovative forms such as face foams, masques & scrubs that have been created with a unique blend of premium natural ingredients and essential oils and includes :
 - Palmolive Hydrating
 - Foam Face Wash
 - Masque

Report of the Directors (Contd.)

- Gel Face Wash
- Palmolive Brightening
 - Foam Face Wash
 - Souffle Face Scrub
 - Gel Face Wash
- Palmolive Anti Acne Purifying
 - Foam Face Wash
 - Masque
 - Gel Face Wash

6. ESG & BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

As a market leader in the Oral care, we seek to deliver sustainable, profitable growth, superior stakeholders returns, and provide its people with innovative, inclusive, and conducive work environment. Your Company has always been at forefront when it comes to Environment & Social Governance (ESG). Colgate's core values highlight its commitment towards an equitable, sustainable, and empowered economy. While Company is in the process of publishing its ESG Report, it has on a voluntary basis adopted Business Responsibility & Sustainability Report from FY 2021-22.

We are 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 focused on the three areas i.e. People, Performance and Planet.

People: Promoting healthier lives, Contributing to the Communities where we live and work:

- The Company is committed to continuously improve employees' well-being and reduce their health risks and encourage healthier living for employees and their families.
- Colgate employees have been provided with free health check-ups. Several mental wellness programs were also rolled out during the financial year.

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

- The 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.

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

- The 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 the Company are mentioned in 'Annexure 3' to this Report.

The 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. 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 99% as per the requirements. The Company is the first in India to receive such certification.

Some of the key sustainability initiatives driven by the Company during the financial year:

- **Colgate-Palmolive launches India's first-ever recyclable toothpaste tubes**

As a market leader in the oral health sector in India,



Report of the Directors (Contd.)

the Company remains steadfast in its commitment to raising the bar on its sustainable footprint. It is focused on bringing world-class sustainable innovation to not only improve oral care but also work towards preserving the environment.

This pioneering technology is being rolled out on Colgate's Active Salt and Vedshakti variants first, with other brands in its portfolio to follow. Colgate-Palmolive is the first oral care brand to launch such an initiative at scale.

The new tube is soft, squeezable and recyclable without compromising on key product attributes like taste, which consumers love and have enjoyed for decades.

The Company has been using recyclable cartons and boxes for over a decade now and this new initiative is part of the Company's continued efforts in its sustainability journey. It marks a new milestone, not just for Colgate-Palmolive, but also the industry at large.

- **Cleft Surgeries with mission smile**

In line with our Keep India Smiling Mission, this program is an effort to create long term impact in the lives of these children and families. Program encompasses a comprehensive care model comprising, mobilization of children and their families, collaboration with surgery experts and local Health Departments, logistics, pre & post treatment and care.

For this financial year, the program was rolled out in Assam, Meghalaya, Gujarat, Tamil Nadu, Andhra Pradesh, Telangana & Sikkim, completing 275 surgeries by March 2022.

- **Initiatives on COVID**

During the financial year 2021-22, the Company has continuously monitored COVID waves and has adapted the necessary measures as needed to address various challenges posed by COVID. 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. During the year the Company has also launched a 'ShotLagayaKya' campaign to create awareness, facilitate, help

overcome barriers and work together to get all our employees, business partners, 3P/contractors and field teams (and ideally, also their immediate families) vaccinated. The Company has arranged several vaccination camps for its employees and other staff members.

Continuing our efforts towards fighting the pandemic we ensured necessary support in strengthening medical equipment infrastructure in Government Hospitals/ Primary Health Centers across the country. The support was extended for equipment like ICU/Fowler beds, vaccination vans, ambulances, X Ray machines, ventilators, wheel chairs, oxygen concentrators among others.

Leveraging the strength of our brand and our presence across India for nearly past 85 years, we have responded with agility to the specific challenge of reaching our products to our consumers without any disruption. 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.

Business Responsibility and Sustainability Report:

The Securities & Exchange Board of India (SEBI) vide its circular no. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021 has mandated the ESG disclosures for the top 1000 listed companies. The Business Responsibility and Sustainability Report (BRSR), capturing the Company's performance on ESG parameters which in turn would enable informed decision making, is a comprehensive framework based on the National Guidelines on Responsible Business Conduct (NGRBC).

The Company has always been steadfast in embedding ESG across the Company. Nurturing trust of our stakeholders and maintaining our leadership position in the oral care industry is of utmost importance. For this reason, integrating responsible business practices is at the fulcrum of the Company's vision and strategy. The Company has taken a proactive approach of adopting BRSR in the financial year 2021-22, a year in advance of the mandatory

Report of the Directors (Contd.)

requirements. The BRSR for financial year 2021-22 is attached as **Annexure 6** to this report.

7. RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Company's Directors, based on the representations received from the Management, confirm that:

- in the preparation of the Annual Accounts for the financial year ended March 31, 2022, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- 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 as at March 31, 2022 and of the profit and loss of the Company for that period;
- 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;
- the Annual Accounts have been prepared on a 'going concern' basis;
- they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- 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 ("the SEBI Listing Regulations") is attached as **Annexure 1** to this Report.

9. CORPORATE SOCIAL RESPONSIBILITY

The 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, Cleft Surgeries. These social initiatives reflect the Company's core values of caring, global teamwork and continuous improvement. These initiatives are carried out by the Company through a variety of effective programs in accordance with the requirements of Schedule VII of the Companies Act, 2013, in partnership with reputed NGOs and agencies.

During the year, the Company has embarked on its ESG journey with the vigor to achieve an ESG leadership position and made ESG initiatives as part of the role of the CSR committee of the Board. In line with the same, the CSR Committee has been renamed to ESG and Corporate Social Responsibility Committee (ECC).

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

The key CSR programs undertaken by the Company during the financial year 2021-22 are:

- Bright Smiles, Bright Futures™;
- Water program with Water for People India Trust;
- Water Augmentation for livelihoods and Women Empowerment with Seva Mandir;
- Keep India Smiling Foundational Scholarship & Mentorship Program with Shikshadaan;
- Colgate Cleft Surgeries Program with Mission Smile;
- Positive Step Program with Network in Thane for People Living with HIV/AIDS;
- Computers and Grooming Program for Children with Action Aid; and
- COVID-19 relief work for adversely impacted communities.

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 <https://www.colgatepalmolive.co.in/community-impact>



Report of the Directors (Contd.)

10. EMPLOYEE RELATIONS

The Employee Relations in the Company continued to remain healthy, cordial and progressive in the financial year 2021-22.

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.

The 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. More details on material developments in Human Resources is covered as a part of Management Discussion and Analysis Report.

Prevention of Sexual Harassment at workplace

The Company has zero tolerance towards any kind of harassment, including sexual harassment, or discrimination. An Internal Complaints Committee (ICC) has been constituted to investigate and resolve sexual harassment complaints. Employees are encouraged to speak up and report any such incidences to the ICC. A Policy on Prevention of Sexual Harassment is put in place, which is reviewed by the ICC at regular intervals. Any complaint made to the ICC is treated fairly and confidentially and the Company does not tolerate any kind of retaliation towards the employees who make complaints to ICC.

An online training is rolled out on the subject and it is mandatory for all the employees of the Company to complete and obtain the certification. The said training is also mandated for the new joiners as a part of their on-boarding process.

During the financial year 2021-22, three complaints

were received, investigated and appropriately resolved by the ICC.

11. 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 at cpilagm@colpal.com

12. 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. The Company will continue to build and maintain a strong association with its business partners and trade associates.

13. 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.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Since the date of last Annual General Meeting, the following changes took place in the Board of Directors and the Key Managerial Personnel:

- Resignation of Mr. Ram Raghavan (DIN : 08511606) as the Managing Director and Chief Executive Officer of the Company effective close of business hours on April 15, 2022.
- Appointment of Ms. Prabha Narasimhan (DIN : 08822860) as the Managing Director and Chief Executive Officer of the Company for a period of five (5) consecutive years w.e.f. September 1, 2022.
- Re-appointment of Mr. Chandrasekar Meenakshi

Report of the Directors (Contd.)

Sundaram (DIN : 07667965) as the Whole-time Director of the Company for a period of five (5) consecutive years w.e.f. January 2, 2022. The said appointment was approved by the shareholders vide postal ballot resolution dated December 2, 2021. Further, at the meeting of Board of Directors held on May 26, 2022, Mr. Chandrasekar has placed his resignation effective close of business hours on June 30, 2022.

- Resignation of Mr. K. Randhir Singh as the Company Secretary & Compliance Officer of the Company effective close of business hours on February 21, 2022.
- Appointment of Mr. Surender Sharma (DIN : 02731373), Whole-time Director - Legal as the Company Secretary & Compliance Officer of the Company w.e.f. February 22, 2022.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Surender Sharma (DIN : 02731373), Whole-time Director - Legal & Company Secretary, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. Basis the recommendation of Nomination and Remuneration Committee, the Board recommends his re-appointment.

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

Declaration of Independence:

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 brings tremendous value to the Board and to the Company.

15. FAMILIARIZATION PROGRAM

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. Detailed presentations are made to the Board and its committees from time to time on various matters such as Business update, Regulatory update, strategic plans, key product launches, litigation status update, plant update, ESG, CSR update, etc. The Functional heads are invited from time to time to present before the Board on key matters pertaining to their area of expertise.

Apart from the above, the Directors are regularly briefed and updated on the Company's policies and procedures, business model, the industry and operating environment that the Company operates in. For newly appointed directors detailed induction program involving the briefing on the Company's philosophy on Governance, Ethics and Compliance coupled with the Company's policies and interactions with the leadership team is in place.

Details of the familiarization programs extended to the Independent Directors during the year are disclosed on the Company website at <http://www.colgateinvestors.co.in/policies>

Gist of Familiarization programs conducted during the financial year 2021-22 are as follows:

Sr. No.	Program/Presentation
1.	Update on Business operations
2.	Regulatory update
3.	Update on special projects
4.	Executive Directors Incentive Plans
5.	Update on Risk Matrix
6.	Update on Income Tax Assessment
7.	Update on Manufacturing and CS&L
8.	Presentation on ERM Plan

16. POLICIES

The Board of Directors of the 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 the Company. Overview of the key policies, as approved by the Board of Directors is as follows :

- 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.



Report of the Directors (Contd.)

- 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 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) **Insider Trading Code of Conduct:** Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed a Insider Trading Code of Conduct for regulating dealing in Company's shares and the flow of UPSI by Designated Persons.
- 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 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 Statutory Policies are available

in the Investors Section on the website of the Company at [https:// www.colgateinvestors.co.in/](https://www.colgateinvestors.co.in/) policies.

17. NUMBER OF BOARD MEETINGS

During the financial year 2021-22, four (4) Board meetings were held on May 17, 2021, July 29, 2021, October 25, 2021 and January 27, 2022. The details of the same are provided in the Corporate Governance Report which forms part of the Board's Report.

18. COMMITTEES

The Board of Directors of the Company has established various Board committees to assist in discharging their duties. These include Audit Committee, Stakeholders' Relationship Committee, ESG and Corporate Social Responsibility Committee, Risk Management Committee and Nomination & Remuneration 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 as per the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

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

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, as well as the performance of its Committees, its Members including independent Directors and the Chairperson. 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, its Committees, Chairperson and Individual Directors. 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 criteria's which are measured and analyzed during the process, few of them are as follows:

Report of the Directors (Contd.)

Sr. No.	Particular	Key performance areas/evaluation criteria
1.	For Independent Directors	<ul style="list-style-type: none"> • Suitable business knowledge and understanding of the industry in which the Company operates. • Exercises his/her own judgement and voices opinion freely without any influence. • Understands governance, regulatory, financial, fiduciary and ethical requirements of the Board/Committee.
2.	For Executive Directors	<ul style="list-style-type: none"> • Good understanding and knowledge of the Company and the sector it operates in and stays abreast of issues, trends, risks, opportunities and competition affecting the Company and uses this information to assess and guide the Company's performance. • Understands duties, responsibilities, qualifications, disqualifications and liabilities as a director. • Ensures best Corporate Governance practices and compliance with the applicable laws and regulations.
3.	For the Chairperson	<ul style="list-style-type: none"> • Provides guidance to the Board on delineation of roles of the Board and Management. • Provides direction to the Board on aspects that are critical/of strategic significance to the Company. • Creates a cohesive environment to allow open and fair discussion.
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"> • Proper mix of competencies to conduct its affairs effectively. • Appropriate mix of independent and non-independent directors. • Number and frequency of Board meetings is adequate to perform its duties effectively.

20. VIGIL MECHANISM

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 Code of Conduct applies to all Colgate people, including Directors, Officers, and all employees of the Company. Even the Company's vendors and suppliers are subject to the Third Party Code of Conduct requirements and adherence to the same and it is a prerequisite for conducting business with the Company. The Code of Conduct Hotline is available on the Company website to report any concerns about unethical behavior, 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. The Company conducts various

training and awareness sessions on Code of Conduct on a continuous basis during town hall, meetings or through creative mailers to all employees.

Senior Leadership Members at various occasions emphasize the importance of adherence to the Company's Code of Conduct and its ethical ways of working.

The same can be accessed at <https://www.colgatepalmolive.com/en-us/who-we-are/governance/code-of-conduct>

21. PUBLIC DEPOSITS

During the financial year 2021-22, the Company has not accepted any Public Deposits under Chapter V of the Companies Act, 2013.

22. LOANS, 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.



Report of the Directors (Contd.)

23. RELATED PARTY CONTRACTS & ARRANGEMENTS

All related party transactions done by the Company during the financial year 2021-22 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 2021-22, the 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 at <https://www.colgateinvestors.co.in/policies>

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 a period of five (5) years effective July 1, 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) of the Companies Act, 2013 in Form AOC-2 is not applicable. For more Related Party Transactions which are in ordinary course of business and on arm's length basis, please refer to Note No. 38 of Financial Statements.

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 Annual General Meeting (AGM) held on August 3, 2017, for a period of five (5) consecutive years from the conclusion of the 76th AGM till the conclusion of the 81st AGM.

The Board of Directors of the Company at their meeting held on April 28, 2022 appointed M/s. S R B C & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 324982E/E300003) as Statutory Auditors of the Company for a second term of five (5) consecutive years from the conclusion of

81st AGM till the conclusion of 86th AGM, subject to the approval of the shareholders at the ensuing AGM of the Company.

The Audit report for the financial year 2021-22 does not contain any qualification, reservation or adverse remarks. Further, during the financial year 2021-22, 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, in its meeting held on May 17, 2021 appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries in practice, (ICSI Unique Code: P1991MH040400, FCS No. 4206, COP No. 1774) to carry out the Secretarial Audit for the financial year 2021-22 under the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report in Form MR-3 is attached as **Annexure 5** to this Report. The Secretarial Audit Report for the financial year 2021-22 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. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the financial year 2021-22, 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.

28. 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.

29. COMPLIANCE WITH SECRETARIAL STANDARDS

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

Report of the Directors (Contd.)

30. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The 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 the Company evaluates the internal financial controls system periodically.

31. AWARDS AND ACCOLADES

The Company has received the following awards and accolades during the financial year:

- 1) ET- Digiplus Awards 2021 (Gold) for:
 - Best use of Branded Content.
 - Best use of Integrated Strategy.
- 2) Indian Digital Awards 21 (Gold) for best use of video.
- 3) Indian Digital Awards 21 (Silver) for best use of content marketing.
- 4) Indian Digital Awards 21 (Bronze) for best use of You Tube.

- 5) ET Media Strategy Awards 21 (Bronze) for best use of Integrated Strategy.
- 6) Digital Dragons Awards 2021 for best Content in Digital Display Marketing Campaign.
- 7) Mint Marketing Awards 21 for best Innovation & Creativity.
- 8) Economic Times Best Brands 2021.
- 9) Economic Times Best Organisation for Women 2022.
- 10) Most Trusted Brands of India 2021.
- 11) Best Audit Committee Award by Asian Center for Corporate Governance and Sustainability.

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.

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

Surender Sharma

*Whole-time Director –Legal &
Company Secretary
(DIN : 02731373)*

M.S. Jacob

*Whole-time Director
and CFO
(DIN : 02735510)*

Place: Mumbai

Date: May 26, 2022