



Your smiles help us grow

Annual Report
2013-2014



COLGATE-PALMOLIVE (INDIA) LIMITED



Annual Report 2013-2014



Spreading Smiles across India

Colgate has achieved yet another year of growth by focusing on its growth pillars. The focus on accelerating penetration, driving premiumization, growing consumption and creating new benefit spaces has enabled the Company to build a strong foundation for success.

In 2013, Colgate further strengthened its leadership position in the Toothpaste and Toothbrush category despite an inflationary environment, pressure on rupee, decreased consumer spending and intensified competition.

The brand has continued to grow stronger as well. For the third consecutive year from 2011 to 2013, Colgate has been ranked as India's #1 Most Trusted Brand across all categories by Brand Equity's Most Trusted Brand Survey.



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Board of Directors

M. V. Deoras	Chairman
R. A. Shah	Non-executive Independent Director (Vice-Chairman)
P. K. Ghosh	Non-executive Independent Director (Deputy Chairman)
J. K. Setna	Non-executive Independent Director
V. S. Mehta	Non-executive Independent Director
Dr. I. Shahani (Ms.)	Non-executive Independent Director
P. Parameswaran (Ms.)	Managing Director
G. Nthunzi	Whole-time Director & CFO
N. Ghate	Whole-time Director & Company Secretary

Audit Committee

R. A. Shah	Chairperson of the Committee
P. K. Ghosh	
J. K. Setna	
V. S. Mehta	
Dr. I. Shahani (Ms.)	
N. Ghate	Secretary of the Committee

Management Committee

P. Parameswaran (Ms.)	Managing Director
G. Nthunzi	Finance
N. Ghate	Legal
A. Babu	Marketing
M. Chandrasekar	Customer Development
Dr. S. Potnis	India Global Technology Centre
M. Yajid	Supply Chain (Toothpaste)
A. Singh	Human Resources
S. Menon (Ms.)	Customer Services & Logistics
M. Mehrotra	Supply Chain (Toothbrush)

Shareholders'/Investors' Grievance Committee

J. K. Setna	Chairperson of the Committee
P. Parameswaran (Ms.)	
P. K. Ghosh	
N. Ghate	

Business Responsibility Reporting Committee

P. Parameswaran (Ms.)	Chairperson of the Committee
N. Ghate	
A. Singh	
M. Mehrotra	
H. Mehta (Ms.)	Head, Communications

Corporate Social Responsibility Committee

Dr. I. Shahani (Ms.)	Chairperson of the Committee
P. Parameswaran (Ms.)	
N. Ghate	
H. Mehta (Ms.)	

Nomination & Remuneration Committee

[Constituted on January 21, 2014]

R. A. Shah	Chairperson of the Committee
V. S. Mehta	
M. V. Deoras	

Risk Management Committee

[Constituted on May 23, 2014]

P. K. Ghosh	Chairperson of the Committee
P. Parameswaran (Ms.)	
N. Ghate	
G. Nthunzi	
A. Singh	

Solicitors

Statutory Auditors

Registered office

Plant Locations

Registrars & Share Transfer Agents

Crawford Bayley & Co.

Price Waterhouse, Chartered Accountants

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

- 1) Aurangabad, Maharashtra
- 2) Baddi, Himachal Pradesh
- 3) Kundaim, Goa
- 4) Sanand, Gujarat
- 5) Sricity, Andhra Pradesh

Sharepro Services (India) Private Limited

Ten-year Highlights

₹ Lacs

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
A. Operating Results :										
Sales	1,072,53	1,217,50	1,385,38	1,553,21	1,758,16	2,024,65	2,317,40	2,736,17	3,244,51	3,757,38
Other Operating revenue and Other Income	34,23	46,09	67,00	84,78	107,76	98,46	106,80	120,06	129,63	84,25
Net Profit After Tax	113,29	137,60	160,17	231,71	290,22	423,26	402,58	446,47	496,75	539,87
Cash Profits	135,66	169,03	175,42	251,56	313,17	460,83	436,83	485,78	540,45	590,62
B. Financial Position :										
Net Fixed Assets #	147,21	169,12	192,03	198,99	178,59	253,14	267,31	329,91	437,46	736,62
Investments	160,78	148,34	133,34	72,59	38,33	21,00	38,74	47,12	47,12	37,13
Other Assets/(Liabilities) (Net)	(54,24)	(42,03)	(40,57)	(104,69)	4,06	56,56	78,05	58,36	5,01	(173,87)
TOTAL ASSETS	253,75	275,43	284,80	166,89	220,98	330,70	384,10	435,39	489,59	599,88
Share Capital	135,99	135,99	135,99	13,60	13,60	13,60	13,60	13,60	13,60	13,60
Reserves and Surplus	113,78	135,08	144,53	148,61	202,70	312,51	370,45	421,79	475,99	586,28
SHAREHOLDERS' FUNDS	249,77	271,07	280,52	162,21	216,30	326,11	384,05	435,39	489,59	599,88
Loan Funds	3,98	4,36	4,28	4,68	4,68	4,59	5	—	—	—
TOTAL CAPITAL EMPLOYED	253,75	275,43	284,80	166,89	220,98	330,70	384,10	435,39	489,59	599,88
C. Equity Share Data :										
Earnings Per Share (₹)	8.33	10.12	11.78	17.04	21.34	31.12	29.60	32.83	36.53	39.70
Dividend Per Share (₹)	7.00	7.50	9.50*	13.00	15.00	20.00	22.00	25.00	28.00	27.00
Number of Shares (in Lacs)	13,60	13,60	13,60	13,60	13,60	13,60	13,60	13,60	13,60	13,60
Number of Shareholders (in '000s)	1,59	1,41	1,40	1,33	1,26	1,24	1,26	1,22	1,29	1,32

Including Capital Advances

* Including one-time special 70th Anniversary Dividend of ₹ 2.00 per share.

Previous year's figures have been regrouped 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

E-mail : investors_grievance@colpal.com

Website : www.colgatepalmolive.co.in

NOTICE is hereby given that the Seventy-Third Annual General Meeting of COLGATE-PALMOLIVE (INDIA) LIMITED will be held at Shri Bhaidas Maganlal Sabhagriha, Swami Bhaktivedanta Marg, J.V.P.D. Scheme, Vile-Parle (West), Mumbai 400 056 on Friday, July 25, 2014 at 3.30 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr. Niket Ghate, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution :

“RESOLVED THAT M/s. Price Waterhouse, Chartered Accountants (Firm Registration Number 301112E), be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

SPECIAL BUSINESS :

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

“RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. N. I. Mehta & Co. a firm of Cost Accountants (Firm Registration Number 000023) and the Cost Auditors of the Company appointed by the Board of Directors to conduct the audit of cost records of the Company for the financial year ending March 31, 2015, be paid a remuneration amounting to ₹ 6,90,000/- (Rupees Six Lacs Ninety Thousand only) plus out of pocket expenses and applicable service tax, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient, to give effect to this resolution.”

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

“RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (the ‘Act’) read with Companies (Appointment and qualification of Directors) Rules, 2014 alongwith Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. R. A. Shah (DIN 00009851), Non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-executive Independent Director on the Board of Directors of the Company to hold office for five (5) consecutive years with effect from July 25, 2014.”

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

“RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (the ‘Act’) read with Companies (Appointment and qualification of Directors) Rules, 2014 alongwith Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. P. K. Ghosh (DIN 00385098), Non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-executive Independent Director on the Board of Directors of the Company to hold office for five (5) consecutive years with effect from July 25, 2014.”

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

“RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (the ‘Act’) read with Companies (Appointment and qualification of Directors) Rules, 2014 alongwith Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. J. K. Setna (DIN 00007433), Non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-executive Independent Director on the Board of Directors of the Company to hold office for five (5) consecutive years with effect from July 25, 2014.”

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

“RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (the ‘Act’) read with Companies (Appointment and qualification of Directors) Rules, 2014 alongwith Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. V. S. Mehta (DIN 00041197), Non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-executive Independent Director on the Board of Directors of the Company to hold office for five (5) consecutive years with effect from July 25, 2014.”

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

“RESOLVED THAT pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 (the ‘Act’) read with Companies (Appointment and qualification of Directors) Rules, 2014 alongwith Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. (Ms.) Indu Shahani (DIN 00112289), Non-executive Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Non-executive Independent Director on the Board of Directors of the Company to hold office for five (5) consecutive years with effect from July 25, 2014.”

By Order of the Board

Niket Ghatge
Whole-time Director &
Company Secretary

Date : May 23, 2014

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND A PROXY NEED NOT BE A MEMBER. **HOWEVER, A PERSON APPOINTED AS A PROXY SHALL ACT ON BEHALF OF SUCH MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.** THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement under Section 102 of the Companies Act, 2013 in respect of Item Nos. 4 to 9 to be transacted at the Meeting is appended hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, July 18, 2014 to Friday, July 25, 2014 (both days inclusive).
4. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company, M/s. Sharepro Services (India) Private Limited at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri – East, Mumbai 400 072.
5. Members who hold shares in physical form are requested to notify immediately any change in their addresses to the Registrars and Share Transfer Agents of the Company at the above address and to their respective Depository Participants, in case shares are held in electronic mode.
6. The Company, consequent upon 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 electronic form through NSDL or CDSL.
7. The DS envisages elimination of several problems involved 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 concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.
8. 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 shareholder as soon as possible. Members are requested not to leave their demat account dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
9. Electronic Clearing Service ('ECS') helps in quick remittance of dividend without possible loss/delay in postal transit. Members are requested to fill in the form which is available on the Company's website or can obtain it from the Company's Registrars and Share Transfer Agents and forward the same to the Company's Registrars and Share Transfer Agents if the shares are held in physical form and to the Depository Participant in case the shares are held in dematerialized form.
10. All unclaimed dividends up to the First Interim Dividend for 1995-96 paid by the Company on September 29, 1995 have been transferred to the General Revenue Account of the Central Government. The Members, who have not encashed the dividend warrants up to the said period are requested to claim the amount from The Registrar of Companies, CGO Building, II Floor, A Wing, Belapur, Navi Mumbai.

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are transferred to the 'Investor Education and Protection Fund', constituted by the Central Government. Accordingly, unclaimed dividends from the Second Interim Dividend for 1995-96 have been transferred to the said Fund. In the month of December 2013, an amount of ₹ 20,22,742/-, being the first interim dividend declared for the year 2006-07, was transferred to the Investor Education and Protection Fund.

11. The Company has designated an exclusive e-mail ID called **investors_grievance@colpal.com** for redressal of shareholders' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at **investors_grievance@colpal.com**.

12. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.

13. Voting through electronic means :

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, members can exercise their right to vote at the 73rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting facility made available by the Company through National Securities Depository Limited (NSDL) :

The instructions for e-Voting are as under :

A. Members whose e-mail ID(s) are registered with the Company/Depository Participants (CDSL/NSDL), the procedure to vote electronically is as under :

- (i) Click on the PDF file sent to you in the e-mail by NSDL. The file will prompt for a password. Kindly input your Client ID or Folio No. as may be applicable in the box prompted for password. The said PDF file contains your user ID and password/PIN for e-Voting. Please note that this password is an initial password and for security purpose needs to be changed while doing first time login.
- (ii) Launch internet browser by typing the following URL : <https://www.evoting.nsdl.com>.
- (iii) Click on Shareholder - Login
- (iv) Enter user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new

password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-Voting opens. Click on e-Voting : Active Voting Cycles.

(vii) Select the "EVEN" (e-Voting Event Number) of Colgate-Palmolive (India) Limited.

(viii) Now you are ready for e-Voting as Cast Vote page opens.

(ix) Cast your vote by selecting an appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@snaco.net.

B. Members whose e-mail ID(s) are not registered with the Company/Depository Participants or request for a physical copy, the procedure to vote electronically is as under :

(i) Initial password is provided in the following format at the bottom of the Attendance Slip of the AGM sent with the Annual Report :

EVEN (E-Voting Event Number)	USER ID	PASSWORD/ PIN
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(ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) of notes 13 (A) above, to cast vote.

- C. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com. Alternatively, you can also contact evoting@nsdl.co.in for any queries or grievances connected with e-Voting service.
- D. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password/PIN for casting your vote.
- E. 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).
- F. The e-Voting period commences on Friday, July 18, 2014 (8 a.m.) and ends on Sunday, July 20, 2014 (5 p.m.). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, June 20, 2014, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, he/she shall not be allowed to change it subsequently. Electronic voting shall not be allowed beyond the said date and time.
- G. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Friday, June 20, 2014.
- H. Mr. S. N. Ananthasubramanian (Membership No. F4206) has been appointed as the Scrutinizer to scrutinize that the e-Voting process is conducted in a fair and transparent manner.
- I. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-Voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the

Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman/Managing Director of the Company.

- J. The results shall be declared on or after the day of the Annual General Meeting (AGM) of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website **www.colgatepalmolive.co.in** and on the websites of Stock Exchanges and NSDL within two (2) working days of passing of the resolutions at the AGM of the Company.
 - K. The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of e-Voting results and voting held at the AGM.
14. At the ensuing Annual General Meeting, Mr. Niket Ghate shall retire by rotation and being eligible, offers himself for re-appointment. Pursuant to Clause 49 of the Listing Agreement, the particulars of Mr. Niket Ghate are given below :

Mr. Niket Ghate :

Mr. Niket Ghate is a Bachelor of Law (LLB.) degree holder from the University of Nagpur and is also a member of the Institute of Company Secretaries of India and Chartered Secretaries and Administrators of United Kingdom. Mr. Ghate has 25 years of valuable experience in the streams of Law like Litigation, Contract Negotiations, Corporate Governance, Mergers & Acquisitions and Taxation. He is currently heading the legal function of the Company as the Vice-President – Legal & Company Secretary. Mr. Ghate is also the Compliance Officer of the Company.

Other Directorships :

Colgate-Palmolive Lanka (Private) Limited.

Committee Memberships :

Mr. Ghate is a member of the Shareholders'/Investors' Grievance Committee, Corporate Social Responsibility Committee, Business Responsibility Reporting Committee and Risk Management Committee of the Company.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Annexure to the Notice

Explanatory Statement under Section 102 of the Companies Act, 2013 (the 'Act').

Item No. 4

M/s. N. I. Mehta & Co., a firm of Cost Accountants, were appointed by the Board of Directors of the Company at their meeting held on March 27, 2014 to act as the Cost Auditors of the Company to conduct the audit of the cost accounts maintained by the Company in respect of Cosmetics and Toiletries for the Financial Year 2014-15. As per Section 148 of the Act, read with Companies (Audit and Auditors) Rules 2014, the remuneration of the Cost Auditors should be approved by the members of the Company. Accordingly, based on the level of expertise and the scope of work, your Board has recommended to pay a remuneration of ₹ 6,90,000/- (Rupees Six Lacs Ninety Thousand only) plus out of pocket expenses and applicable service tax, if any, to the Cost Auditors for the Financial Year 2014-15.

None of the Directors and Key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No. 4.

Item Nos. 5 to 9

Pursuant to the provisions of Sections 149, 150 and 152 of the Act, the Board of Directors of the Company, subject to approval of members at the general meeting, appoint the existing Non-executive Independent Directors of the Company for a consecutive period of five (5) years on the Board of the Company as Non-executive Independent Directors effective July 25, 2014. The details of their qualification, experience and expertise are as under :

Mr. R.A. Shah :

Mr. R. A. Shah is a leading Solicitor and a Senior Partner of M/s. Crawford Bayley & Company, a firm of Solicitors and Advocates. He specialises in a broad spectrum of corporate laws in general with special focus on foreign investments, joint ventures, technology & license agreements, mergers & acquisitions etc. Mr. Shah's valuable experience, expertise and deep knowledge of law shall be beneficial to the Company.

In terms of Section 149 and other relevant provisions of the Act, Mr. Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five (5) consecutive years effective July 25, 2014. A notice has been received from a member proposing Mr. Shah as a candidate for the office of Director of the Company.

Mr. Shah does not hold any shares in the Company.

In the opinion of the Board, Mr. Shah fulfills the conditions for his appointment as an Independent Director as prescribed under the Act and Rules made thereunder and Clause 49 of the Listing Agreement. Mr. Shah is independent of the management. The Company has received a declaration of independence from Mr. Shah as prescribed under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement.

Mr. Shah is a Director of the following other companies :

Chairman of : Procter & Gamble Hygiene and Healthcare Ltd., Clariant Chemicals (India) Ltd., Godfrey Phillips India Ltd., and Pfizer Ltd.

Other Directorships : Abbott India Ltd., Asian Paints Ltd., The Bombay Dyeing & Mfg. Co. Ltd., BASF India Ltd., Deepak Fertilisers & Petrochemicals Corporation Ltd., Century Enka Ltd., Lupin Ltd., Wockhardt Ltd., Atul Ltd., Precision Valve (India) Private Ltd., Jumbo World Holdings Ltd. and Preval Pumps and Accessories (India) Private Ltd.

Alternate Director of : Modicare Ltd., RPG Life Sciences Ltd., Schrader Duncan Ltd. and Uhde India Private Ltd.

Committee Memberships :

Chairman of the Audit Committee of the Boards of : Colgate-Palmolive (India) Limited, Pfizer Ltd., Procter & Gamble Hygiene & Healthcare Ltd. and Clariant Chemicals (India) Ltd.

Member of Audit Committee of : The Bombay Dyeing & Mfg. Co. Ltd., BASF India Ltd., Abbott India Ltd., Century Enka Ltd. and Wockhardt Ltd.

Chairman of the Remuneration Committee of : Colgate-Palmolive (India) Limited and Century Enka Ltd.

Member of the Remuneration Committee of : The Bombay Dyeing & Mfg. Co. Ltd. and Lupin Ltd.

Except Mr. Shah, being an appointee, none of the Directors and Key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No. 5.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. P. K. Ghosh :

Mr. P. K. Ghosh is a Chartered Accountant from the Institute of Chartered Accountants of India and a former Managing Director of your Company. Since 1974, he has served the Company in various capacities. He was appointed as the President of the Company in July, 1982 and its Managing Director effective July 1, 1988. He resigned as Managing Director in January, 1993 in order to take a senior position with the Colgate-Palmolive Asia Pacific Division; he retired from that position in 1995. He has continued to serve the Company as a Non-executive Director and Deputy Chairman of the Board. Mr. Ghosh brings to the Board his rich experience and understanding of the consumer product business and the Company stands to benefit significantly from his expertise.

In terms of Section 149 and other relevant provisions of the Act, Mr. Ghosh being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five (5) consecutive years effective July 25, 2014. A notice has been received from a member proposing Mr. Ghosh as a candidate for the office of Director of the Company.

Mr. Ghosh with his wife holds 7,338 shares of the Company.

In the opinion of the Board, Mr. Ghosh fulfills the conditions for his appointment as an Independent Director as prescribed under the Act and Rules made thereunder and Clause 49 of the Listing Agreement. Mr. Ghosh is independent of the management. The Company has received a declaration of independence from Mr. Ghosh as prescribed under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement.

Other Directorships :

Mr. Ghosh does not hold any other directorship.

Committee Memberships :

Mr. Ghosh is a member of the Audit Committee, Shareholders'/Investors' Grievance Committee and Risk Management Committee of the Company.

Except Mr. Ghosh, being an appointee, none of the Directors and Key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No. 6.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. J. K. Setna :

Mr. J. K. Setna is a Chartered Accountant with a Bachelor's Degree in Commerce from the University of Mumbai. Mr. Setna joined Ingersoll-Rand (India) Limited (a 74% subsidiary of Ingersoll-Rand Company, the multinational diversified machinery manufacturer of New Jersey, U.S.A.) in 1957 and was appointed Corporate Secretary in 1958. He was elected to the Board of Directors in 1965 and designated as Area Controller, Asia Pacific Region, Ingersoll-Rand International in 1966. Mr. Setna was appointed as the Chairman and President of Ingersoll-Rand (India) Limited in 1968. He retired as President in December 1988 and then as Chairman in September 1993. He joined the Board of Tata Sons Limited in October 1993 and continued as a Director on its Board until his retirement in 2003.

Mr. Setna brings to the Board his rich experience and understanding of the Indian industry and consumer product business and the Company will continue to benefit significantly from his expertise.

In terms of Section 149 and other relevant provisions of the Act, Mr. Setna being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five (5) consecutive years effective July 25, 2014. A notice has been received from a member proposing Mr. Setna as a candidate for the office of Director of the Company.

Other Directorships :

Universal Ferro & Allied Chemicals Ltd.

Mr. Setna does not hold any shares in the Company.

In the opinion of the Board, Mr. Setna fulfills the conditions for his appointment as an Independent Director as prescribed under the Act and Rules made thereunder and Clause 49 of the Listing Agreement. Mr. Setna is independent of the management. The Company has received a declaration of independence from Mr. Setna as prescribed under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement.

Committee Memberships :

Mr. Setna is the Chairman of Shareholders'/Investors' Grievance Committee and member of Audit Committee of the Company.

Except Mr. Setna, being an appointee, none of the Directors and Key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No. 7.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. V. S. Mehta :

Mr. V. S. Mehta was the Chairman of the Shell Group of Companies in India since 1994 to October 31, 2012. He was serving the Shell Group since 1988. He was also the Shareholders' representative on the Board of Shell Companies in Saudi Arabia and Middle East during 1988-91 and Managing Director of Shell Marketing and Shell Chemicals Overseas, Cairo, Egypt during 1991-93. Mr. Mehta's illustrious career began as a Member of the Indian Administrative Service of the Government of India in 1978 and he has since held various prestigious positions. These include advisory positions with world-renowned petroleum companies and the Indian Government's Ministry of Petroleum.

Mr. Mehta completed his Bachelor's Degree in Mathematics from Delhi University. He also holds a Bachelor's and Master's Degree in Politics and Economics from Oxford University and Master's Degree in Energy Economics from Fletchers School of Law and Diplomacy, Tufts University. His brilliance and knowledge, coupled with his deep business perspective will continue to bring added value to the Company.

In terms of Section 149 and other relevant provisions of the Act, Mr. Mehta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five (5) consecutive years effective July 25, 2014. A notice has been received from a member proposing Mr. Mehta as a candidate for the office of Director of the Company.

Mr. Mehta does not hold any shares in the Company.

In the opinion of the Board, Mr. Mehta fulfills the conditions for his appointment as an Independent Director as prescribed under the Act and Rules made thereunder and Clause 49 of the Listing Agreement. Mr. Mehta is independent of the management. The Company has received a declaration of independence from Mr. Mehta as prescribed under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement.

Mr. Mehta is a Director of the following companies :

Other Directorships :

Apollo Tyres Ltd., Brookings Institution India Center, N.V. Advisory Services Private Ltd., Vodafone India Ltd., Mahindra & Mahindra Ltd., Larsen & Toubro Ltd., United Spirits Ltd., Hindustan Media Ventures Ltd. and L&T Hydrocarbon Engineering Ltd.

Chairman of Corporate Social Responsibility (CSR) Committee of Larson & Toubro Ltd.

Committee Memberships :

Member of the Audit Committee of : Colgate-Palmolive (India) Limited and United Spirits Ltd.

Member of Nomination and Remuneration Committee of : Colgate-Palmolive (India) Limited and Vodafone India Ltd.

Chairman of Business Risk Committee of : United Spirits Ltd.

Except Mr. Mehta, being an appointee, none of the Directors and Key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No. 8.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Dr. (Ms.) Indu Shahani :

Dr. (Ms.) Indu Shahani, former Sheriff of Mumbai, is an academician and is currently the principal of H.R. College of Commerce and Economics in Mumbai. She has held this position since 2000. She graduated from Sydenham College, Mumbai and holds a Ph.D. in Commerce from the University of Mumbai. She has been in the teaching profession for last 33 years. Dr. Shahani, being acknowledged worldwide for significant contribution to the field of education and value based leadership; it would be in the interest of the Company to continue to avail services of Dr. Shahani as an Independent Director.

In terms of Section 149 and other relevant provisions of the Act, Dr. Shahani being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five (5) consecutive years effective July 25, 2014. A notice has been received from a member proposing Dr. Shahani as a candidate for the office of Director of the Company.

Dr. Shahani does not hold any shares in the Company.

In the opinion of the Board, Dr. Shahani fulfills the conditions for her appointment as an Independent Director as prescribed under the Act and Rules made thereunder and Clause 49 of the Listing Agreement. Dr. Shahani is independent of the management. The Company has received a declaration of independence from Dr. Shahani as prescribed under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement.

Dr. Shahani is a Director of the following companies :

Other Directorships : Bajaj Electricals Ltd., Eureka Forbes Ltd., Lafarge India Private Ltd., Clariant Chemicals (India) Ltd. and Franklin Tempelton Investments.

Committee Memberships :

Dr. Shahani is the Chairperson of the Corporate Social Responsibility Committee and a member of Audit Committee and of the Company.

Except Dr. Shahani, being an appointee, none of the Directors and Key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No. 9.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

By Order of the Board

Niket Ghate
Whole-time Director &
Company Secretary

Date : May 23, 2014

Report of the Directors

To,
The Members
Colgate-Palmolive (India) Limited

Your Directors have pleasure in presenting their Report and Audited Accounts of the Company for the year ended March 31, 2014.

Financial Results

	(₹ Crore)	
	2013-14	2012-13
Total Revenue (a+b+c)	3,629.13	3,213.73
Sales (Excluding Excise Duty) (a)	3,544.88	3,084.11
Other Operating Revenue (b)	33.93	79.70
Other Income (c)	50.32	49.92
Profit before Tax from ordinary activities	663.58	663.03
Exceptional item	64.38	—
Profit before Taxation (including exceptional item)	727.96	663.03
Provision for Taxation	188.09	166.28
Profit after Taxation	539.87	496.75
Balance brought forward	119.21	114.68
Profit available for appropriation	659.08	611.43
Appropriation :		
Dividend	367.18	380.78
Dividend Tax	62.40	61.77
General Reserve	53.99	49.67
Balance carried forward	175.51	119.21
	659.08	611.43

Business Performance

Our Country witnessed unprecedented challenges during Financial Year 2013-14. These challenges were high inflation, including food inflation, which rose to 13.2 per cent in the month of October 2013 and low GDP growth at 4.4 per cent along with unprecedented volatility in currency. The Reserve Bank of India kept a tight monetary policy in the Financial Year 2013-14 and interest rates at elevated level to bring down the inflation. As a result of these factors and weak sentiments, consumer confidence declined resulting in slowing down of consumption in most categories of FMCG sector.

According to Neilson, market researcher, FMCG growth in Urban Market was 8 per cent, while in Rural

Market, the growth was 12 per cent. Overall, FMCG growth, as per the report, slowed down to 9 per cent in 2013, half of the previous year as the consumers cut down on the discretionary spend or down traded to cheaper products.

Despite such a challenging environment and increased competitive intensity, your Company delivered strong results.

Your Company's business continues to grow strongly in double digits. Sales for the year increased by 15 per cent at ₹ 3,544.88 crore as against ₹ 3,084.11 crore during the previous year. The toothpaste business registered a very strong volume growth of 9 per cent during the year.

The profit before tax (including exceptional item) during the year was ₹ 727.96 crore, an increase of 10 per cent over the previous year. The profit after tax (including exceptional item) also increased, standing at ₹ 539.87 crore an increase of 9 per cent over the previous year. Your Company also invested in building new plants at Sanand (Gujarat) and Sricity (Andhra Pradesh).

Your Company strengthened its leadership position in the toothpaste category to 57.1 per cent from 55.4 per cent. Similarly, market share in toothbrush category was strengthened to 42.3 per cent from 41.3 per cent.

During the year, your Company also focused on bringing in consumer appealing innovation as well as adopting various innovative strategies to increase the distribution and penetration in rural markets.

Dividend

The Company's strong cash generation and positive growth momentum led your Board to declare three interim dividends each of ₹ 9/- per share aggregating ₹ 27/- per share for the financial year 2013-14. These dividends were paid on November 20, 2013, December 20, 2013 and April 16, 2014. Having declared three interim dividends, your Board has not recommended a final dividend for the financial year 2013-14.

Colgate – the #1 Most Trusted Brand once again in 2013

For the third consecutive year, 'Colgate' has been ranked as the "#1 Most Trusted Brand" by Brand Equity's Annual Survey. The Most Trusted Brand identifies the most special attribute – 'Consumer's Trust'. This survey was conducted by Economic Times Brand Equity and market research agency, Neilsen. The survey covered design samples of 7,200 across socio-economic classifications such as gender, income, age, work status and geography. Your Company is grateful to its consumers for their loyalty and trust reposed in the brand 'Colgate'. It is noteworthy that Colgate is the only Brand to be ranked in the top 3 from the inception of the survey in the year 2001.

Focus on Innovation

In the current year, your Company launched a breakthrough technology under the brand name, Colgate® Maximum Cavity Protection plus Sugar Acid Neutralizer™, its first and only family toothpaste that directly fights sugar acids, the leading cause of cavities.

While fluoride alone reverses the damage caused by the sugar acids on the tooth enamel, the patented technology in Colgate® Maximum Cavity Protection plus Sugar Acid Neutralizer™, is clinically proven to reduce early tooth decay, helps neutralize sugar acids before they can harm teeth.

Your Company has been staying ahead of trends by identifying opportunities based on insights into consumer behavior and leveraging technology, in collaboration with the parent company, to deliver innovative products. Our success in delivering meaningful innovation is evident in our launches as listed below :

- i) Colgate Active Salt Healthy White toothpaste which offers the benefit of 'Yellowness removal' from teeth. This product has the combination of salt and lemon that delivers yellowness removal.
- ii) Colgate Maxfresh Fresh Tea toothpaste which offers consumers a unique and exciting Tea flavor experience.

In toothbrush category, the Company introduced innovative products like :

- i) Colgate® Slim Soft, a toothbrush with super slim and ultra-soft tapered bristles - 17X slimmer than ordinary end-rounded bristles;
- ii) Colgate Wave Gum Comfort Toothbrush with soft curved bristles for gum comfort and effective cleaning of teeth; and
- iii) Relaunch of Colgate Super Flexi Toothbrush with a new premium handle and flexi bands to reach hard-to-reach places in the mouth.

Your Company will continue to remain focused on driving consumer relevant innovation in the future.

Sale and transfer of Company's division viz. Global Shared Services Organization (GSSO)

As stated in the Annual Report for the year 2012-13, your Company after obtaining necessary approvals from the Board of Directors and Shareholders, sold and transferred the Company's "Global Shared Services Organization" (GSSO Division) as and by way of a slump sale to Colgate Global Business Services Private Limited (CGBSPL), a 100 per cent subsidiary of the Ultimate Holding Company, Colgate-Palmolive Company (CP-USA) with effect from June 1, 2013, on a going concern basis for a total consideration of ₹ 5,989 Lacs after adjustment of relevant assets and liabilities

of GSSO Division as shown under “Exceptional Item” of financial results of the report. CGBSPL now, provides the best in class service to CP-USA’s subsidiaries, including CP-India with greater efficiency.

New projects

As stated in the Annual Report for the year 2012-13, to cater to the increasing demand for the Company’s products, your Company has set up a state of the art toothpaste manufacturing facility at Sanand in Gujarat which was commissioned in March 2014.

Similarly, your Company has invested in setting up a new Toothbrush manufacturing facility at Sricity in Chittoor District in Andhra Pradesh. Your Company is in an advanced stage of construction of the factory. This facility is expected to commence commercial production in the fourth quarter of 2014.

Sustainability

Your Company is committed to sustainability with focused and measureable goals. Your Company values sustainability through a commitment to environment quality and extends to the long term well-being of the people and communities it serves.

Considering this, your Company developed a plan that guides its sustainability initiative with key goals in the following three areas viz. People, Performance and Planet.

The broad aspects covered in these goals are as under :

- People - Promoting healthier lives, Contributing to the Communities where we live and work.
- Performance - Delivering Products that delight consumers and respect our Planet.
- Planet - Making every drop of water count, Reducing our impact on climate and the environment.

Your Company believes that integrating sustainability into its everyday operations will help in making better business decisions and improve people’s lives. The sustainability strategy will also continue to increase consumer loyalty, provide a competitive advantage

and help to ensure long-term shareholder value. Amongst the sustainability initiatives in the areas of People, Planet and Performance, a few are as under :

- Blood Donation Camp at the head office;
- Free Health Check-up for all the employees;
- Initiatives on clean technology, energy efficiency, renewable energy etc.;
- Sourcing of packaging material locally to reduce the fuel emission; and
- Usage of reused and recycled materials for packaging.

Responsibility Statement :

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Management, confirm :

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that 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) that 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) that they have prepared the annual accounts on a going concern basis.

Corporate Social Responsibility :

Your Company, in partnership with the Indian Dental Association (IDA), successfully concluded the 10th edition of a two-month long Oral Health Month (OHM) Program. During OHM, a wide spectrum of activities were designed and conducted to spread oral health awareness and good oral hygiene practices.

OHM 2013 conveyed the message of holistic oral health through the 'Colgate Healthy Mouth Pledge' with 29,000 IDA dentists participating in the program. The two-month long oral care awareness drive included in-clinic free dental check-ups, free dental check-ups in mobile vans and at underprivileged schools as well as modern trade outlets. Approximately 4.9 million consumers were covered under these activities.

Education has been the primary focus of your Company's Corporate Social Responsibility. Since 1976, your Company has been conducting a school initiative program viz. Colgate Bright Smiles, Bright Futures™ wherein your Company partners with IDA, to spread oral health awareness among school-going children in primary schools in urban and rural India. Till date, 114 million school children in urban and rural areas have been benefited from this Program. In addition, your Company also conducts, jointly with IDA, a Teachers' Training Program to enable teachers to instill good oral care habits among school-going children on an on-going basis.

Your Company has been associated with one of the largest non-governmental organisations, Pratham, working to provide quality education to the underprivileged children of India. Pratham, established in 1994, provides education to the children in the slums of Mumbai city. Since then, the organisation has grown both in scope and geographical coverage. Today, Pratham reaches out to millions of children living both in rural and urban areas through a range of interventions. Its flagship program, Read India, helps to improve the reading, writing and basic arithmetic skills of the children in the age group of 6-14 years.

Your Company has been supporting Pratham initiatives in Mumbai since 2000. The support has been crucial for ensuring a perceptible change in the educational levels of approximately 3000 children in the age group of 3 to 14 years. The partnership over the years has enabled students of class one to seven to reach proficiency levels in reading and mathematics and children between the age group of 3 to 6 years to get pre-school education.

Since 2008, your Company has been supporting a program called 'A Positive Step' with the NGO, Network in Thane of People Living with HIV. Through this program, your Company supports children affected and infected by HIV with nutritional needs and school fees. The program has infused the children with hope

leading to a definitive improvement in their academic performance and they now live with more confidence despite their HIV condition.

Colgate-Palmolive supports 'Water for People' to provide access to sustainable drinking water, sanitation facilities and hygiene education programs in Sheohar, Bihar. By fostering community ownership and rehabilitation of hand pumps in 10 communities, approximately 1,500 people are being served.

Moreover, with school level engagement, over 5,660 students and teachers are benefitting from access to drinking water and improved sanitation conditions.

Your Company has constituted a Corporate Social Responsibility (CSR) Committee to review and monitor the CSR policy and its activities undertaken by the Company. Your Company will continue to take such measures to make a positive and significant contribution to the Society.

Corporate Governance

A separate report on Corporate Governance along with the Auditors' Certificate on its compliance is attached as Annexure 1 to this Report.

Employee Relations

The employee relations in the Company continued to be positive. Information as per Section 217(2A) of the Companies Act, 1956 (the 'Act') read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. As per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders of the Company excluding the statement on particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Secretarial Department at the Registered Office of the Company.

A long term Memorandum of Settlement was signed on February 11, 2014 with the workmen at the Company's Goa facility for a period of thirty seven months effective March 1, 2013 to March 31, 2016.

Your Company also has a Policy on Prevention of Sexual Harassment which is reviewed by the Internal Complaints Committee at regular intervals. Your Company recognizes its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination and to boost their confidence, morale and performance.

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 strong association with its business partners.

Energy, Technology Absorption and Foreign Exchange

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is appended hereto as Annexure 2 and it forms part of this Report.

Directors

Pursuant to Section 152 of the Companies Act, 2013 (the 'Act') and under Article 124 of the Company's Articles of Association, Mr. Niket Ghate retires by rotation at the ensuing 73rd Annual General Meeting and, being eligible, offers himself for re-appointment.

Pursuant to Sections 149, 150 and 152 of the Act, read with Companies (Appointment and qualification of Directors) Rules, 2014 alongwith Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the Independent Directors can hold office for a term of five consecutive years on the Board of Directors of your Company. Accordingly, it is proposed to appoint the following existing Independent Directors as Non-executive Independent Directors for five (5) consecutive years with effect from July 25, 2014, subject to approval of members at the ensuing 73rd Annual General Meeting (AGM) of the Company.

1. Mr. R. A. Shah;
2. Mr. P. K. Ghosh;
3. Mr. J. K. Setna;
4. Mr. V. S. Mehta; and
5. Dr. (Ms.) Indu Shahani.

These Independent Directors shall not be liable to retire by rotation. All the above mentioned Independent Directors have given the declaration of independence as per Section 149 (6) of the Act.

Auditors

M/s. Price Waterhouse, Chartered Accountants, retire and are eligible for re-appointment as Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

Cost Auditors

The Board of Directors at their Meeting held on March 27, 2014 appointed M/s. N. I. Mehta & Co., a firm of Cost Accountants, as the Cost Auditors of the Company to conduct the audit of the cost accounts maintained by the Company in respect of Cosmetics and Toiletries for the financial year 2014-15.

Acknowledgements

Your Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees at all levels. Your Directors also wish to place on record their gratitude to the shareholders for their continued support and confidence.

On behalf of the Board

M. V. Deoras
Chairman

R. A. Shah
Vice-Chairman

May 23, 2014

Corporate Governance Report

Your Company continues to lay great emphasis on the broad principles of Corporate Governance. Our pursuit towards achieving good governance is an ongoing process. The Company fully complies with the requirements under Clause 49 of the Stock Exchange Listing Agreement.

1. Company's philosophy on Code of Governance

Your Company believes that good Corporate Governance is essential for achieving long-term corporate goals and for enhancing stakeholders' value. In this pursuit, your Company's philosophy on Corporate Governance is led by a strong emphasis on transparency, accountability and integrity and your Company has been practicing the principles of Corporate Governance over the years. 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, shareholders and Government.

2. Composition of Board

The Board of Directors has a mix of Executive and Non-executive Independent Directors. The Board comprises of three Whole-time Directors (the Managing Director and two Executive Directors) and six Non-executive Directors including the Chairman of the Board. Five of the six Non-executive Directors are Independent Directors. Accordingly, the composition of the Board is in conformity with the Stock Exchange Listing Agreement.

Except the Independent/Non-executive Directors and Managing Director, the two Executive Directors are liable to retire by rotation.

The composition of the Board and other relevant details relating to Directors are given below :

Name of Director	Category	No. of other Directorships - excluding Private Ltd. Companies and Alternate Directorships	No. of Memberships of other Board Committees	No. of other Board Committees of which the Director is a Chairperson
Mr. M. V. Deoras	Non-Independent and Non-executive	11 [@]	—	—
Mr. R. A. Shah	Non-executive and Independent	14 [@]	8	3
Mr. P. K. Ghosh	Non-executive and Independent	—	—	—
Mr. J. K. Setna	Non-executive and Independent	1	—	—
Mr. V. S. Mehta	Non-executive and Independent	7	1	—
Dr. (Ms.) Indu Shahani	Non-executive and Independent	3	—	—
Ms. Prabha Parameswaran	Executive	1 [@]	—	—
Mr. Godfrey Nthunzi	Executive	1 [@]	—	—
Mr. Niket Ghate	Executive	1 [@]	—	—

@ Includes foreign bodies corporate

Note: None of the Directors is related to one another.

Attendance of each Director at Board Meetings and last Annual General Meeting

During the year 2013-14, six Board Meetings were held on May 28, July 29, October 25, November 29, 2013, January 21 and March 27, 2014. The last Annual

General Meeting of the Company was held on July 29, 2013.

The attendance details of each Director are given below :

Name of Director	No. of Board Meetings attended	Attendance at last AGM
Mr. M. V. Deoras	1	Present
Mr. R. A. Shah	6	Present
Mr. P. K. Ghosh	5	Present
Mr. J. K. Setna	6	Present
Mr. V. S. Mehta	5	Present
Dr. (Ms.) Indu Shahani	6	Present
Ms. Prabha Parameswaran	6	Present
Mr. Godfrey Nthunzi	6	Present
Mr. Niket Ghate	5	Present

3. Audit Committee

The Audit Committee was constituted in April, 2000. It consists of five Non-executive Independent Directors. The Members of the Committee are well versed in finance matters, accounts, company law and general business practices.

The composition of the Audit Committee is as under :

- A) Mr. R. A. Shah, Chairperson
- B) Mr. P. K. Ghosh
- C) Mr. J. K. Setna
- D) Mr. V. S. Mehta
- E) Dr. (Ms.) Indu Shahani

Mr. Niket Ghate acts as Secretary of the Committee.

The terms of reference of the Audit Committee include :

- a) To review financial statements and pre-publication announcements before submission to the Board.
- b) To ensure compliance of internal control systems and action taken on internal audit reports.
- c) To apprise the Board on the impact of accounting policies, accounting standards and legislations.
- d) To hold periodical discussion with statutory auditors on the scope and content of the audit.
- e) To review the Company's financial and risk management policies.
- f) To review the related party transactions.
- g) To monitor vigil mechanism.

During the financial year 2013-14, Four Audit Committee Meetings were held on May 28, July 29, October 25, 2013 and January 21, 2014.

The attendance details of each Member are given below :

Name of Director	Status	No. of Audit Committee Meetings attended
Mr. R. A. Shah	Chairperson	4
Mr. P. K. Ghosh	Member	4
Mr. J. K. Setna	Member	4
Mr. V. S. Mehta	Member	3
Dr. (Ms.) Indu Shahani	Member	4

4. Shareholders'/Investors' Grievance Committee

The Board constituted a Shareholders'/Investors' Grievance Committee in April, 2000. The Committee consists of four Directors, viz. Mr. P. K. Ghosh, Ms. Prabha Parameswaran, Mr. J. K. Setna and Mr. Niket Ghate. Mr. J. K. Setna, a Non-executive Independent Director heads this Committee. The Committee meets at frequent intervals to consider, *inter-alia*, share

transfers, transmission, issue of duplicate share certificates and investor complaints, etc.

Mr. Niket Ghate, Whole-time Director & Company Secretary, is the Compliance Officer.

During the year 2013-14, four complaints were received from shareholders/investors regarding transfer of shares, non-receipt of dividends, etc. Details of complaints are given below :

Nature of complaints	Number of complaints received	Number of complaints redressed
Non-receipt of dividends	2	2
Non-receipt of share certificates lodged for transfer/transmission and on account of capital reduction	–	–
Others	2	2
Total	4	4

All complaints have generally been resolved to the satisfaction of the complainants except for disputed cases and *sub-judice* matters, which would be resolved upon final disposal by the Courts or by authorities before whom they are pending.

5. Nomination and Remuneration Committee

The Board constituted a Nomination and Remuneration Committee on January 21, 2014. The composition of the Committee is as under :

- 1) Mr. R. A. Shah - Non-executive Independent Director;
- 2) Mr. V. S. Mehta - Non-executive Independent Director; and
- 3) Mr. Mukul Deoras - Non-executive Non-Independent Director.

Mr. R. A. Shah heads the Committee as the Chairman.

Your Company has adopted a policy recommended by the Committee relating to the appointment and remuneration for the Directors, Key managerial personnel and Senior management employees.

The policy covers the following :

1. 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.

2. 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.
3. Evaluation of the overall performance of the Non-executive Independent Directors of the Company shall be determined by the terms of the policies.
4. Remuneration of the Senior management employees and Key managerial personnel will be fixed annually considering their performance and achievements corresponding to their goals set during the year.

6. Corporate Social Responsibility Committee

The Board constituted a Corporate Social Responsibility (CSR) Committee on May 28, 2013. The composition of the Committee is as under :

- 1) Dr. (Ms.) Indu Shahani – Non-executive Independent Director;
- 2) Ms. Prabha Parameswaran – Managing Director;
- 3) Mr. Niket Ghate – Whole-time Director; and
- 4) Ms. Hima Mehta – Head, Communications.

Dr. (Ms.) Indu Shahani, a Non-executive Independent Director, heads this Committee.

This Committee will be responsible towards achieving Company's CSR objectives as detailed in the CSR policy.

7. Business Responsibility Reporting Committee

The Board, pursuant to Clause 55 of the Listing Agreement, constituted a Business Responsibility Reporting Committee on March 25, 2013. The composition of Committee is as under :

- 1) Ms. Prabha Parameswaran – Managing Director;
- 2) Mr. Niket Ghatge – Whole-time Director;
- 3) Mr. Aditya Singh – Vice-President – Human Relations;
- 4) Mr. Manu Mehrotra – Vice-President – Mfg. & Supply Chain (Tooth Brushes); and
- 5) Ms. Hima Mehta – Head, Communications.

Ms. Prabha Parameswaran, Managing Director, heads the Committee as the Chairperson. The Committee has framed a comprehensive policy on Business Responsibility Reporting. The policy basically covers broadly the following three aspects :

- 1) Environmental issues;
- 2) Social issues; and
- 3) Governance issues.

8. Risk Management Committee

The Board constituted a Risk Management Committee on May 23, 2014. The composition of the Committee is as under :

- 1) Mr. P. K. Ghosh – Chairperson;
- 2) Ms. Prabha Parameswaran – Managing Director;
- 3) Mr. Niket Ghatge – Whole-time Director;
- 4) Mr. Godfrey Nthunzi – Whole-time Director; and
- 5) Mr. Aditya Singh – Human Resources.

The Risk Management Policy will focus on minimizing risks. This policy will help in formulating

plans to effectively and efficiently manage risk and address challenges. The Committee shall periodically review and evaluate all the processes and procedures to ensure the effectiveness of the risk management system.

9. Remuneration of Directors

a) Non-executive 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 Board and Committee meetings and Commission as approved by members for their invaluable services to the Company. 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 is, however, not material in nature.

The Shareholders of the Company at the Annual General Meeting held on July 23, 2012 have approved payment of commission to Non-executive Directors not exceeding 1% of the net profit subject to a maximum limit of ₹ 5,00,000/- per annum to each of the Non-executive Directors, for a period of five years commencing from April 2012.

b) Executive Directors

The remuneration policy is directed towards rewarding performance. It is aimed at attracting and retaining high caliber talent. The Company does have an incentive plan which is linked to performance and achievement of the Company's objectives. The Company has no stock option scheme relating to its shares. The Company has also constituted a Nomination and Remuneration Committee which shall, *inter-alia*, evaluate 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, 2014 are given below :

	₹ Lacs
a) Salary	6,64.62
b) Benefits	6,38.96
c) Performance linked Incentive/Commission/Bonus	1,72.98
Total	14,76.56

Note: The appointment of each of the three Executive Directors is for a period of five years on the terms and conditions executed between the Executive Directors and the Company. As per the 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, or in the case of the Company, by payment of ninety days' salary as compensation in lieu of such notice.

Other than Mr. P. K. Ghosh, who holds 7,338 shares (including joint holdings), no other Non-executive Director holds any shares in the Company.

10. General Body Meetings

Location and time where last three Annual General Meetings were held are given below :

Financial Year	Date	Location of the Meeting	Time
2010-11	July 22, 2011	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.
2011-12	July 23, 2012	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.
2012-13	July 29, 2013	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.

No special resolution requiring a postal ballot was passed last year or being proposed at the ensuing Annual General Meeting.

11. Disclosures

- a) Disclosures on materially significant related party transactions :

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large. Attention is drawn to Note 31 to the Financial Statements.

- b) 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.
- c) The Company has adopted a Code of Conduct for its Directors and employees. This Code of Conduct has been communicated to each of them. The Code of Conduct has also been put on the Company's website **www.colgatepalmolive.co.in**

The Code of Conduct also provides for hotline which can be reached by telephone, facsimile,

e-mail or letter. The caller may provide his/her name or other identifying information or may contact the hotline anonymously. In all circumstances, it is ensured that no one will be retaliated against for reporting an incident, filing a claim, or for participating in an investigation. None of the personnel has been denied access to the Audit Committee.

- d) Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board when called for.

12. Means of Communication

The quarterly results are published in Financial Express, Free Press Journal and Navshakti as required under Clause 49 of the Listing Agreement. The Company results and official news releases are displayed on the Company's website **www.colgatepalmolive.co.in**

Presentations are made from time to time to analysts and institutional investors and the same are displayed on the Company's website **www.colgatepalmolive.co.in**

13. Management Discussion and Analysis Report

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

The Company is engaged in Oral Care and Personal Care business. The Oral Care business continues to account for over 90 per cent of the Company's sales turnover.

Almost one-third of the Indian population does not have access to modern oral care. The national epidemiological study on the status of oral health in the country showed that dental caries (tooth decay) is prevalent in 63 per cent of 15 year olds and as much as 80 per cent amongst adults in the age group of 35-44 years and periodontal diseases (gum diseases) are prevalent in 68 per cent of 15 year olds and as much as 90 per cent amongst adults in the age group of 35-44 years. To address this situation, the Company in partnership with Indian Dental Association has started conducting annually, an intensive two-month-long awareness campaign in October and November under the banner "Oral Health Month". The aim of this campaign is to create oral health awareness and motivate people to adopt preventive self-care habits to improve their oral health.

This was one more step in the Company's longstanding effort to spread the message of good oral health and encourage the use of modern and efficacious dentifrice products.

To help its objective of expanding the dentifrice market, the Company has designed its product portfolio in such a manner that its products are available at different price points to cater to the requirements of consumers across all segments.

While the predominant business of the Company has been focused on 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 through a combination of powerful marketing strategies, innovative products and market development and expansion activities, the dentifrice market in India and the Company's business will continue to grow strongly in the next several years.

The Company reports that adequate internal control systems are in place. The discussion on financial performance of the Company is covered in the Directors' Report. There has been no material development on human resources and

industrial relations continue to be positive. The number of people employed as on March 31, 2014 was 1702.

It may please be noted that the statements in the Management Discussion and Analysis Report describing the Company's objectives and predictions may be forward looking within the meaning of applicable rules and regulations. Actual results may differ materially from those either expressed or implied in the statement depending on circumstances.

10. General Shareholder Information

Annual General Meeting

Date and Time : July 25, 2014 at 3.30 p.m.

Venue : Shri Bhaidas Maganlal Sabhagriha,
Swami Bhaktivedanta Marg,
J.V.P.D. Scheme,
Vile-Parle (West), Mumbai 400 056

Financial Calendar

The Company follows April – March as its financial year. The financial results for every quarter beginning from April are declared in the month following the quarter except for the last quarter, for which the results are declared on or before May 30 as permitted under the Listing Agreement.

Dates of Book Closure

Friday, July 18, 2014 to Friday, July 25, 2014 (both days inclusive).

Dividend Payment Details

Dividends for 2013-14	Payment Date
First Interim	November 20, 2013
Second Interim	December 20, 2013
Third Interim	April 16, 2014

Listing on Stock Exchanges

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

Stock Exchange Name	Stock Code
BSE Limited, Mumbai (Physical & Demat)	500 830
National Stock Exchange of India Limited, Mumbai (Physical & Demat)	COLPAL

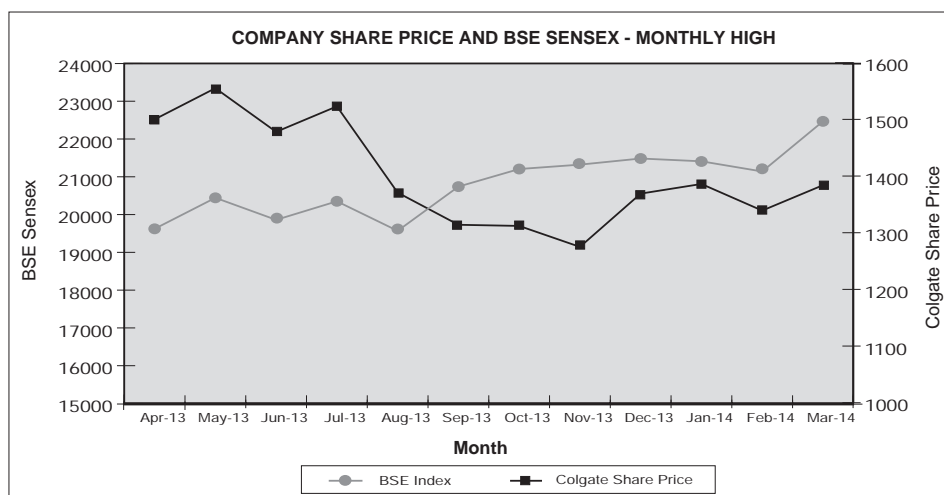
Company has paid Annual Listing fees for financial years 2013-14 & 2014-15.

Market Price Data

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

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High ₹	Low ₹	High ₹	Low ₹
April 2013	1,500.00	1,247.50	1,502.00	1,246.25
May 2013	1,555.00	1,400.00	1,557.00	1,398.10
June 2013	1,478.00	1,256.60	1,482.00	1,253.20
July 2013	1,522.95	1,312.55	1,524.00	1,311.45
August 2013	1,370.80	1,190.05	1,374.95	1,190.00
September 2013	1,314.00	1,194.30	1,314.00	1,192.05
October 2013	1,312.00	1,219.00	1,312.10	1,218.45
November 2013	1,275.00	1,228.00	1,275.00	1,225.00
December 2013	1,369.00	1,251.00	1,369.00	1,251.25
January 2014	1,386.00	1,280.00	1,385.00	1,278.00
February 2014	1,339.05	1,286.00	1,339.00	1,262.00
March 2014	1,383.85	1,302.35	1,391.20	1,304.35

Performance in comparison to BSE Sensex



Registrars and Share Transfer Agents

Sharepro Services (India) Private Limited,
13 AB, Samhita Warehousing Complex,
2nd floor, Sakinaka Telephone Exchange Lane,
Off Andheri – Kurla Road, Sakinaka, Andheri (E),
Mumbai 400 072

Tel : 022 – 6772 0300

Fax : 022 – 2859 1568

E-mail : sharepro@shareproservices.com

Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars and 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 in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

Physical shares received for dematerialisation are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

Shareholding Pattern (as at March 31, 2014)

Category	Number of shares	%
Foreign Promoters/Collaborators	69356336	51.00
Resident Individuals	28079024	20.65
Foreign Institutional Investors	27156532	19.97
NRIs/OCBs	454349	0.33
Domestic Companies	1650592	1.21
Non-domestic Companies	–	–
Banks and Mutual Funds	1944249	1.43
Financial Institutions	7351735	5.41
Total	135992817	100.00

Distribution of Shareholding (as at March 31, 2014)

Description	Holder(s)		Shares	%
	Folios	%		
1 – 500	118026	89.71	9867282	7.26
501 – 1000	6517	4.95	4732818	3.48
1001 – 2000	4589	3.49	6308564	4.64
2001 – 3000	1623	1.23	4176238	3.07
3001 – 4000	220	0.17	763076	0.56
4001 – 5000	141	0.11	628421	0.46
5001 – 10000	223	0.17	1506833	1.11
10001 & above	230	0.17	108009585	79.42
Total	131569	100.00	135992817	100.00

Dematerialisation of shares and liquidity

As on March 31, 2014, 96.58% of the shares were held in dematerialised form and the rest in physical form.

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

Outstanding GDRs/ADRs/Warrants or any convertible instruments

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as at end March 2014.

Plant Locations**Aurangabad, Maharashtra**

Plot No. B 14/10 MIDC,
Waluj Industrial Area,
Aurangabad 431 136.

Baddi, Himachal Pradesh

Plot No. 78, EPIP Phase 1,
Jharmajri, Baddi,
District Solan, [H.P.] 174 103.

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.

Sricity, Andhra Pradesh

6000 Central Expressway,
Sricity, Satyavedu (M), Chittoor District,
Andhra Pradesh.

Address for investor correspondence

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, non-receipt of dividend, IEPF queries or any other query relating to shares, please write to :

Registrars and Share Transfer Agents

Sharepro Services (India) Private Limited,
13 AB, Samhita Warehousing Complex,
2nd floor, Sakinaka Telephone Exchange Lane,
Off Andheri-Kurla Road, Sakinaka, Andheri (E),
Mumbai 400 072
Tel : 022 – 6772 0300
Fax : 022 – 2859 1568
E-mail : sharepro@shareproservices.com

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

Declaration

As provided under Clause 49 of the Listing Agreement with Stock Exchanges, the Board Members and the Senior Management Team have confirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2014.

For Colgate-Palmolive (India) Limited

P. Parameswaran (Ms.)
Managing Director

Mumbai, May 23, 2014

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To

The Members of Colgate-Palmolive (India) Limited

We have examined the compliance of conditions of Corporate Governance by Colgate-Palmolive (India) Limited ("the Company"), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance 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.

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Place: Mumbai
Date: May 23, 2014

Vilas Rane
Partner
Membership No. 033220

Information required under the Companies [Disclosure of Particulars in the Report of the Board of Directors] Rules, 1988.

A. Conservation of Energy :

The Company continues its endeavour to improve energy conservation and utilisation.

B. Technology Absorption, Research & Development (R & D) :

1. Specific areas in which R & D carried out by the Company :

- * Customisation of new and innovative products to expand market and increase consumption.
- * Certain aspects of supply chain to reduce the cost of materials, to effect import substitution.
- * Claim substantiation.

2. Benefits derived as a result of the above R & D :

Customisation of high quality, cost effective, consumer preferred products. Generation of funds to grow the business through continuous improvement in our manufacturing processes, by reducing costs of raw and packaging materials, reduction in batch cycle time.

3. Future plan of action :

The Company continues to focus on customization of new, innovative and high quality products to meet the ever changing consumer needs and drive growth.

4. Expenditure on R & D : 2013-14

[₹ Lacs]

a) Capital	4,28.23
b) Recurring	8,65.80
c) Total	12,94.03
d) Total R & D expenditure as a percentage of total turnover...	0.37

Technology Absorption, adaptation and innovation :

1. Efforts, in brief, made towards technology absorption, adaptation and innovation :

- * The Company has launched clinically proven and highly efficacious dentifrice formulae.
- * The Technology Centre is involved in process simplification, exploring every avenue to reduce cost of materials and effecting import substitution.

2. Benefits derived as a result of the above effects :

Market expansions through increase in market size and consumption. Benefits to consumers through quality enhancement and reduction in costs of the products.

3. Imported Technology :

The Company continues to receive technological assistance 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 markets.

C. Foreign Exchange Earnings and Outgo :

During the year, the Company was able to generate export earnings of ₹ 80,31.53 Lacs. The particulars of foreign exchange earned/utilised during the year are given in Note Nos. 33 and 34 to the Financial Statements.

Business Responsibility Report

Colgate believes that how we do business is just as important as what we do. At Colgate, doing business responsibly is built into business decisions every day. Colgate is committed to act with compassion, integrity,

honesty and high ethics in all situations. The Company is also committed to protect global environment, to enhance the welfare of communities where Colgate people live and work, and to be compliant with laws and regulations.

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, India**
4. Website : **www.colgatepalmolive.co.in**
5. E-mail id : **brr_info@colpal.com**
6. Financial Year reported : **April 1, 2013 – March 31, 2014**
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 balance sheet) :
The Company manufactures following key products; namely –
 - i. Toothpaste and Tooth Powder
 - ii. Tooth Brush
 - iii. Mouth Wash
9. Total number of locations where business activity is undertaken by the Company :
 - i. Number of International Locations : None
 - ii. Number of National Locations : 9
10. Markets served by the Company - Local/State/National/International :

LOCAL	STATE	NATIONAL	INTERNATIONAL
✓	✓	✓	✓

Section B: Financial Details of the Company (₹ in Lacs)

1. Paid up Capital (INR) : 13,60
2. Total Turnover (INR) : 3,57,881
3. Total profit after taxes (INR) : 53,987
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 :
 - a) Oral Health Month
 - b) Academic Education to less privileged children
 - c) Support to the children affected with HIV
 - d) Bright Smiles, Bright Futures™

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%]**
 - No other entity/entities with whom Company does business participate in the BR initiatives of the Company.

Section D: BR Information

1. **Details of Director/Directors responsible for Business Responsibility**
 - a) Details of the Director/Directors responsible for implementation of the BR policy/policies
 - DIN Number : 05159215
 - Name : Prabha Parameswaran (Ms.)
 - Designation : Managing Director
 - b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	05159215
2.	Name	Prabha Parameswaran (Ms.)
3.	Designation	Managing Director
4.	Telephone number	022 – 6709 5050
5.	e-mail ID	brr_info@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.

S. 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	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	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
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
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
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
8.	Does the company have in-house structure to implement the policy/policies?	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
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	–	N	Y

http://www.colgate.co.in/Colgate/IN/Corp_v2/LivingOurValues/CodeOfConduct/PDFs/DY-245_code_of_conduct_p_ENG.pdf

* Colgate has a globally accepted Code of Conduct policy approved by the CEO of the parent company, Colgate-Palmolive Company, U.S.A. which is also followed by the Company, being one of its subsidiaries.

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. 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) #	–	–	–	–	–	–	✓	–	–

The Company currently does not find it necessary to frame a policy on principle #7.

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 Committee meets periodically to evaluate the BR performance of the Company.
- **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 Directors' Report which forms a part of the Annual Report of the Company. The hyperlink to view the Annual Report is : http://www.colgate.co.in/Colgate/IN/Corp_v2/Investor/FinancialReports/annual-report-2013-14.pdf

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?

Colgate is committed to do business with integrity and adhere to ethical business practices. It acts with integrity in all aspects of its business. Colgate's well earned reputation for integrity is a business asset. It is reliant upon the commitment of all Colgate Directors, Officers and Employees everywhere, to act in accordance with Colgate's Code of Conduct and all applicable laws and regulations.

Colgate-Palmolive Company, U.S.A. is the parent Company of Colgate-Palmolive (India) Limited. The parent company's Code of Conduct ('Colgate Code of Conduct') applies to all Colgate people, including Directors, Officers and all Employees of the Company and its subsidiaries globally. 'Colgate Code of Conduct' also applies to the Vendors and Suppliers.

Colgate also has an Anti-bribery Policy. The Company conducts a Due Diligence with its

Vendors, suppliers and other stakeholders dealing with the Government or statutory authorities on behalf of the Company, in accordance with its Anti-bribery Policy. The Company 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 two stakeholder complaints which were duly investigated and appropriate actions were taken.

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.

- Re-designing of packaging material, that result in low impact on the environment through change in Technology. Cartons that have lower thickness contribute to improve biodegradability and recyclability.
- Most of the cartons are made up of recycled paper.

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 endeavour to source material from suppliers of raw material and packaging located close to our manufacturing facilities. In most of the cases, we source packaging material locally. The containers for our primary packaging material has potential of being reused and recycled.

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

We have been imparting education on oral hygiene and have given a message of saving

water while brushing teeth to 10.1 million children in 24,323 schools in the year 2013.

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

Most of our plants are situated close to raw material suppliers, thereby reducing transportation.

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 improve their quality, efficiencies, productivities and waste reduction through 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. About 78 % of the waste is recycled / reused.

The containers for our primary packaging material are recycled and reused. Most of the material used for transportation of primary packaging material is recycled and reused.

Solid waste/sludge from Waste Water Treatment Plants and process waste is sent to cement manufacturing companies. It is co-processed to be converted into cement. A small portion of the waste is not environment friendly and is therefore disposed in a controlled manner to government approved Common Hazardous Waste Treatment Storage and Disposal Facility (CHWTSDF).

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. 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 will 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 promotional 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 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 : 1702

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 : 449

3. Please indicate the Number of permanent women employees :

Number of permanent women employees : 147

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

Number of permanent employees with disabilities : NIL

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

Yes, there are recognized unions/employees association recognized by management.

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

There are total 919 workmen in the factories. Of these, about 455 workmen i.e. 49.51% forms part of the union recognized by the management.

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.

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as at the end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

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%
- Casual/Temporary/ Contractual Employees : 100%
- Employees with Disabilities : N.A.

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 focused on the education of under privileged children in the society. Also, the Company supports a program called 'A Positive Step' with an NGO for the children affected by HIV.

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 Code of Conduct of the Company.

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 under the 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 related to Principle 6 covers only the Company.

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 : <http://www.colgate.co.in/app/Colgate/IN/Corp/livingourvalues/sustainability.cvsp>.

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

Yes, the Company identifies and assesses potential environmental risks.

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?**

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.**

Yes, the Company has undertaken initiatives on energy efficiency. The hyperlink for the same is : <http://www.colgate.co.in/app/Colgate/IN/Corp/livingourvalues/sustainability.cvsp>.

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 Central Pollution Control Board/State Pollution Control Board for the financial year 2013-14.

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.**

NIL

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 :

- Federation of Indian Chambers of Commerce & Industry (FICCI)
- Bombay Chamber of Commerce & Industry (BCCI)
- Bombay Management Association (BMA)
- The Advertising Standards Council of India (ASCI)

- Council for Fair Business Practices (CFBP)
- Indian Beauty & Hygiene Association (IBHA)

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).**

Although the Company is member of the Associations, it has not lobbied in the above areas.

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.**

Bright Smiles, Bright Futures™ program was instituted in India in 1976. It is conducted in rural and urban schools where Colgate, with support from the Indian Dental Association (IDA), imparts the importance of good oral hygiene to primary school children. The program equips each child with a basic dental health pack of a toothbrush and toothpaste with a brushing chart. The school is given charts that serve as a learning for children to continue maintaining good oral hygiene. It gives message to the children of saving water while brushing teeth. In addition, your Company also conducts, jointly with IDA, a Teachers' Training Program to enable teachers to instill good oral care habits among school-going children on an on-going basis.

Oral Health Month is Colgate's largest consumer contact program where, with the support of over 29,000 members of the IDA and Dental Professionals, it offers an in-clinic free dental check-up to people across the country over two months. This initiative is aimed at creating awareness for good oral hygiene, given that preventive care is the best way to maintain good oral health.

Colgate-Palmolive (India) Limited supports 'Pratham', an NGO working in the field of education of children from less privileged backgrounds

studying in Municipal Schools. It also supports 'A Positive Step' program for the last 5 years, for HIV infected and affected children through the NGO Network in Thane of People Living with HIV, (NTP)+.

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

The Company conducts two major community involvement programs - Bright Smiles, Bright Futures™ and Oral Health Month. The Company also has two NGO supported programs with 'Pratham' that works towards the education of less privileged children in Municipal Schools and NTP+ that supports children affected and impacted by HIV.

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

The nature of these programs - Bright Smiles, Bright Futures™ and Oral Health Month are ground initiatives. Feedback and appreciation of the community work undertaken is a continuous process that does not require formal impact assessment.

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

The Company spent an amount of ₹ 10.80 crore on two major community involvement projects - Bright Smiles, Bright Futures™ and Oral Health Month.

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.

The importance of following and maintaining good oral hygiene message is carried home by the child, thereby spreading the message in the community.

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. 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 continued purchase of Colgate products. The Company believes that the consumer opinions, concerns and inquiries communicated to the Company regarding the products are important sources of information. The Company understands the consumer needs and uses its world-class technology to create products that cater to the evolving needs of the consumers. The Company has fair, equitable and transparent terms for all consumers.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year :

There are total 8 consumer cases pending in different consumer courts/forums and the same 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 the product information on the product label, over and above what is mandated as per local laws. Few examples are efficacy of the product, technology used in the product and claims 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.

There are no cases filed against the Company regarding unfair trade practices or anti-competitive behaviour. The Company received few complaints with respect to the advertisement of its products from Advertising Standards Council of India (ASCI). The complaints were resolved satisfactorily.

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

Yes, the Company regularly conducts consumer surveys/consumer satisfaction trends.

Independent Auditors' Report

To the Members of Colgate-Palmolive (India) Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Colgate-Palmolive (India) Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Independent Auditors' Report (Contd.)

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Vilas Rane

Partner

Place : Mumbai

Date: May 23, 2014 Membership Number - 033220

Annexure to Independent Auditors' Report

Referred to in Paragraph 7 of the Independent Auditors' Report of even date to the members of Colgate-Palmolive (India) Limited on the financial statements as of and for the year ended March 31, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (b) The fixed assets 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
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

Annexure to Independent Auditors' Report (Contd.)

Referred to in Paragraph 7 of the Independent Auditors' Report of even date to the members of Colgate-Palmolive (India) Limited on the financial statements as of and for the year ended March 31, 2014

- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) {(b), (c), (d), (f) and (g)} of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under Clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance and service tax and is regular in depositing undisputed statutory dues in respect of investor education and protection fund, sales tax, income tax, wealth tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax and customs duty which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax and excise duty as at March 31, 2014 which have not been deposited on account of a dispute, are as follows:

Annexure to Independent Auditors' Report (Contd.)

Referred to in Paragraph 7 of the Independent Auditors' Report of even date to the members of Colgate-Palmolive (India) Limited on the financial statements as of and for the year ended March 31, 2014

Sr. No.	Name of the Statute	Nature of the Dues and period to which the amount relates	Amount under dispute not yet deposited (₹ Lacs)	Forum where dispute is pending
1	Income Tax The Income Tax Act, 1961	Income tax liability for the Financial Years 2005-2006 and 2006-2007. Income tax liability for the Financial Years 2004-2005 and 2008-2009. Income tax liability for the Financial Year 2002-2003. * includes an aggregate amount of ₹ 34,14.44 Lacs in respect of matter which has been decided in favour of the Company, but department has preferred appeal at higher level.	2,33.59 *27,68.97 *6,45.47	First Appellate Authorities Income Tax Appellate Tribunal High Court of Judicature at Bombay
	Total		36,48.03	
2	Sales Tax As per the Statutes applicable in the following states – New Delhi, Maharashtra, Madhya Pradesh, Bihar, Orissa, Kerala, Andhra Pradesh, West Bengal, Uttar Pradesh, Gujarat, Assam, Tripura and Karnataka	Sales tax liability for the Financial Years 1995-1996, 1998-1999, 2000-2001 to 2011-2012. Sales tax liability for the Financial Years 1987-1988, 1988-1989, 1990-1991, 1995-1996 to 1997-1998, 1999-2000 to 2001-2002 and 2003-2004. Sales tax liability for the Financial Years 1993-1994 and 2004-2005.	4,07.60 3,46.08 51.86	Assessing Authorities and First Appellate Authorities of various states Sales tax Appellate Tribunal of various states High Court
	Total		8,05.54	
3	Service Tax The Finance Act, 1994	Service tax liability for the Financial Years 2002-2003, 2004-2005 to 2009-2010. Service tax liability for the Financial Years 1997-1998 to 2000-2001, 2007-2008 and 2008-2009. Service tax liability for the Financial Years 1997-1998 to 2000-2001, 2005-2006 and 2006-2007.	6,91.45 72.84 9,39.73	First Appellate Authorities Customs, Excise and Service Tax Appellate Tribunal High Court of Judicature at Bombay
	Total		17,04.02	
4	Excise Duty The Central Excise Act, 1944	Excise duty liability for the Financial Years 1994-1995 to 2010-2011. Excise duty liability for the Financial Years 1998-1999 to 2004-2005, 2009-2010, 2011-2012 and 2012-2013 ** includes ₹ 14,00.73 Lacs in respect of matter which has been decided in favour of the Company, but department has preferred appeal at higher level.	**23,95.39 2,09.97	Customs, Excise and Service Tax Appellate Tribunal First Appellate Authorities
	Total		26,05.36	

Annexure to Independent Auditors' Report (Contd.)

Referred to in Paragraph 7 of the Independent Auditors' Report of even date to the members of Colgate-Palmolive (India) Limited on the financial statements as of and for the year ended March 31, 2014

- | | |
|---|--|
| <p>x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.</p> <p>xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.</p> <p>xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.</p> <p>xiii. As the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.</p> <p>xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.</p> <p>xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.</p> <p>xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.</p> <p>xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has utilised short-term funds arising from increase in current liabilities and decrease in current assets aggregating ₹ 191,46.46 Lacs for</p> | <p>long-term purpose, primarily for purchase of fixed assets. As explained to us by the Management, the Company continues to generate positive fund flows to meet its liabilities.</p> <p>xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.</p> <p>xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.</p> <p>xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.</p> <p>xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.</p> |
|---|--|

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Vilas Rane

Partner

Place : Mumbai

Date: May 23, 2014 Membership Number - 033220

Balance Sheet as at March 31, 2014

			As at March 31, 2013
	Note	₹ Lacs	₹ Lacs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	13,59.93	13,59.93
Reserves and Surplus	3	586,27.93	475,99.21
		<u>599,87.86</u>	<u>489,59.14</u>
Non-Current Liabilities			
Other Long-term Liabilities	4	74.65	84.42
Long-term Provisions	5	24,85.86	34,90.06
		<u>25,60.51</u>	<u>35,74.48</u>
Current Liabilities			
Trade Payables	6	509,96.67	466,61.98
Other Current Liabilities	7	282,94.35	250,17.98
Short-term Provisions	8	70,35.60	64,64.14
		<u>863,26.62</u>	<u>781,44.10</u>
		<u>1,488,74.99</u>	<u>1,306,77.72</u>
ASSETS			
Non-Current Assets			
Fixed Assets :			
– Tangible Assets	9 (A)	555,90.80	280,66.32
– Intangible Assets	9 (B)	–	–
– Capital Work-in-Progress	9 (C)	141,50.50	101,95.63
Non-current Investments	10	37,13.48	37,13.48
Deferred Tax Assets (Net)	11	17,78.36	22,44.47
Long-term Loans and Advances	12	62,56.19	70,29.50
Other Non-current Assets	13	2,05.50	1,24.61
		<u>816,94.83</u>	<u>513,74.01</u>
Current Assets			
Current Investments	14	–	9,98.17
Inventories	15	225,74.27	185,29.83
Trade Receivables	16	54,73.42	81,21.14
Cash and Bank Balances	17	286,95.38	428,79.63
Short-term Loans and Advances	18	102,70.41	84,47.07
Other Current Assets	19	1,66.68	3,27.87
		<u>671,80.16</u>	<u>793,03.71</u>
		<u>1,488,74.99</u>	<u>1,306,77.72</u>

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

In terms of our report of even date.

For Price Waterhouse

Firm Registration No. 301112E
Chartered Accountants

Vilas Rane

Partner
Membership Number - 033220

Mumbai, May 23, 2014

For and on behalf of the Board

Vice-Chairman
Managing Director
Whole-time Director &
Chief Financial Officer
Whole-time Director &
Company Secretary

Mumbai, May 23, 2014

R. A. Shah
P. Parameswaran (Ms.)

G. Nthunzi

N. Ghate

Statement of Profit and Loss for the year ended March 31, 2014

			2012-13
	Note	₹ Lacs	₹ Lacs
Revenue from Operations (Gross)	21	3,791,30.62	3,324,20.91
Less : Excise Duty		212,49.99	160,40.35
Revenue from Operations (Net)			3,163,80.56
Other Income	22		49,92.32
			3,213,72.88
Expenses			
Cost of Materials Consumed	23	1,129,41.01	991,54.74
Purchase of Stock-in-Trade	24	299,38.15	236,44.40
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(26,76.80)	22,19.70
Employee Benefits Expense	26	211,77.75	249,43.80
Depreciation and Amortisation Expenses	9	50,75.45	43,69.89
Other Expenses	27	1,300,99.49	1,007,36.96
			2,965,55.05
Profit Before Tax and Exceptional Item			663,57.64
Add : Exceptional Item (Refer Note 38)			64,37.98
Profit Before Tax and After Exceptional Item			727,95.62
Tax Expense :			
Current Tax (Net of prior year reversals during the previous year)		183,42.51	176,62.45
Deferred Tax		4,66.11	(10,34.50)
			188,08.62
Profit After Tax			539,87.00
Earnings Per Equity Share (Rupees)	29		
[Face Value of ₹ 1 per Equity Share]			
Basic and Diluted			39.70
			36.53

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

In terms of our report of even date.

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Vilas Rane
Partner
Membership Number - 033220

Mumbai, May 23, 2014

For and on behalf of the Board

Vice-Chairman
Managing Director
Whole-time Director &
Chief Financial Officer
Whole-time Director &
Company Secretary

Mumbai, May 23, 2014

R. A. Shah
P. Parameswaran (Ms.)

G. Nthunzi

N. Ghate

Cash Flow Statement for the year ended March 31, 2014

	2013-2014 ₹ Lacs	2012-2013 ₹ Lacs
Cash flow from Operating Activities :		
Net Profit before Tax	663,57.64	663,03.39
Adjustment for :		
Unrealised Foreign Exchange Loss/(Gain) (Net)	(5,56.97)	1,40.71
Depreciation and Amortisation Expenses	50,75.45	43,69.89
Loss/(Profit) on Sale of Fixed Assets (Net)	57.79	1,74.82
Interest Income	(35,80.38)	(39,56.25)
Dividend from Mutual Funds (Current)	(0.54)	(34.38)
Loss on Maturity of Long Term Investments	(1.83)	—
Provisions no Longer Required Written Back	(2,03.60)	(3,06.14)
Operating Profit before Working Capital Changes	671,47.56	666,92.04
Adjustment for (Increase)/Decrease in Working Capital :		
Inventories	(40,44.44)	32,38.16
Trade and Other Receivables	(35,00.59)	(16,60.97)
Trade and Other Payables	39,13.81	121,76.20
Cash Generated from Operations	635,16.34	804,45.43
Direct Taxes Paid (Net)	(177,78.60)	(189,55.20)
Net Cash from/(used in) Operating Activities (A)	457,37.74	614,90.23
Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(323,64.68)	(154,71.76)
Sale of Fixed Assets	14.83	2,57.42
(Purchase)/Sale of Other Investments	10,00.00	—
Inter Corporate and Bank Deposits (Placed)/Refunded (Net)	31,37.88	61,65.21
Interest Received	37,36.08	42,89.35
Dividend from Mutual Funds (Current)	0.54	34.38
Cash flow before Exceptional Item	(244,75.35)	(47,25.40)
Exceptional Item	64,37.98	—
Net Cash from/(used in) Investing Activities (B)	(180,37.37)	(47,25.40)
Cash Flow from Financing Activities :		
Dividend Paid	(365,46.67)	(365,82.81)
Dividend Tax Paid	(56,60.15)	(61,77.20)
Net Cash from/(used in) Financing Activities (C)	(422,06.82)	(427,60.01)
Net increase in Cash and Cash Equivalents (A+B+C)	(145,06.45)	140,04.82
Cash and Cash Equivalents at the beginning of the year	295,70.14	155,65.32
Cash and Cash Equivalents at the end of the year	150,63.69	295,70.14

Cash Flow Statement for the year ended March 31, 2014 (Continued)

	As at March 31, 2014 ₹ Lacs	As at March 31, 2013 ₹ Lacs
Cash and Cash Equivalents comprise :		
Bank Balances in :		
– Current Accounts	8,74.13	23,87.59
– Deposit Accounts (with less than 3 months maturity)	141,89.56	271,82.55
Cash and Cash Equivalents as at the end of the year	<u>150,63.69</u>	<u>295,70.14</u>

Notes :

1. The Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Accounting Standard 3 “Cash Flow Statements”.
2. Previous Year’s figures have been reclassified to conform to the current year’s presentation.

In terms of our report of even date.

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Vilas Rane
Partner
Membership Number - 033220

Mumbai, May 23, 2014

For and on behalf of the Board

Vice-Chairman **R. A. Shah**
Managing Director **P. Parameswaran (Ms.)**

Whole-time Director &
Chief Financial Officer **G. Nthunzi**

Whole-time Director &
Company Secretary **N. Ghate**

Mumbai, May 23, 2014

Notes to the Financial Statements for the year ended March 31, 2014

Note 1 : Significant Accounting Policies

1.1 Basis of Accounting

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated September 13, 2013 read with circular 08/2014 dated April 4, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standard notified under the Companies Act, 1956 shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956 (the 'Act'). All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act.

1.2 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires, the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual and the estimates are recognised in the periods in which the actuals are known/materialise.

1.3 Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The Company capitalises all direct costs relating to the acquisition and installation of fixed assets. Under-utilised/Idle assets are recorded at estimated realisable value.

Tangible Assets

Lease-hold land is being amortised over the period of lease.

Depreciation is provided pro-rata to the period of use on straight-line method based on the estimated

useful lives of the assets, as stated below:

Assets	Useful Lives
Residential and Office Building	40 Years
Factory Building	20 Years
Plant and Machinery	7 Years to 21 Years
Dies and Moulds	3 Years
Furniture and Fixtures	5 Years
Office Equipment	5 Years
Computers	5 Years
Vehicles	5 Years

The useful lives of the assets are based on technical estimates approved by the Management, and are lower than the implied useful lives arrived on the basis of the rates prescribed under Schedule XIV to the Companies Act, 1956 of India. Assets individually costing less than ₹ 5,000 are fully depreciated in the year of acquisition.

Intangible Assets

Goodwill and other Intangible Assets are amortised over the useful life of the assets, not exceeding 10 years.

Impairment

At each balance sheet date, the Company reviews the carrying value of tangible and intangible assets for any possible impairment. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or estimated future cash flows which are discounted to their present value based on appropriate discount rates. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (cash generating unit).

1.4 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are valued at cost. Current investments are valued at lower of cost and fair value as on the date of the Balance Sheet. The Company provides for diminution in value of investments, other than temporary in nature.

1.5 Inventories

Inventories of raw and packing materials, work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost of work-in-progress and finished goods includes materials,

Notes to the Financial Statements for the year ended March 31, 2014

Note 1 : Significant Accounting Policies (Contd.)

labour and manufacturing overheads and other costs incurred in bringing the inventories to their present location. Cost is determined using standard cost method that approximates actual cost. The Company accrues for customs duty liability in respect of stocks of raw material lying in bond and excise duty liability in respect of stocks of finished goods lying at plant and warehouses.

1.6 Revenue Recognition

Sales are recognised upon delivery of goods and are recorded net of trade discounts, rebates, sales tax/value added tax and inclusive of excise duty on own manufactured and outsourced products.

Service Income is recognised on cost plus basis for support services rendered.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

1.7 Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as 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. 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 as specified in Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' is made.

1.8 Expenditure

Advertising expenses are consistently accrued and recognised in the year in which the related activities are carried out.

The Company has Defined Contribution Plan for its employees' retirement benefits such as Provident Fund, Superannuation Fund etc. and contribution to these plans are charged to the Statement of Profit and Loss. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rates 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 also provides for retirement/post-retirement benefits in the form of gratuity, pensions and compensated absences. Such benefits are provided for on the basis of an independent actuarial valuation

done at the year-end using Projected Unit Credit Method. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

Expenditure on Voluntary Retirement Scheme is charged to the Statement of Profit and Loss in the year in which it is incurred.

1.9 Foreign Currency Transactions

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. 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.

1.10 Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. 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. Deferred tax assets are recognised and carried forward 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

1.11 Leases

Leases in which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

1.12 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Notes to the Financial Statements for the year ended March 31, 2014

	As at March 31, 2014 ₹ Lacs	As at March 31, 2013 ₹ Lacs
Note 2 : Share Capital		
Authorised		
1,37,00,00,000 (Previous Year : 1,37,00,00,000) Equity Shares of ₹ 1 each	<u>137,00.00</u>	<u>137,00.00</u>
Issued, Subscribed and Paid-up		
13,59,92,817 (Previous Year : 13,59,92,817) Equity Shares of ₹ 1 each fully paid-up	<u>13,59.93</u>	<u>13,59.93</u>

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

- (i) **5,44,76,347** (Previous Year : 5,44,76,347) Equity Shares are held by Colgate-Palmolive Company, U.S.A., the Ultimate Holding Company.
- (ii) **1,48,79,426** (Previous Year : 1,48,79,426) Equity Shares are held by Colgate-Palmolive (Asia) Pte. Ltd., Singapore, Subsidiary of the Ultimate Holding Company.
- (iii) **563** (Previous Year : 563) Equity Shares are held by Norwood International Incorporated, U.S.A., Subsidiary of the Ultimate Holding Company.

(B) Reconciliation of Shares outstanding :

	As at March 31, 2014	As at March 31, 2013
	Number of Shares	Number of Shares
Balance at the beginning of the year	13,59,92,817	13,59,92,817
Issued during the year	—	—
Balance at the end of the year	13,59,92,817	13,59,92,817

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

	As at March 31, 2014	As at March 31, 2013
	Number of Shares	Number of Shares
Colgate-Palmolive Company, U.S.A.	5,44,76,347	5,44,76,347
Colgate-Palmolive (Asia) Pte. Ltd., Singapore	1,48,79,426	1,48,79,426
Oppenheimer Developing Markets Fund	73,61,930	71,41,172

(D) Rights, Preference and Restriction attached to Shares :

The Company has one class of Equity Shares having par value of ₹ 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.

Notes to the Financial Statements for the year ended March 31, 2014

	As at March 31, 2014 ₹ Lacs	As at March 31, 2013 ₹ Lacs
Note 3: Reserves and Surplus		
Securities Premium Account		
Balance at the beginning of the year	12,79.93	12,79.93
Add : Received during the year	—	—
Balance at the end of the year	<u>12,79.93</u>	<u>12,79.93</u>
General Reserve		
Balance at the beginning of the year	343,98.36	294,30.82
Add : Transfer from Statement of Profit and Loss	53,98.70	49,67.54
Balance at the end of the year	<u>397,97.06</u>	<u>343,98.36</u>
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	119,20.92	114,68.21
Add : Profit for the year	539,87.00	496,75.44
Less : Appropriations		
– First Interim Dividend	122,39.35	176,79.07
– Second Interim Dividend	122,39.35	81,59.57
– Third Interim Dividend	122,39.35	122,39.35
– Dividend Tax	62,40.23	61,77.20
– Transfer to General Reserve	53,98.70	49,67.54
Balance at the end of the year	<u>175,50.94</u>	<u>119,20.92</u>
	<u>586,27.93</u>	<u>475,99.21</u>
Note 4 : Other Long-term Liabilities		
Payable under Voluntary Retirement Scheme	59.65	69.42
Security Deposit	15.00	15.00
	<u>74.65</u>	<u>84.42</u>
Note 5 : Long-term Provisions		
Provision for Employee Benefits :		
– Gratuity	4,35.11	8,69.60
– Pension	36.29	32.80
– Compensated Absences	10,92.81	13,77.16
– Others	—	5.65
Other Provision :		
Indirect Tax Matters	9,21.65	12,04.85
	<u>24,85.86</u>	<u>34,90.06</u>
(A) Indirect Tax Matters		
Opening Balance (net of advance payments)	12,04.85	14,96.38
Add : Provision made	1,08.69	37.33
Add/Less : (Payments)/Refunds	(79.60)	14.61
Less : Provision Utilised/Reversed	(3,12.29)	(3,43.47)
Closing Balance (net of advance payments)	<u>9,21.65</u>	<u>12,04.85</u>

Indirect Tax Matters represents estimates made for probable liabilities arising out of pending disputes/litigations with various tax authorities. The timing of the outflow with regard to the said matters depends upon exhaustion of remedies available to the Company under the law and hence, the Company is not able to reasonably ascertain the timing of the outflow.

Notes to the Financial Statements for the year ended March 31, 2014

	As at March 31, 2014 ₹ Lacs	As at March 31, 2013 ₹ Lacs
Note 6 : Trade Payables		
Trade Payables	<u>509,96.67</u>	<u>466,61.98</u>
	<u>509,96.67</u>	<u>466,61.98</u>

(A) There are no Micro and Small enterprises to whom the Company owes dues. The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 7 : Other Current Liabilities

Unpaid Dividends* :		
– Third Interim Dividend	122,39.35	122,39.35
– Others	11,40.58	9,70.59
Unpaid Balance for Share Capital Reduction (Year 2007)	64.71	63.32
Dividend Tax	5,80.08	–
Others :		
Employee Benefits Payable	41,16.52	44,70.75
Payable under Voluntary Retirement Scheme	10.89	50.04
Payable towards Statutory Liabilities	65,11.75	62,12.22
Advance from Customers	3,12.57	3,93.73
Payable towards purchase of Fixed Assets	<u>33,17.90</u>	<u>6,17.98</u>
	<u>282,94.35</u>	<u>250,17.98</u>

*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 8 : Short-term Provisions

Taxation [net of advance tax payments ₹ 901,01.12 Lacs (Previous Year : ₹ 723,22.52 Lacs)]	68,63.63	62,99.72
Compensated Absences	<u>1,71.97</u>	<u>1,64.42</u>
	<u>70,35.60</u>	<u>64,64.14</u>

₹ Lacs

Particulars	Gross Block			Depreciation/Amortisation			Net Book Value	
	As at April 1, 2013	Additions	Disposals/Transfers	As at March 31, 2014	For the Year	Disposals/Transfers	Up to March 31, 2014	As at March 31, 2014
(A) Tangible Assets								
Land - Leasehold (Refer Note (i) below)	14,72.44	51,65.84	—	66,38.28	21.35	—	80.94	65,57.34
Buildings (Refer Note (ii) below)	139,11.21	78,52.55	19.63	217,44.13	5,33.63	3.82	61,15.15	156,28.98
Plant and Machinery	389,54.98	191,78.59	1,99.19	579,34.38	43,48.90	1,76.56	252,43.54	326,90.84
Furniture and Fixtures	12,86.18	92.30	1,15.65	12,62.83	17.08	1,08.83	11,60.56	1,02.27
Office Equipment	26,62.75	3,83.27	4,22.27	26,23.75	22,52.80	3,94.91	20,12.38	6,11.37
Total Tangible Assets	582,87.56	326,72.55	7,56.74	902,03.37	50,75.45	6,84.12	346,12.57	555,90.80
Total Tangible Assets Previous Year	522,49.84	74,26.16	13,88.44	582,87.56	43,69.89	9,56.20	302,21.24	
(B) Intangible Assets								
Goodwill	27,07.61	—	—	27,07.61	—	—	27,07.61	—
Trademarks	22.20	—	—	22.20	—	—	22.20	—
Copyrights	13,52.90	—	—	13,52.90	—	—	13,52.90	—
Technical Know-how	49,83.70	—	—	49,83.70	—	—	49,83.70	—
Total Intangible Assets	90,66.41	—	—	90,66.41	—	—	90,66.41	—
Total Intangible Assets Previous Year	90,66.41	—	—	90,66.41	—	—	90,66.41	
Total	673,53.97	326,72.55	7,56.74	992,69.78	50,75.45	6,84.12	436,78.98	280,66.32
Total Previous Year	613,16.25	74,26.16	13,88.44	673,53.97	43,69.89	9,56.20	392,87.65	
(C) Capital Work-in-Progress								
Total								
Total								

i) Land - Leasehold comprises of lease rights in respect of the land in the possession of the Company under Lease/Agreements to Lease with Maharashtra Industrial Development Corporation (MIDC) at Aurangabad, Industrial Area Development Agency at Baddi and Goa, Daman and Diu Industrial Development Corporation at Goa, Sricity Developers at Sricity, Andhra Pradesh. Land - Leasehold comprises of lease rights in respect of the land in the possession of the Company at Sanand pending execution of lease deed between the Company and the Gujarat Industrial Development Corporation (GIDC) and subject to certificate from Executive Engineer of GIDC as to fulfillment of conditions and stipulations contained in the Agreement between Company and GIDC.

Buildings comprise of : (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, Mumbai Port Trust (MPT) has not yet effected formal transfer of lease rights in the said land, in favour of the Company. 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 amount of stamp duty and legal costs for such transfer will be capitalised when paid, (b) Factory Buildings at Aurangabad, (c) Research Centre at Powai, Mumbai, (d) Factory Building at Baddi, (e) Factory Buildings at Goa, and (f) Factory Buildings at Sanand.

Capital Work-in-Progress includes ₹ 20,83.26 Lacs (Previous Year: ₹ 7,41.47 Lacs) being salary and other expenses incurred towards capital project.

Notes to the Financial Statements for the year ended March 31, 2014

	As at March 31, 2014 ₹ Lacs	As at March 31, 2013 ₹ Lacs
Note 10 : Non-Current Investments		
Long-Term and Non-Trade (Listed but not Quoted)		
Investment in Bonds:		
6.70% (Tax-Free) Indian Railway Finance Corporation Bonds (Series-68B) of face value of ₹ 12,00.00 Lacs	12,16.73	12,16.73
6.05% (Tax-Free) Indian Railway Finance Corporation Bonds (Series-73) of face value of ₹ 7,00.00 Lacs	7,00.00	7,00.00
7.51% (Tax-Free) Secured, Redeemable, Non-Convertible Bonds of Power Finance Corporation Limited (Series-79A) of face value of ₹ 8,00.00 Lacs	8,00.00	8,00.00
8.20% (Tax-Free) Secured, Redeemable, Non-Convertible Bonds of Power Finance Corporation Limited (Series-I) of face value of ₹ 9,96.75 Lacs	9,96.75	9,96.75
	<u>37,13.48</u>	<u>37,13.48</u>
(A) Aggregate book value of Investments in Note 10 :		
Listed but not Quoted	<u>37,13.48</u>	<u>37,13.48</u>
	<u>37,13.48</u>	<u>37,13.48</u>
Note 11 : Deferred Tax Asset [Net]		
Voluntary Retirement Scheme allowable over a period of five years in Income Tax	1,11.78	1,69.63
Accrual for expenses allowable only on payment and disallowance u/s 40(a)(ia)	41,42.77	38,87.01
Less : Deferred Tax Liability on Timing Difference between book and tax depreciation	24,76.19	18,12.17
	<u>17,78.36</u>	<u>22,44.47</u>
Note 12 : Long-term Loans and Advances		
<i>Secured and Considered Good</i>		
Loans to Employees	3,23.43	4,26.81
<i>Unsecured and Considered Good</i>		
Capital Advances	39,20.80	54,83.62
Deposits	20,11.96	11,19.07
	<u>62,56.19</u>	<u>70,29.50</u>
Note 13 : Other Non-Current Assets		
Deposits with banks (with maturity more than 12 months) (Refer Note (A))	2,05.50	1,24.61
	<u>2,05.50</u>	<u>1,24.61</u>
(A) Held as lien by Bank against Bank Guarantee ₹ 1,19 Lacs (Previous Year : ₹ 98 Lacs).		

Notes to the Financial Statements for the year ended March 31, 2014

	As at March 31, 2014 ₹ Lacs	As at March 31, 2013 ₹ Lacs
Note 14 : Current Investments		
Investment in Bonds :		
Non-Trade (Listed but not Quoted)		
6.70% (Taxable) Unsecured, Redeemable, Non-Convertible, Non-Priority Sector Bonds of HUDCO-Bonds (Series - 13) of the face value of ₹ 10,00.00 Lacs	—	9,98.17
	—	9,98.17
This investment is considered as Long-term in accordance with Accounting Standard - 13 (Accounting for Investments).		
(A) Aggregate book value of Investments in Note 14 :		
Listed but not Quoted	—	9,98.17
	—	9,98.17
(B) Aggregate book value of Investments in Note 10 and Note 14 :		
Listed but not Quoted	37,13.48	47,11.65
	37,13.48	47,11.65
Note 15 : Inventories		
Raw and Packing Materials	42,05.81	34,08.96
Work-in-Progress	9,67.98	7,35.30
Finished Goods	118,51.85	91,71.61
Stock-in-Trade [includes in transit ₹ 4,22.17 Lacs (Previous Year : ₹ 4,54.83 Lacs)]	45,67.35	42,45.37
Stores and Spares	9,81.28	9,68.59
	225,74.27	185,29.83
(A) Details of Inventory		
(i) Work-in-Progress :		
Soaps, Cosmetics and Toilet Preparations	9,67.98	7,35.30
	9,67.98	7,35.30
(ii) Manufactured Finished Goods :		
Soaps, Cosmetics and Toilet Preparations	118,51.85	91,71.61
	118,51.85	91,71.61
(iii) Stock-in-Trade :		
Soaps, Cosmetics and Toilet Preparations	10,93.40	10,83.84
Tooth Brushes and Shave Brushes	34,62.63	31,20.80
Others	11.32	40.73
	45,67.35	42,45.37

Notes to the Financial Statements for the year ended March 31, 2014

	As at March 31, 2014 ₹ Lacs	As at March 31, 2013 ₹ Lacs
Note 16 : Trade Receivables		
<i>Unsecured and Considered Good</i>		
Outstanding for a period exceeding six months from the date they are due for payment	8,50.34	13,49.38
Others	46,23.08	67,71.76
	<u>54,73.42</u>	<u>81,21.14</u>
Note 17 : Cash and Bank Balances*		
Cash and Cash Equivalents :		
Bank Balances in :		
– Current Accounts	8,74.13	23,87.59
– Deposit Accounts (with less than 3 months maturity)	141,89.56	271,82.55
	<u>150,63.69</u>	<u>295,70.14</u>
Other Bank Balances :		
Deposit Accounts (with maturity more than 3 months but less than 12 months)	1,87.05	36.23
Earmarked balances with Banks in :		
– Unpaid Dividend Account - Third Interim Dividend	122,39.35	122,39.35
– Unpaid Dividend Account	11,40.58	9,70.59
– Unpaid Share Capital Reduction Account (Year 2007)	64.71	63.32
	<u>136,31.69</u>	<u>133,09.49</u>
	<u>286,95.38</u>	<u>428,79.63</u>
* Deposits with banks having maturity more than 12 months of ₹ 2,05.50 Lacs (Previous Year : ₹ 1,24.61 Lacs) is classified as Other Non-Current Assets (Refer Note 13)		
Note 18 : Short-term Loans and Advances		
<i>Secured and Considered Good</i>		
Loans to Employees	71.86	85.40
<i>Unsecured and Considered Good</i>		
Loans and Advances to Related Parties [Refer Note (A) below]	5,70.72	5,07.66
Inter-Corporate Deposits	12,20.00	45,08.70
Balances with Government Authorities	53,40.20	11,41.44
Advances to Suppliers	19,26.76	9,80.07
Prepaid Expenses	3,69.32	4,27.57
Employee Advances	2,54.15	2,15.55
Deposits	3,35.75	3,99.03
Fringe Benefit Advance Tax	1,81.65	1,81.65
	<u>102,70.41</u>	<u>84,47.07</u>

Notes to the Financial Statements for the year ended March 31, 2014

	As at March 31, 2014 ₹ Lacs	As at March 31, 2013 ₹ Lacs
Note 18 : Short-term Loans and Advances (Contd.)		
(A) Loans and Advances to Related Parties includes receivable from:		
Colgate-Palmolive Company, U.S.A.	70.24	4,33.49
Colgate-Palmolive Management Services (H.K.) Limited	44.92	41.57
Colgate-Palmolive (China) Co. Ltd., China	6.66	13.46
Colgate Sanxiao Company Limited	5.89	1.36
Colgate Philippines Inc.	2.47	3.20
Colgate Global Business Services Private Limited	3,98.96	–
Colgate-Palmolive (Thailand) Ltd.	8.55	3.33
Colgate Palmolive (Vietnam) Ltd.	2.95	2.10
Colgate Palmolive Temizlik Urunleri Sanayi ve Ticaret A.S.	18.35	–
Colgate-Palmolive Italia S.r.l., Italy	–	6.33
Colgate-Palmolive East Africa Ltd., Kenya	4.25	–
Colgate-Palmolive Europe SARL, Italy	2.52	–
Colgate-Palmolive (Kazakistan) LLP	1.77	–
Colgate-Palmolive Mktg. SDN BHD, Malaysia	3.19	2.82
	<u>5,70.72</u>	<u>5,07.66</u>
Note 19 : Other Current Assets		
<i>Unsecured and Considered Good</i>		
Interest Accrued on Investments/Deposits	1,54.00	3,09.70
Insurance Claims Receivable	12.68	18.17
	<u>1,66.68</u>	<u>3,27.87</u>
Note 20 : Contingent Liabilities and Commitments		
(To the extent not provided for)		
(A) Contingent Liabilities		
Claims against the Company not acknowledged as debts :		
– Excise and Related Matters	38,59.24	38,53.52
– Service Tax Matters	5,81.62	5,81.62
– Income Tax Matters	2,67.07	2,67.07
– Provident Fund Matters	7.37	7.37
– Commercial Matters	1,25.40	1,64.91
Future cash flow in respect of the above, if any, is determinable only on receipt of judgements/decisions pending with the relevant authorities.		
(B) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of ₹ 39,20.80 Lacs (Previous Year : ₹ 54,83.62 Lacs)]	187,27.16	118,02.15

Notes to the Financial Statements for the year ended March 31, 2014

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Note 21 : Revenue from Operations		
Sale of Products :		
– Finished Goods	3,132,37.56	2,769,08.89
– Stock-in-Trade	625,00.14	475,41.62
Other Operating Revenue :		
– Service Income	32,12.46	78,29.06
– Scrap Sales	1,80.46	1,41.34
Revenue from Operations (Gross)	3,791,30.62	3,324,20.91
Less : Excise duty [Refer Note (A) below]	212,49.99	160,40.35
Revenue from Operations (Net)	<u>3,578,80.63</u>	<u>3,163,80.56</u>

(A) The amount of excise duty disclosed as deduction from turnover is the total excise duty for the year except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed as 'Increase/(Decrease) in Excise Duty on Finished Goods' in Note 25.

(B) Details of Sale of Products

(i) Sale of Finished Goods		
Soaps, Cosmetics and Toilet Preparations	3,132,37.56	2,769,08.89
	<u>3,132,37.56</u>	<u>2,769,08.89</u>
(ii) Sale of Stock-in-Trade		
Soaps, Cosmetics and Toilet Preparations	118,07.51	82,95.50
Tooth Brushes and Shave Brushes	504,49.60	390,73.85
Others	2,43.03	1,72.27
	<u>625,00.14</u>	<u>475,41.62</u>

Note 22 : Other Income

Interest :		
– On Bank Deposits	25,44.03	28,86.64
– On Long-term Investments	3,16.70	3,31.40
– Others	7,19.65	7,38.21
Dividend from Mutual Funds (Current)	0.54	34.38
Cash Discount	1,15.81	1,53.84
Exchange Gain (Net)	–	10.26
Provisions no Longer Required Written Back	2,03.60	3,06.14
Bad Debts Recovered	–	13.02
Profit on Sale of Fixed Assets (Net)	2.79	–
Miscellaneous Income	11,28.94	5,18.43
	<u>50,32.06</u>	<u>49,92.32</u>

Notes to the Financial Statements for the year ended March 31, 2014

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Note 23 : Cost of Materials Consumed		
Raw and Packing Materials Consumed :		
Opening Stock	34,08.96	49,28.10
Add : Purchases	1,137,37.86	976,35.60
Less : Closing Stock	42,05.81	34,08.96
	<u>1,129,41.01</u>	<u>991,54.74</u>

(A) Details of Raw and Packing Materials Consumed

Chemicals	519,89.46	417,98.54
Tubes and Containers	287,40.72	239,87.28
Oils	155,51.29	167,61.02
Cartons	151,30.67	125,07.26
Others	15,28.87	41,00.64
	<u>1,129,41.01</u>	<u>991,54.74</u>

(B) Value of imported and indigenous Raw and Packing Materials consumed

	2013-14		2012-13
	Value ₹ Lacs	% to Total Consumption	Value ₹ Lacs
Raw and Packing Materials :			
Imported at landed cost	177,23.90	16	150,12.50
Indigenously obtained	952,17.11	84	841,42.24
	<u>1,129,41.01</u>	<u>100</u>	<u>991,54.74</u>

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Note 24 : Purchase of Stock-in-Trade		
Soaps, Cosmetics and Toilet Preparations	54,14.52	37,32.45
Tooth Brushes and Shave Brushes	244,37.55	197,55.10
Others	86.08	1,56.85
	<u>299,38.15</u>	<u>236,44.40</u>

Notes to the Financial Statements for the year ended March 31, 2014

	2013-14	2012-13
₹ Lacs	₹ Lacs	₹ Lacs
Note 25 : Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Opening Stock		
Work-in-Progress	7,35.30	8,33.73
Finished Goods	91,71.61	103,49.57
Stock-in-Trade	42,45.37	47,87.99
	141,52.28	159,71.29
Less : Closing Stock		
Work-in-Progress	9,67.98	7,35.30
Finished Goods	118,51.85	91,71.61
Stock-in-Trade	45,67.35	42,45.37
	173,87.18	141,52.28
Increase/(Decrease) in Excise Duty on Finished Goods	5,58.10	4,00.69
[Refer Note 21(A)]	(26,76.80)	22,19.70
Note 26: Employee Benefits		
Salaries, Wages and Bonus	192,78.53	218,03.39
Contribution to Provident, Gratuity and Other Funds	9,03.43	21,75.09
Staff Welfare Expenses	9,95.79	9,65.32
	211,77.75	249,43.80

(A) As required by Accounting Standard - 15 "Employee Benefits" (AS-15), the disclosures are as under:

	2013-14	2012-13
	₹ Lacs	₹ Lacs
I. Defined Contribution Plans		
Charge to Statement of Profit and Loss for Defined Contribution Plan:		
- Employers' Contribution to Provident Fund	29.82	7,93.68
- Employers' Contribution to Superannuation Fund	1,76.63	2,24.11
- Employers' Contribution to Employee's State Insurance	29.64	28.84
- Employers' Contribution to Employee's Pension Scheme 1995	1,39.50	1,51.37
- Employers' Contribution to National Pension Scheme	85.85	—
(Included in Employee Benefits - Contribution to Provident, Gratuity and Other Funds)		

Notes to the Financial Statements for the year ended March 31, 2014

Note 26 : Employee Benefits (Contd.)

II. Defined Benefit Plans

Contribution to Gratuity Fund (Funded Scheme), Provident Fund (Funded Scheme)[#] and contribution to Pension Scheme (Non-Funded Scheme)

In accordance with Accounting Standard 15, actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions :

	2013-14	2012-13
Discount Rate (per annum)	9.25%	8.05%
Rate of increase in Compensation levels	7.00%	7.00%
Rate of Return on Plan Assets (for Funded Gratuity Scheme)	7.50%	7.50%
Rate of Return on Plan Assets (for Funded Provident Fund Scheme)	8.66%	—
Expected Average remaining working lives of employees (years) for Funded Scheme	11.85	13.52

Refer Note 26 (A) II (H)

A) (i) Changes in the Present Value of Obligation (Funded Scheme)

	Gratuity		Provident Fund
	2013-14	2012-13	2013-14
	₹ Lacs	₹ Lacs	₹ Lacs
Present Value of Obligation at the beginning of the year	43,40.29	35,35.33	112,81.96
Interest Cost	3,01.66	3,25.94	9,42.54
Current Service Cost	3,30.17	3,47.10	7,12.16
Benefits Paid	(1,73.00)	(3,72.93)	(5,71.02)
Employee Contribution	—	—	9,87.20
Liability transferred to Colgate Global Business Services Private Limited/(Settled on Divestiture)	(8,71.70)	—	(23,30.43)
Actuarial (Gain)/Loss on Obligations	(24.50)	5,04.85	50.12
Present Value of Obligation as at the end of the year	39,02.92	43,40.29	110,72.53

A) (ii) Changes in the Present Value of Obligation (Non-Funded Scheme)

	2013-14	2012-13
	₹ Lacs	₹ Lacs
Present Value of Obligation at the beginning of the year	32.80	30.23
Interest Cost	2.89	2.94
Current Service Cost	3.15	4.13
Actuarial (Gain)/Loss on Obligations	(2.55)	(4.50)
Present Value of Obligation as at the end of the year	36.29	32.80

Notes to the Financial Statements for the year ended March 31, 2014

Note 26 : Employee Benefits (Contd.)

B) (i) Changes in the Fair value of Plan Assets (For Funded Scheme)

	Gratuity		Provident Fund
	2013-14	2012-13	2013-14
	₹ Lacs	₹ Lacs	₹ Lacs
Present Value of Plan Assets at the beginning of the year	34,70.69	31,70.18	112,76.31
Expected Return on Plan Assets	2,72.06	2,38.12	10,06.44
Actuarial Gain/(Loss)	(1,01.94)	(34.75)	(8.13)
Company Contributions	–	4,70.07	7,12.16
Employee Contributions	–	–	9,87.20
Benefits Paid	(1,73.00)	(3,72.93)	(5,71.02)
Assets settled on Divestiture	–	–	(23,30.43)
Fair Value of Plan Assets as at the end of the year	34,67.81	34,70.69	11,072.53

B) (ii) Percentage of each category of Plan Assets to total Fair Value of Plan Assets

	Gratuity		Provident Fund
	2013-14	2012-13	2013-14
	%	%	%
Category of Assets (% Allocation)			
Government of India Securities	4%	4%	36%
Corporate Bonds	2%	5%	36%
Insurer Managed Funds	94%	90%	–
Special Deposit Scheme	–	–	23%
Others	–	1%	5%

C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

	2013-14	2012-13
	₹ Lacs	₹ Lacs
Present Value of Funded Obligation as at the end of the year (Gratuity)	39,02.92	43,40.29
Fair Value of Plan Assets as at the end of the year (Gratuity)	34,67.81	34,70.69
Present Value of Funded Obligation as at the end of the year (Provident Fund)	110,72.53	–
Fair Value of Plan Assets as at the end of the year (Provident Fund)	110,72.53	–
Funded Status (Gratuity)	4,35.11	8,69.60
Present Value of Unfunded Obligation as at the end of the year	36.29	32.80
Unfunded Liability/(Asset) recognised in Balance Sheet	4,71.40	9,02.40

D) (i) Amount recognised in the Balance Sheet (Funded Scheme)

	Gratuity		Provident Fund
	2013-14	2012-13	2013-14
	₹ Lacs	₹ Lacs	₹ Lacs
Present Value of Obligation as at the end of the year	39,02.92	43,40.29	110,72.53
Fair Value of Plan Assets as at the end of the year	34,67.81	34,70.69	110,72.53
Liability/(Asset) recognised in the Balance Sheet	4,35.11	8,69.60	–

[Included in Long-term Provisions (Refer Note 5)]

Notes to the Financial Statements for the year ended March 31, 2014

Note 26 : Employee Benefits (Contd.)

D) (ii) Amount recognised in the Balance Sheet (Non-Funded Scheme)

	2013-14	2012-13
	₹ Lacs	₹ Lacs
Present Value of Obligation as at the end of the year	36.29	32.80
Liability/(Asset) recognised in the Balance Sheet	36.29	32.80
[Included in Long-term Provisions (Refer Note 5)]		

E) (i) Expenses recognised in the Statement of Profit and Loss (Funded Scheme)

	Gratuity		Provident Fund
	2013-14	2012-13	2013-14
	₹ Lacs	₹ Lacs	₹ Lacs
Current Service Cost	3,30.17	3,47.10	7,12.16
Interest Cost	3,01.66	3,25.94	9,42.54
Expected Return on Plan Assets	(2,72.06)	(2,38.12)	(10,06.44)
Net actuarial (Gain)/Loss recognised in the year	77.44	5,39.60	58.25
Total Expenses recognised in the Statement of Profit and Loss	4,37.21	9,74.52	7,06.51
(Included in Employee Benefits - Contribution to Provident, Gratuity and Other Funds)			

E) (ii) Expenses recognised in the Statement of Profit and Loss (Non-Funded Scheme)

	2013-14	2012-13
	₹ Lacs	₹ Lacs
Current Service Cost	3.15	4.13
Interest Cost	2.89	2.94
Net actuarial (Gain)/Loss recognised in the year	(2.55)	(4.50)
Total Expenses recognised in the Statement of Profit and Loss	3.49	2.57
(Included in Employee Benefits - Contribution to Provident, Gratuity and Other Funds)		

F) Expected Contribution to be paid for next year

Expected Contribution to be paid for next year		
- Funded (Gratuity)	5,00.00	5,00.00
- Funded (Provident Fund)	7,62.01	—
- Unfunded	—	—

G) Details of Present Value of Obligation, Plan Assets and Experience Adjustments

	2013-14	2012-13	2011-12	2010-11	2009-10
	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
Present Value of Obligation					
- Funded	149,75.45	43,40.29	35,35.33	28,93.77	24,56.27
- Unfunded	36.29	32.80	30.23	23.82	1,22.91
Fair Value of Plan Assets	145,40.34	34,70.69	31,70.18	30,45.52	25,17.31
(Surplus)/Deficit	4,71.40	9,02.40	3,95.38	(1,27.93)	61.87
Experience Adjustments :					
(Gain)/Loss on Funded Plan Liabilities	5,50.43	2,33.39	5,49.63	1,10.16	(1,38.54)
Gain/(Loss) on Funded Plan Assets	(1,10.06)	(34.75)	42.35	(43.94)	99.54
(Gain)/Loss on Unfunded Plan Liabilities	1.02	(5.87)	0.80	(13.10)	3.24

Notes to the Financial Statements for the year ended March 31, 2014

Note 26 : Employee Benefits (Contd.)

- H) The Guidance Note on Implementing AS 15, 'Employee Benefits' issued by the Accounting Standard Board (ASB) of the Institute of Chartered Accountants of India states that Provident Funds set up by employers that guarantee a specified rate of return and which require interest shortfall to be met by the employer would be defined benefit plans in 26(b) of AS 15. The current year is the first year in which the actuary has given the detailed disclosures in the actuarial valuation report, in view of the issuance of the Guidance Note by the Institute of Actuaries of India. Accordingly, the compliance with the disclosure requirements of paragraph 120(n) of AS 15: Employee Benefits have been done prospectively from this year onwards.

III Other Employee Benefit Plan

The liability for Compensated Absences as at the year end is ₹ **12,64.78 Lacs** (Previous Year : ₹ 15,41.58 Lacs).

	As at March 31, 2014 ₹ Lacs	As at March 31, 2013 ₹ Lacs
Included in :		
Long-term Provisions (Refer Note 5)	10,92.81	13,77.16
Short-term Provisions (Refer Note 8)	1,71.97	1,64.42
	12,64.78	15,41.58

Note 27 : Other Expenses

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Consumption of Stores and Spares [Refer Note (A) below]	12,78.19	11,22.73
Processing Charges	4,47.64	3,79.41
Power and Fuel	22,75.58	19,58.18
Freight and Forwarding Charges	119,76.55	106,22.31
Rent	10,34.22	10,12.34
Rates and Taxes	23,35.57	20,30.29
Insurance	3,05.35	2,78.75
Repairs and Maintenance		
– Plant and Machinery	12,47.59	11,14.67
– Buildings	57.37	1,52.56
– Others	23.85	11.48
	13,28.81	12,78.71
Advertising	441,78.16	354,59.23
Sales Promotion	246,87.75	135,47.77
Directors' Fees and Commission	36.50	37.45
Auditors' Remuneration [Refer Note (B) below]	1,11.48	1,02.70
Royalty	194,97.38	167,85.41
Bad Debts Written Off	50.09	–
Loss on Sale of Fixed Assets (Net)	–	1,74.82
Exchange Loss (Net)	1,32.56	–
Travel and Conference Expenses	31,11.73	29,67.72
Outside Services	90,74.55	70,74.68
Miscellaneous	82,37.38	59,04.46
	1,300,99.49	1,007,36.96

Notes to the Financial Statements for the year ended March 31, 2014

Note 27 : Other Expenses (Contd.)

(A) Value of imported and indigenous Stores and Spare Parts consumed :

	2013-14		2012-13	
	Value ₹ Lacs	% to Total Consumption	Value ₹ Lacs	% to Total Consumption
Stores and Spare Parts :				
Imported at landed cost	3,84.43	30	2,96.19	26
Indigenously obtained	8,93.76	70	8,26.54	74
	<u>12,78.19</u>	<u>100</u>	<u>11,22.73</u>	<u>100</u>

(B) Auditors' Remuneration :

As Auditor :		
– Statutory Audit	47.60	45.50
– Limited Review	24.00	21.00
– Certification	–	0.30
For other Audit services in respect of :		
– Tax Audit	13.00	11.75
– Audit of Group Reporting Package	23.50	21.25
Reimbursement of Expenses :	3.38	2.90
	<u>1,11.48</u>	<u>1,02.70</u>

2013-14
₹ Lacs

2012-13
₹ Lacs

Note 28 : Lease Accounting

The Company has leased machinery, vehicles and computer equipments under “Operating Leases”. The lease payments to be made in future in respect of the leases are as follows :

Upto 1 year	15,99.80	5,49.11
Greater than 1 year but less than 5 years	47,48.34	5,52.05
Greater than 5 years	17,12.22	–

Lease payments recognised in Statement of Profit and Loss are included in “Miscellaneous” under Other Expenses in Note 27.

8,71.90 **6,03.99**

Note 29 : Earnings Per Share

Profit After Taxation (₹ Lacs)	539,87.00	496,75.44
Weighted average number of shares (Nos.)	13,59,92,817	13,59,92,817
Nominal Values of shares outstanding (₹)	1	1
Basic and Diluted Earnings Per Share (₹)	39.70	36.53

Notes to the Financial Statements for the year ended March 31, 2014

Note 30 : Segment Information

In accordance with the requirements of Accounting Standard - 17 "Segment Reporting", the Company has identified Business Segment as its primary segment. The Company's Business Segment is "Personal Care (including Oral Care)" and hence it has no other primary reportable segments. Non Reportable Segment has been disclosed as unallocated reconciling item. Segment revenue and Segment expenses have been accounted on the basis of their relationship to the operating activities of the Company. Assets and liabilities which relate to the enterprise as a whole and are not allocable to the segment on a reasonable basis have been included under unallocated assets/liabilities. Revenue and expenses pertaining to non reportable segment have been disclosed as unallocated results.

Primary Reportable Segment

Particulars	2013-14 ₹ Lacs	2012-13 ₹ Lacs
1. Segment Revenue from Operations	3,546,68.17	3,085,51.50
Unallocated Income	32,12.46	78,29.06
Other Income	50,32.06	49,92.32
	<u>3,629,12.69</u>	<u>3,213,72.88</u>
2. Segment Results	610,79.54	608,65.94
Add : Unallocated results	2,46.04	4,45.13
Add : Other Income	50,32.06	49,92.32
Total Profit before Tax and Exceptional Item	663,57.64	663,03.39
Add : Exceptional Item	64,37.98	—
Total Profit before Tax	<u>727,95.62</u>	<u>663,03.39</u>
3. Capital Employed		
Segment Assets	1,258,88.32	1,015,12.11
Add : Unallocated Corporate Assets	229,86.67	291,65.61
Total Assets	<u>1,488,74.99</u>	<u>1,306,77.72</u>
Segment Liability	679,83.77	611,97.60
Add : Unallocated Corporate Liability	209,03.36	205,20.98
Total Liability	<u>888,87.13</u>	<u>817,18.58</u>
Segment Capital Employed	579,04.55	403,14.51
Add : Unallocated Capital Employed	20,83.31	86,44.63
Total Capital Employed	<u>599,87.86</u>	<u>489,59.14</u>
4. Capital Expenditure		
Segment Capital Expenditure	345,73.63	153,86.67
Add : Unallocated Capital Expenditure	4,90.97	1,69.62
Total Capital Expenditure	<u>350,64.60</u>	<u>155,56.29</u>
5. Depreciation/Amortisation		
Segment Depreciation	48,26.09	41,72.51
Add : Unallocated Depreciation	2,49.36	1,97.38
Total Depreciation	<u>50,75.45</u>	<u>43,69.89</u>
6. Significant Non Cash Expenditure (excluding depreciation)	50.09	—

Notes to the Financial Statements for the year ended March 31, 2014

Secondary Reportable Segment

The Company has identified Geographical Segment as its secondary segment.

	India		Outside India		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue from Operations						
External	3,498,49.10	3,050,33.61	48,19.07	35,17.89	3,546,68.17	3,085,51.50
Internal Segment	—	—	—	—	—	—
Total	3,498,49.10	3,050,33.61	48,19.07	35,17.89	3,546,68.17	3,085,51.50
Carrying amount of segment assets	1,258,88.32	1,015,12.11	19,91.83	34,26.57	1,258,88.32	1,015,12.11
Capital Expenditure	345,73.63	153,86.67	—	—	345,73.63	153,86.67

Note 31: Disclosure of Related Parties

Related Party Disclosures, as required by Accounting Standard - 18, "Related Party Disclosures", are given below :

- i) Ultimate Holding Company** : Colgate-Palmolive Company, U.S.A.
- ii) Group Companies where common control exists** :
- Colgate-Palmolive Mktg. SDN BHD, Malaysia
 - Colgate-Palmolive East Africa Ltd., Kenya
 - Colgate-Palmolive Morocco
 - Colgate-Palmolive Pty. Ltd., South Africa
 - Colgate-Palmolive (Thailand) Ltd.
 - Colgate-Palmolive (H.K.) Ltd., Hongkong
 - Colgate-Palmolive Management Services (H.K.) Limited
 - Colgate-Palmolive (China) Co. Ltd., China
 - Colgate Palmolive (Vietnam) Ltd
 - Colgate Sanxiao Company Limited
 - Colgate-Palmolive SAS, Colombes
 - Colgate Palmolive Temizlik Urunleri Sanayi ve Ticaret A.S.
 - Colgate-Palmolive Cameroun S.A., Cameroun
 - Colgate-Palmolive Romania srl.
 - Hawley & Hazel Chemical Co., (Zhongshan) Ltd.
 - Colgate-Palmolive (Eastern) Pte. Ltd., Singapore
 - Colgate-Palmolive Indústria Ltda.
 - Colgate-Palmolive (Asia) Pte. Ltd. Singapore
 - Norwood International Incorporated, U.S.A.
 - Colgate-Palmolive Tanzania Limited

Notes to the Financial Statements for the year ended March 31, 2014

Note 31: Disclosure of Related Parties (Contd.)

- : Colgate-Palmolive Boksburg
- : Colgate Global Business Services Private Limited
- : Colgate-Palmolive Zambia Inc.
- : Colgate-Palmolive Europe SARL
- : Colgate-Palmolive S.A., France
- : Colgate-Palmolive (Kazakistan) LLP
- : 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 S.A. DE. C. V., Mexico
- : Colgate-Palmolive Senegal
- : Colgate-Palmolive (Gabon) S.A.
- : Colgate-Palmolive Italia S.r.l., Italy
- : Colgate-Palmolive Belgium S.A./N.V.
- : Colgate Philippines Inc.
- : Colgate-Palmolive Canada Inc
- : Colgate-Palmolive Pty. Ltd., Australia

iii) Key Management Personnel

- : P.E. Alton (Upto December 31, 2012)
- : P. Parameswaran (Ms.)
- : N. Ghatge
- : G. Nthunzi (effective January 1, 2013)

Notes to the Financial Statements for the year ended March 31, 2014

Note 31 : Disclosure of Related Parties (Contd.)

The Company has entered into transaction with the Ultimate Holding Company, various group companies where common control exists and other related parties as follows:

Nature of Transaction	Parties referred to in (i) above		Parties referred to in (ii) above		Parties referred to in (iii) above		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
	₹ Lacs		₹ Lacs		₹ Lacs		₹ Lacs	
Purchase of Goods/Materials								
Colgate Sanxiao Company Limited	-	-	14,87.13	9,97.63	-	-	14,87.13	9,97.63
Colgate-Palmolive (Thailand) Ltd.	-	-	17,79.79	8,55.16	-	-	17,79.79	8,55.16
Colgate-Palmolive Company, U.S.A.	1,72.96	1,51.71	-	-	-	-	1,72.96	1,51.71
Others	-	-	2,49.95	1,60.73	-	-	2,49.95	1,60.73
Sub-Total	1,72.96	1,51.71	35,16.87	20,13.52	-	-	36,89.83	21,65.23
Sale of Goods/Materials								
Colgate-Palmolive East Africa Ltd., Kenya	-	-	13,85.77	12,14.51	-	-	13,85.77	12,14.51
Colgate-Palmolive Pty. Ltd., South Africa	-	-	1,67.05	3,78.01	-	-	1,67.05	3,78.01
Colgate-Palmolive Boksburg	-	-	3,75.63	-	-	-	3,75.63	-
Others	-	-	6,78.75	5,77.74	-	-	6,78.75	5,77.74
Sub-Total	-	-	26,07.20	21,70.26	-	-	26,07.20	21,70.26
Purchase of Assets/Spares								
Colgate-Palmolive Canada Inc.	-	-	-	2.27	-	-	-	2.27
Colgate-Palmolive Belgium S.A./N.V.	-	-	1,32.64	-	-	-	1,32.64	-
Sub-Total	-	-	1,32.64	2.27	-	-	1,32.64	2.27
Services Rendered								
Colgate-Palmolive Company, U.S.A.	34,19.24	78,43.85	-	-	-	-	34,19.24	78,43.85
Others	-	-	21.11	41.53	-	-	21.11	41.53
Sub-Total	34,19.24	78,43.85	21.11	41.53	-	-	34,40.35	78,85.38
Services Received								
Colgate-Palmolive Company, U.S.A.	57,49.59	42,68.08	-	-	-	-	57,49.59	42,68.08
Colgate Global Business Services Private Limited	-	-	5,31.84	-	-	-	5,31.84	-
Sub-Total	57,49.59	42,68.08	5,31.84	-	-	-	62,81.43	42,68.08
Reimbursement of Expenses Charged by us/(on us)								
Colgate-Palmolive Company, U.S.A.	(19,92.15)	(29,57.46)	-	-	-	-	(19,92.15)	(29,57.46)
(Includes ₹ 7,21.25 Lacs (Previous Year: ₹ 8,74.80 Lacs) for stock options/grants to employees of the Company)	-	-	5,29.25	-	-	-	5,29.25	-
Colgate Global Business Services Private Limited	-	-	(25.34)	(21.35)	-	-	(25.34)	(21.35)
Others	-	-	-	-	-	-	-	-
Sub-Total	(19,92.15)	(29,57.46)	5,03.92	(21.35)	-	-	(14,88.23)	(29,78.81)

Notes to the Financial Statements for the year ended March 31, 2014

Note 31 : Disclosure of Related Parties (Contd.)

Nature of Transaction	Parties referred to in (i) above		Parties referred to in (ii) above		Parties referred to in (iii) above		Total
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	
Dividend Paid/Proposed							
Colgate-Palmolive Company, U.S.A.	147,08.61	152,53.38	-	-	-	-	152,53.38
Colgate-Palmolive (Asia) Pte. Ltd., Singapore	-	-	40,17.45	41,66.24	-	-	41,66.24
Norwood International Incorporated, U.S.A.	-	-	0.15	0.16	-	-	0.16
Sub-Total	147,08.61	152,53.38	40,17.60	41,66.40	-	-	194,19.78
Sale of Global Shared Services Organization (GSSO Division)							
Colgate Global Business Services Private Limited	-	-	59,77.57	-	-	-	-
Sub-Total	-	-	59,77.57	-	-	-	-
Transfer of Employees							
Colgate Global Business Services Private Limited	-	-	4,96.29	-	-	-	-
Sub-Total	-	-	4,96.29	-	-	-	-
Royalty							
Colgate-Palmolive Company, U.S.A.	165,71.01	143,50.21	-	-	-	-	143,50.21
Sub-Total	165,71.01	143,50.21	-	-	-	-	143,50.21
Remuneration							
P. Parameswaran (Ms.)	-	-	-	-	7,55.74	5,46.25	5,46.25
G. Nithunzi	-	-	-	-	5,14.45	1,19.22	1,19.22
P.E. Alton	-	-	-	-	-	5,18.32	5,18.32
N. Ghate	-	-	-	-	2,06.36	1,72.60	1,72.60
Sub-Total	-	-	-	-	14,76.56	13,56.39	13,56.39
Outstanding Receivable net of Payable							
Colgate-Palmolive East Africa Ltd., Kenya	-	-	3,33.83	1,35.30	-	-	1,35.30
Colgate Global Business Services Private Limited	-	-	3,01.46	-	-	-	-
Colgate Palmolive Bt. Ltd., (Blantyre), Malawi	-	-	38.22	1,21.74	-	-	1,21.74
Others	-	-	1,50.49	99.86	-	-	99.86
Sub-Total	-	-	8,24.00	3,56.90	-	-	3,56.90
Outstanding Payable net of Receivable							
Colgate-Palmolive Company, U.S.A.	52,04.83	48,76.20	-	-	-	-	48,76.20
Colgate-Palmolive (Thailand) Ltd.	-	-	6,28.01	3,21.46	-	-	3,21.46
Colgate Sanxiao Company Limited	-	-	2,41.13	1,67.65	-	-	1,67.65
Colgate-Palmolive Management Services (H.K.) Limited	-	-	24.25	1,30.44	-	-	1,30.44
Others	-	-	2,27.97	1,06.53	-	-	1,06.53
Sub-Total	52,04.83	48,76.20	11,21.36	7,26.08	-	-	56,02.28

₹ Lacs

Notes to the Financial Statements for the year ended March 31, 2014

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Note 32 : Value of imports calculated on C.I.F. basis		
Raw Materials	132,56.35	112,64.75
Stock-in-Trade	34,91.30	25,84.84
Capital Goods	126,12.74	25,12.56
Spares	8,80.76	4,28.25

Note 33 : Expenditure in Foreign Currency

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Travelling	30.64	30.69
Royalty (Net of tax)	165,71.01	143,50.21
Services Received	58,21.51	42,90.84
Others	67,64.82	29,13.51

Note 34 : Earnings in Foreign Exchange

	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Exports at F.O.B. Value	48,19.07	35,17.89
Services Rendered	32,12.46	78,29.06

Note 35 : Net Dividends remitted in foreign currency to non-resident shareholders :

For the year	Nature of Dividend	No. of Equity Shares	2013-14 ₹ Lacs	2012-13 ₹ Lacs
Colgate-Palmolive Company, U.S.A. :				
2011-2012	Third Interim	5,44,76,347	—	43,58.11
2012-2013	First Interim	5,44,76,347	—	70,81.93
2012-2013	Second Interim	5,44,76,347	—	32,68.58
2012-2013	Third Interim	5,44,76,347	49,02.87	—
2013-2014	First Interim	5,44,76,347	49,02.87	—
2013-2014	Second Interim	5,44,76,347	49,02.87	—
			147,08.61	147,08.62
Colgate-Palmolive (Asia) Pte Ltd., Singapore :				
2011-2012	Third Interim	1,48,79,426	—	11,90.35
2012-2013	First Interim	1,48,79,426	—	19,34.33
2012-2013	Second Interim	1,48,79,426	—	8,92.77
2012-2013	Third Interim	1,48,79,426	13,39.15	—
2013-2014	First Interim	1,48,79,426	13,39.15	—
2013-2014	Second Interim	1,48,79,426	13,39.15	—
			40,17.45	40,17.45
Norwood International Incorporated, U.S.A. :				
2011-2012	Third Interim	563	—	0.05
2012-2013	First Interim	563	—	0.07
2012-2013	Second Interim	563	—	0.03
2012-2013	Third Interim	563	0.05	—
2013-2014	First Interim	563	0.05	—
2013-2014	Second Interim	563	0.05	—
			0.15	0.15

Notes to the Financial Statements for the year ended March 31, 2014

Note 36 : Derivative Instruments

Details of foreign currency balances not hedged :

Particulars	2013-14			2012-13	
	Foreign Currency Denomination	Foreign Currency Amount in Lacs	Indian Rupees Equivalent in Lacs	Foreign Currency Amount in Lacs	Indian Rupees Equivalent in Lacs
Current Assets (Trade Receivables)	USD	26.98	16,15.55	54.16	29,42.96
Current Assets (Short-term Loans and Advances)	USD	9.53	5,70.71	9.32	5,07.66
Current Liabilities (Trade Payables)	USD	1,06.79	63,94.55	1,10.11	59,96.97
	EUR	3.80	3,12.74	0.75	51.87
	GBP	0.17	17.13	0.01	1.30
	CHF	0.08	5.30	—	—
	SEK	2.06	18.94	—	—
Current Liabilities (Others)	EUR	2.41	1,98.57	—	—
	SEK	0.04	0.37	3.86	31.99
	USD	1.02	61.00	0.42	22.65

Note 37: Research and Development expenses of the year for the Company aggregates ₹ **8,65.80 Lacs** (Previous Year: ₹ 8,41.38 Lacs).

Note 38: The Company after obtaining necessary approvals from the Board of Directors and Shareholders, sold and transferred the whole of the Company's "Global Shared Services Organization" (GSSO Division) by way of a slump sale to Colgate Global Business Services Private Limited (CGBSPL), a 100% subsidiary of the Ultimate Holding Company, Colgate-Palmolive Company, U.S.A. with effect from June 1, 2013, on a going concern basis for a total consideration of ₹ 59,89 Lacs. This amount, after necessary adjustments to the relevant assets and liabilities of the erstwhile division is shown under "Exceptional Items". The Capital Gain tax arising from the transaction is included in "Tax Expense".

Signature to Notes 1 to 38

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Vilas Rane
Partner
Membership Number - 033220

Mumbai, May 23, 2014

For and on behalf of the Board

Vice-Chairman
Managing Director
Whole-time Director &
Chief Financial Officer
Whole-time Director &
Company Secretary

Mumbai, May 23, 2014

R. A. Shah
P. Parameswaran (Ms.)

G. Nthunzi

N. Ghate

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,

Colgate-Palmolive (India) Limited,
Colgate Research Centre,
Main Street,
Hiranandani Gardens,
Powai, Mumbai 400 076.

I/We _____

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.

(2) PARTICULARS OF NOMINEE/S :

(a) Name	:
(b) Date of Birth	:
(c) Father's/Mother's/Spouse's name	:
(d) Occupation	:
(e) Nationality	:
(f) Address	:
(g) E-mail id	:
(h) Relationship with the security holder	:

(3) IN CASE NOMINEE IS A MINOR :

(a) Date of birth	:
(b) Date of attaining majority	:
(c) Name of guardian	:
(d) Address of guardian	:

Name	:
Address	:
Name of the Security Holder(s)	:
Signature	:
Witness with name and address	:

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A CHANCE TO BE
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Introducing Colgate's first
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Sugar Acid Neutralizer™

Fights the No.1 cause of cavities*



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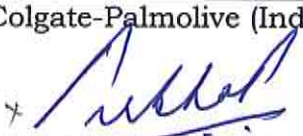
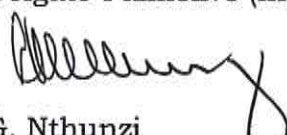
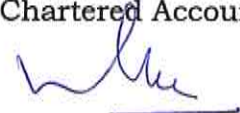

*Sugar acids in Plaque. †Oral Care Professional Brand Recommendation Study conducted by IPSOS in March 2014.
www.colgate-sugaracidneutralizer.co.in



 **COLGATE-PALMOLIVE (INDIA) LIMITED**

Colgate Research Centre, Main Street, Hiranandani Gardens, Powai, Mumbai – 400 076
Tel: 022-6709 5050 ■ www.colgatepalmolive.co.in

FORM A

Sr. No.	Particulars	
1.	Name of the Company	Colgate-Palmolive (India) Limited
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by-	
	Managing Director	Colgate-Palmolive (India) Limited  P. Parameswaran (Ms.) Managing Director
	Whole-time Director & Chief Financial Officer	Colgate-Palmolive (India) Limited  G. Nthunzi Whole-time Director & Chief Financial Officer
	<u>Auditor</u> Price Waterhouse Firm Registration No. 301112E Chartered Accountants	For Price Waterhouse Firm Registration No. 301112E Chartered Accountants  Vilas Rane Partner Membership No. 033220
	Audit Committee Chairman	Colgate-Palmolive (India) Limited  R. A. Shah Chairman of the Audit Committee

Form A