



COLGATE-PALMOLIVE (INDIA) LIMITED

Annual Report 2009-2010



# 83 Million Children...



Colgate-Palmolive India, is committed to spreading oral health awareness  
and has educated 83 million children, since 1976,  
on the importance of maintaining good oral health.



As early as 1976, Colgate-Palmolive (India) Limited, embarked upon the journey of educating children on the benefits of good oral health with the initiative called “Young India School Dental Health Program”. This program was rechristened “Bright Smiles, Bright Futures™” to align with the global program conducted by Colgate-Palmolive Company in over 80 countries.

Children in the age group of 6 to 12 years, studying in primary schools, are taught good oral hygiene habits under this program. The aim of the program is to create oral hygiene awareness amongst children and thereby promote good oral health.

In partnership with the Indian Dental Association and committed dental professionals, 83 million children across urban and rural India have been educated since the inception of this education program.

As the market leader in oral care, Colgate remains committed towards spreading awareness about good oral health to children and the people in urban as well as rural India with this initiative “Bright Smiles, Bright Futures™” and other programs like *Anganwadi*, Brush Twice a Day and Oral Health Month.



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## Board of Directors

	<i>Chairman</i>	<b>D. Samuel</b>
	<i>Vice-Chairman</i>	<b>R. A. Shah</b>
	<i>Deputy Chairman</i>	<b>P. K. Ghosh</b>
	<i>Managing Director</i>	<b>M. V. Deoras</b>
	<i>Whole-time Director</i>	<b>M. A. Elias</b>
	<i>Whole-time Director</i>	<b>K. V. Vaidyanathan</b>
		<b>J. K. Setna</b>
		<b>V. S. Mehta</b>
	<i>Company Secretary</i>	<b>K. V. Vaidyanathan</b>
Management Committee	<i>Managing Director</i>	<b>M. V. Deoras</b>
	<i>Finance</i>	<b>M. A. Elias</b>
	<i>Legal</i>	<b>K. V. Vaidyanathan</b>
	<i>Marketing</i>	<b>R. Krishnamurthy</b>
	<i>Customer Development</i>	<b>S. Bharatwaj</b>
	<i>R&amp;D</i>	<b>R. Subramanyam</b>
	<i>Manufacturing &amp; Supply Chain</i>	<b>L. Wheeler</b>
	<i>Human Resources</i>	<b>A. Singh</b>
	<i>Customer Service &amp; Logistics</i>	<b>S. Menon (Ms.)</b>
Audit Committee	<i>Chairperson</i>	<b>R. A. Shah</b>
		<b>P. K. Ghosh</b>
		<b>J. K. Setna</b>
		<b>V. S. Mehta</b>
	<i>Secretary</i>	<b>K. V. Vaidyanathan</b>
Shareholders'/Investors' Grievance Committee	<i>Chairperson</i>	<b>P. K. Ghosh</b>
		<b>M. V. Deoras</b>
		<b>J. K. Setna</b>
		<b>K. V. Vaidyanathan</b>
	<i>Solicitors</i>	<b>Crawford Bayley &amp; Co.</b>
	<i>Auditors</i>	<b>Price Waterhouse Chartered Accountants</b>
	<i>Registered Office</i>	<b>Colgate Research Centre, Main Street, Hiranandani Gardens, Powai, Mumbai 400 076.</b>
	<i>Factories</i>	<b>Plot No. B 14/10 MIDC, Waluj Industrial Area, Aurangabad 431 136.</b>
		<b>Plot No. 78, EPIP Phase I, Jharmajri, Baddi, District Solan, [H.P.] 174 103.</b>
		<b>Plot Nos. 154, 158 &amp; 160, Kundaim Industrial Estate, Kundaim, Goa 403 115.</b>
	<i>Registrars &amp; Share Transfer Agents</i>	<b>Sharepro Services (India) Private Limited</b>

## Ten-year Highlights

	Rs. Lacs									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>A. Operating Results :</b>										
Sales	1,176,88	1,160,89	1,056,89	1,042,08	1,072,53	1,217,50	1,385,38	1,553,21	1,758,16	2,024,65
Other Income	29,51	30,95	35,76	29,92	34,23	46,09#	67,00	84,78	107,76	98,46
Net Profit After Tax	62,50	69,79	88,66	108,00	113,29	137,60	160,17	231,71	290,22	423,26
Cash Profits	82,72	91,94	108,13	132,26	135,66	169,03	175,42	251,56	313,17	460,83
<b>B. Financial Position :</b>										
Fixed Assets (Net)	196,93#	172,31	158,02	93,95	147,21	169,12	192,03	198,99	178,59	253,14
Current Assets (Net)	31,26#	56,86	29,52	36,77	(62,83)	(49,64)	(66,23)	(132,51)	(13,63)	38,66
Others (Net)	23,97#	27,72	89,62	115,76	169,37	155,95	159,00	100,41	56,02	38,90
TOTAL ASSETS	252,16	256,89	277,16	246,48	253,75	275,43	284,80	166,89	220,98	330,70
Share Capital	135,99	135,99	135,99	135,99	135,99	135,99	135,99	13,60	13,60	13,60
Reserves and Surplus	103,12	111,65	139,03	108,32	113,78	135,08	144,53	148,61	202,70	312,51
SHAREHOLDERS' FUNDS	239,11	247,64	275,02	244,31	249,77	271,07	280,52	162,21	216,30	326,11
Loan Funds	13,05	9,25	2,14	2,17	3,98	4,36	4,28	4,68	4,68	4,59
TOTAL CAPITAL EMPLOYED	252,16	256,89	277,16	246,48	253,75	275,43	284,80	166,89	220,98	330,70
<b>C. Equity Share Data :</b>										
Earnings Per Share (Rs.)	4.60	5.13	6.52	7.94	8.33	10.12	11.78	17.04	21.34	31.12
Dividend Per Share (Rs.)	8.25*	4.25	4.25	6.00**	7.00	7.50	9.50***	13.00	15.00	20.00
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)	2,22	2,15	2,07	1,85	1,59	1,41	1,40	1,33	1,26	1,24

# Re-grouped

\* Including one-time special dividend of Rs. 4.75 per share.

\*\* Including one-time special 25<sup>th</sup> Anniversary Dividend (since becoming public in 1978) of Rs. 1.25 per share.

\*\*\* Including one-time special 70<sup>th</sup> Anniversary Dividend of Rs. 2.00 per share.

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

## Notice

NOTICE is hereby given that the Sixty-ninth 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 Thursday, July 15, 2010 at 3.30 p.m. to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at March 31, 2010 and the Profit and Loss Account 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. P. K. Ghosh, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. M. A. Elias, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modifications, the following resolution, as an Ordinary Resolution :

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (‘the Act’), the Articles of Association of the Company and subject to the approval of the Central Government, the approval of the Company be and is hereby accorded to the appointment of Mr. Mukul V. Deoras as Managing Director of the Company for a period of five years effective February 1, 2010 on the terms and conditions including remuneration as are set out in the draft agreement to be entered into between the Company and Mr. Deoras, a copy whereof initialed by the Vice-Chairman for the purpose of identification is placed before the meeting with a liberty to the Board of Directors of the Company (‘the Board’) to alter and vary the terms and conditions thereof in such manner as may be agreed to between the Board and Mr. Deoras, subject to the applicable provisions of the Act, or any amendment thereto or any re-enactment thereof.

RESOLVED further that in the event of absence or inadequacy of profits in any financial year, Mr. Deoras be paid the aforesaid remuneration as minimum remuneration for that year.

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

5. To appoint Auditors and to fix their remuneration.

By Order of the Board

K. V. Vaidyanathan  
Whole-time Director &  
Company Secretary

Date : May 27, 2010

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

### Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND A PROXY NEED NOT BE A MEMBER. 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 173 of the Companies Act, 1956 in respect of Item No. 4 to be transacted at the Meeting is appended hereto.
3. The Registers of Members and Share Transfer Books of the Company will remain closed from Thursday, July 8, 2010 to Thursday, July 15, 2010 (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, Messrs. Sharepro Services (India) Private Limited at 13AB, Samhita Warehousing Complex, 2<sup>nd</sup> 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 in 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 dematerialised 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. During the Financial Year 2009-10, unclaimed amount of dividends (Rs. 14,83,095/- and Rs. 16,00,533/-) declared for the years 2001-02 and 2002-03 have been transferred to the Investor Education and Protection Fund on July 1, 2009 and January 16, 2010 respectively.

11. The Company has designated an exclusive e-mail ID called **investor\_grievance@colpal.com** for redressal of shareholders' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at **investor\_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. At the ensuing Annual General Meeting, Mr. P. K. Ghosh and Mr. M. A. Elias shall retire by rotation and being eligible, offer themselves for re-appointment. Pursuant to Clause 49 of the Listing Agreement, the particulars of Mr. P. K. Ghosh and Mr. M. A. Elias are given below :

**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 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 has since retired from that position. However, throughout this period 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.



**Other Directorships :**

Mr. Ghosh does not hold any other directorship.

**Committee Membership :**

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

**Mr. M. A. Elias :**

Mr. M. A. Elias is a Member of both the Institute of Chartered Accountants of India and the Institute of Cost & Works Accountants of India. He joined the Company in 1976 as Budget Manager and thereafter held positions of increasing responsibilities in Colgate-Palmolive Company's subsidiaries at Zambia and Boston (U.S.A.), at the Corporate Headquarters in New York and in the Asia Pacific Region including joint venture activities in Vietnam, South Korea and Indonesia. He has wide and varied experience in international finance and business development operations. Prior to his transfer to the Company in April 1996 he was Finance Director, Asia Business Development Group of Colgate-Palmolive Company, U.S.A. He has made several significant contributions to the Company's growth and implementation of investment plans and business strategies.

**Mr. M. A. Elias is a Director of :**

CC Health Care Products Private Limited.

**Annexure to the Notice****Explanatory Statement under Section 173 of the Companies Act, 1956.****Item 4**

Consequent upon Mr. Roger D. Calmeyer stepping down as Managing Director of the Company effective January 31, 2010 to retire from the services of the Corporation, the Board of Directors of the Company ('the Board') at their meeting held on December 4, 2009 appointed Mr. Mukul V. Deoras as Managing Director of the Company for a period of five years effective February 1, 2010 subject to the approvals of the Central Government and shareholders of the Company.

Mr. Deoras joined the Asia Pacific Division of Colgate-Palmolive Company in 2004 as its Director, Special Projects where he worked on the formulation and presentation of the Division Strategic Plan. Later, he moved to Colgate-Palmolive, Thailand as its Marketing

Director and subsequently as the General Manager where he worked on formulating and implementing the three-year strategic plan and investment strategy which significantly drove the business. In January 2008 he was promoted as Vice President and General Manager, Personal Care in Global Business Development of Colgate-Palmolive Company, U.S.A., where he was responsible for managing and driving growth of the Corporate personal care equities worldwide.

Prior to joining Colgate-Palmolive Company, Mr. Deoras worked at Hindustan Unilever Limited (formerly Hindustan Lever Limited) in India where he held various positions of increasing responsibility in Marketing and Sales.

Mr. Deoras holds a post graduate degree in Management from the Indian Institute of Management, Ahmedabad.

Mr. Deoras does not hold any other directorship in India.

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

The remuneration payable to Mr. Deoras shall be determined by the Board from time to time within, however, the maximum limits set forth under the applicable provisions of the Companies Act, 1956 :

**a) Salary :**

Up to Rs. 30 Lacs (Rupees Thirty Lacs only) per month.

**b) Commission/Performance Linked Incentive or Bonus :**

Not exceeding 1% of the net profit of the Company in any financial year as the Board may determine from time to time but shall not exceed the amount equivalent to the salary for the relevant period; it may be payable pro-rata on a monthly basis at the absolute discretion of the Board.

**c) Perquisites :**

He shall be entitled to furnished/non-furnished accommodation or house rent allowance in lieu thereof, gas, electricity, water, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, Company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with



the Income-tax Rules, 1962 being restricted to Rs. 70 Lacs (Rupees Seventy Lacs only) per annum.

- d) Company's contribution to Provident Fund and Superannuation Fund or annuity fund, gratuity payment as per the Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

In addition to the perquisites referred to above, he will be eligible to the following perquisites which shall not be included in the computation of the ceiling on perquisites :

- i) Children's Education :

Reimbursement of actual expenses on education of children for a maximum of two children, studying in or outside India.

- ii) Holiday Passage for Children :

Entitlement to cost of return airfare for children studying abroad to visit India, twice in a year by economy class.

- iii) Leave Travel Concession :

For self and family once in a year for any destination in India. In case leave is to be spent in home country, return passage will be allowed for self and family in accordance with the rules specified by the Company.

- iv) Reimbursement of expenses incurred on joining duty and for returning to home country after completion of tenure :

Actual expenses incurred on travel, temporary living expenses and on packing, forwarding, loading/unloading, as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with the moving of personal effects for self and family for joining duty in India. After completion of the tenure, such expenses may be reimbursed if Mr. Deoras is finally leaving the employment of the Company. In case he joins any other affiliated entity of Colgate-Palmolive Co., such affiliated entity would bear such expenses.

- e) **Annual Leave :**

Earned/Privilege leave on full pay and allowances as per rules of the Company but not more than six weeks leave for every twelve months of service.

Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

- f) **Minimum Remuneration :**

In the event of absence or inadequacy of profits in any year, Mr. Deoras will be paid the aforesaid remuneration and perquisites as minimum remuneration for that year.

The Board shall have the discretion and authority to modify the foregoing terms of remuneration within, however, the parameters of the applicable provisions of the Companies Act, 1956.

As Managing Director, Mr. Deoras will have all the requisite powers and authorities to enable him to manage the Company on a day-to-day basis.

The appointment will be for a period of five years, which may be terminated by either party giving to the other ninety days notice in writing or in the case of the Company, by payment of ninety days salary as compensation in lieu of such notice. Upon such termination, Mr. Deoras shall cease to be a Director of the Company.

An abstract under Section 302 of the Companies Act, 1956 setting out the terms and conditions of appointment of Mr. Deoras as the Managing Director of the Company was sent to shareholders on or about December 18, 2009.

A copy of the draft agreement referred to in the resolution would be available for inspection by the Members at the Registered Office of the Company during business hours on any working day, excluding Saturday, up to and including the day of this Meeting.

None of the Directors, except Mr. Deoras, is concerned or interested in the resolution at Item 4.

By Order of the Board

K. V. Vaidyanathan  
Whole-time Director &  
Company Secretary

Date : May 27, 2010

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

## 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, 2010.

### Financial Results

	(Rs. Crore)	
	2009-10	2008-09
Total Revenue	<b>2,060.92</b>	1,802.57
Sales (Excluding Excise Duty)	<b>1,962.46</b>	1,694.81
Other Income	<b>98.46</b>	107.76
Profit before Taxation	<b>484.80</b>	345.31
Provision for Taxation	<b>61.54</b>	55.09
Profit after Taxation	<b>423.26</b>	290.22
Balance brought forward	<b>28.84</b>	5.77
Profit available for appropriation	<b>452.10</b>	295.99
Appropriation :		
Dividend	<b>271.98</b>	203.99
Dividend Tax	<b>45.84</b>	34.14
General Reserve	<b>42.33</b>	29.02
Balance carried forward	<b>91.95</b>	28.84
	<b>452.10</b>	295.99

### Business Performance

Your Company's strong performance continued in 2009-10 despite difficult economic conditions. In a year marked by volatile financial and currency markets, your Company achieved a healthy double-digit sales growth during the year 2009-10. Sales for the year increased by 16 per cent at Rs. 1,962 crore as against Rs. 1,695 crore during the previous year. The toothpaste business registered an impressive volume growth of 14 per cent during the year.

The profit after tax for the financial year 2009-10 grew by an impressive 46 per cent to Rs. 423 crore as against Rs. 290 crore in the previous year.

The underlying performance can be gauged from the following ratios :

	2009-10	2008-09
Earnings per share (Rs.)	<b>31.1</b>	21.3
Dividend per share (Rs.)	<b>20.0</b>	15.0
Return on Capital Employed (%)	<b>156.9</b>	155.0

During the year cash generation continued to be very strong arising from significant improvements in the business performance, efficiencies and cost savings across the organisation and a continued efficient collection system. Your Company managed investments prudently by deployment of surplus funds after ensuring that such investments satisfy the Company's criteria of safety and liquidity.

Your Company's market shares are improving steadily. These increases are driven by our strong focus on understanding our consumers, working with dental professionals and with our retail customers. Your Company also continued to focus on driving innovation throughout all areas of business, increasing effectiveness and efficiency everywhere and strengthening the leadership competency of the team. The sharp focus on these four clearly defined strategic initiatives helped your Company continue to maintain its leadership position in the oral care market.

Your Company is positioned well for the future on account of its financial strength, market leadership position, a proven business strategy that has helped your Company succeed in strong and weak economic environment and most importantly a dedicated and well-trained team of people working together to achieve the Company's business goals.

### **Dividend**

The Company's strong cash generation and positive growth momentum led your Board to declare three interim dividends of Rs. 8, Rs. 7 and Rs. 5 per share aggregating Rs. 20 per share for the financial year 2009-10 as against Rs. 15 per share in the previous year – a 33 per cent increase. These dividends were paid on September 4 and December 28, 2009 and April 23, 2010. Having declared three interim dividends, your Board has not recommended a final dividend for the financial year 2009-10.

### **Responsibility Statement**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating 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 judgements 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.

### **Subsidiary Companies**

Your Company was holding 75 per cent shareholding in Professional Oral Care Products Private Limited at

Goa ('POC') engaged in the manufacture of toothpaste. During the year, your Company acquired the remaining 25 per cent shareholding at a total consideration of Rs. 2.40 crore and proposed amalgamation of POC with your Company. The Scheme of Amalgamation of POC with your Company was sanctioned by the Bombay High Court at Goa vide its order dated April 16, 2010 and accordingly, the amalgamation of POC with your Company became finally effective from May 1, 2010 with retrospective effect from April 1, 2009, being the Appointed Date under the Scheme of Amalgamation.

Your Company was also holding 75 per cent of the shareholding in CC Health Care Products Private Limited at Hyderabad ('CCHL') engaged in the manufacture of toothpowder. During the year, your Company acquired the remaining 25 per cent shareholding at a total consideration of Rs. 69.07 lacs and initiated steps before the Andhra Pradesh High Court for amalgamation of CCHL with your Company effective from April 1, 2009, being the Appointed Date under the Scheme of Amalgamation.

The amalgamation of subsidiaries is primarily designed to simplify the corporate structure and has no material impact either in terms of operations or in terms of capital structure of the Company.

### **Corporate Social Responsibility**

Your Company in partnership with the Indian Dental Association ('IDA') successfully concluded the 6<sup>th</sup> edition of a two-month long Oral Health Month Program during the year covering a wide spectrum of activities designed to spread oral health awareness and good oral hygiene practices. The mission of this Program continued to be "Zero Tooth Decay" involving 17,500 dental professionals spread across 1,000 towns. This year the Program extended its support to NGOs like Pratham, Akshara Foundation, Save the Children, Salaam Balak Trust among others by conducting free dental check-ups for NGO workers and children and distributing free samples. In addition, free dental check-ups were conducted for the Indian Coast Guard in Chennai.

Education has been the primary focus of your Company's Corporate Social Responsibility. Since 1976, your Company has been conducting a school education program (now called Bright Smiles Bright Futures' Program) wherein your Company partnered

with IDA, to spread oral health awareness among school-going children in urban and rural schools. Till date, 83 million school children in 1,73,000 schools in 250 towns in urban and rural areas have benefited from this Program. In addition, your Company also conducts in conjunction with IDA a Teachers' Training Program to enable teachers to instill good oral care habits among school-going children on an ongoing basis. Till date, 2,43,500 teachers have undergone this training.

Since 2002, your Company partnered with Pratham, a non-profit organisation, to promote academic education of the less privileged children. The grant from the Company has supported the concept of Libraries in the "S" Ward of Mumbai where children are encouraged to read books to enhance their knowledge and continue their academic education.

Your Company started supporting the children affected and infected by HIV with nutritional needs and school fees since last two years. The program has infused the children with hope leading to a definitive improvement in their academic performance.

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. During the year, a productivity-linked long-term settlement was signed with the Aurangabad Factory Union through a process of bilateral negotiations.

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.

### **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 links 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 forms part of this Report.

### **Directors**

Effective February 1, 2010 Mr. Mukul Deoras was appointed as the Managing Director of the Company to succeed Mr. Roger Calmeyer, who stepped down as the Managing Director of the Company effective January 31, 2010 to retire from the services of the Corporation. The appointment of Mr. Deoras is subject to the approval of the shareholders and the Central Government under the provisions of the Companies Act, 1956.

The Board places on record their appreciation for the distinguished services rendered by Mr. Calmeyer during his tenure with the Company.

Effective April 1, 2010 Mr. Derrick Samuel has been appointed as Director and Chairman of the Board to succeed Mr. Justin Skala, who has stepped down to head the Latin America Division of the Corporation. The Board, while welcoming Mr. Samuel, places on record their appreciation for the distinguished services rendered by Mr. Skala during his tenure with the Company.

Under Article 124 of the Company's Articles of Association, Mr. P. K. Ghosh and Mr. M. A. Elias retire by rotation at the 69<sup>th</sup> Annual General Meeting and, being eligible, offer themselves for re-appointment.

**Auditors**

Messrs. Price Waterhouse, Chartered Accountants, retire and are eligible for re-appointment as Auditors.

place on record their gratitude to the Members for their continued support and confidence.

On behalf of the Board

**Acknowledgements**

Your Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees at all levels. The Directors also wish to

Mukul Deoras  
Managing Director

R. A. Shah  
Vice-Chairman

May 27, 2010

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Persons constituting "Group" for inter se transfer of shares under Clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 include :

Colgate-Palmolive Company, New York, U.S.A.  
Colgate-Palmolive (Asia) Pte. Ltd., Singapore  
Colgate-Palmolive (Malaysia) Mktg. SDN BHD, Malaysia  
Colgate-Palmolive (Thailand) Ltd., Thailand  
Colgate-Palmolive (China) Co. Ltd., China  
(formerly known as Colgate-Palmolive (Guangzhou) Co. Ltd., China)  
Colgate-Palmolive (H.K.) Ltd., Hong Kong  
Colgate-Palmolive (PNG) Limited, PNG  
Colgate-Palmolive Philippines Inc., Philippines  
Colgate-Palmolive Son Hai Ltd., Vietnam  
Norwood International Incorporated, U.S.A.

## Corporate Governance Report

The Board of Directors of the Company continues to lay great emphasis on the broad principles of Corporate Governance. Our pursuit towards achieving good governance is an ongoing process. In so far as compliance with the requirements under Clause 49 of the Stock Exchange Listing Agreement is concerned, the Company is in full compliance with the norms and disclosures that have to be made in corporate governance format.

### 1. Company's philosophy on Code of Governance

Colgate-Palmolive (India) Limited believes that good Corporate Governance is essential to achieving long-term corporate goals and to 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 consumers, shareholders and Government.

### 2. Composition of Board

The Board of Directors has a mix of Executive and Non-executive Directors. The Board comprises of three Whole-time Directors (the Managing Director and two Executive Directors) and five Non-executive Directors including the Chairman of the Board. Four of the five Non-executive Directors are Independent Directors. Accordingly, the composition of the Board is in conformity with the stock exchange listing agreement.

Except the Chairman and the Managing Director, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

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. D. Samuel*	Non-executive	—	—	—
Mr. J. Skala**	Non-executive	—	—	—
Mr. R. A. Shah	Non-executive	15@	9	4
Mr. P. K. Ghosh	Non-executive	—	—	—
Mr. M. V. Deoras#	Executive	—	—	—
Mr. R. D. Calmeyer##	Executive	—	—	—
Mr. M. A. Elias	Executive	1	—	—
Mr. K. V. Vaidyanathan	Executive	1	—	—
Mr. J. K. Setna	Non-executive	1	—	—
Mr. V. S. Mehta	Non-executive	—	—	—

\* Appointed as Director and Chairman effective April 1, 2010

\*\* Ceased to be Director and Chairman effective March 31, 2010

@ Includes Foreign bodies corporate

# Appointed as Managing Director effective February 1, 2010

## Ceased to be the Managing Director effective January 31, 2010

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 2009-10, nine Board Meetings were held on May 29, July 17, August 13, September 18, October 29, December 4, 2009, January 28, February 11 and March 29, 2010. The last Annual General Meeting of the Company was held on July 17, 2009.



The attendance details of each Director are given below :

Name of Director	No. of Board Meetings attended	Attendance at last AGM
Mr. D. Samuel*	Not applicable	Not applicable
Mr. J. Skala**	1	Present
Mr. R. A. Shah	8	Present
Mr. P. K. Ghosh	4	Present
Mr. M. V. Deoras <sup>#</sup>	2	Not applicable
Mr. R. D. Calmeyer <sup>##</sup>	7	Present
Mr. M. A. Elias	8	Present
Mr. K. V. Vaidyanathan	9	Present
Mr. J. K. Setna	9	Present
Mr. V. S. Mehta	8	Present

\* Appointed as Director and Chairman effective April 1, 2010

\*\* Ceased to be Director and Chairman effective March 31, 2010

<sup>#</sup> Appointed as Managing Director effective February 1, 2010

<sup>##</sup> Ceased to be the Managing Director effective January 31, 2010

### 3. Audit Committee

The Audit Committee was constituted in April 2000. It now consists of four independent Non-executive 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

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 legislation.

- 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.

During the financial year 2009-10, five Audit Committee Meetings were held on May 29, July 17, September 18, October 29, 2009 and January 28, 2010.

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	3
Mr. J. K. Setna	Member	5
Mr. V. S. Mehta	Member	5

### 4. Remuneration of Directors

The Company has no pecuniary relationship or transaction with its Non-executive Directors other than payment of sitting fees to them for attending Board and Committee meetings. The Company pays fees for professional services rendered by a firm of Solicitors and Advocates of which a Non-executive Director is a partner. The same are, however, not material in nature.

The remuneration policy for executive directors 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. The Company has not constituted a Remuneration Committee.



Details of remuneration paid to Directors of the Company during the year ended March 31, 2010 are given below :

	Rs. Lacs
a) Salary	5,82.40
b) Benefits	9,12.30
c) Performance linked Incentive/Commission/Bonus	2,42.60
d) Sitting fees	10.85
<b>Total</b>	<b>17,48.15</b>

Note : The appointment of each of the three Executive Directors is for a period of five years. Either party shall be entitled to determine the appointment at any time by giving ninety days' advance notice in writing in that behalf 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.

#### 5. Shareholders'/Investors' Grievance Committee

The Board constituted a Shareholders'/Investors' Grievance Committee in April 2000. The Committee now consists of four Directors, viz. Messrs. P. K. Ghosh, M. V. Deoras, J. K. Setna and K. V. Vaidyanathan. Mr. P. K. Ghosh, Deputy

Chairman and a Non-executive Director heads this Committee. The Committee meets every fortnight or at frequent intervals to consider, *inter-alia*, share transfers, investor complaints etc.

Mr. K. V. Vaidyanathan, Whole-time Director and Company Secretary, is the Compliance Officer.

During the year 2009-10, complaints were received from shareholders/investors regarding transfer of shares, non-receipt of declared dividends etc. Details of complaints are given below :

Nature of complaints	Number of complaints received	Number of complaints redressed
Non-receipt of dividends	8	8
Non-receipt of shares lodged for transfer/transmission and on account of capital reduction	1	1
Others	3	3
<b>Total</b>	<b>12</b>	<b>12</b>

All complaints have generally been solved to the satisfaction of the complainants except for dispute cases and sub-judice matters, which would be solved on final disposal by the Courts.

#### 6. 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
2006-07	July 27, 2007	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.
2007-08	July 17, 2008	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.
2008-09	July 17, 2009	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.

In the Annual General Meetings held on July 27, 2007 and July 17, 2009, the shareholders of the Company passed special resolutions relating to the following matters :

- Reduction of share capital.
- Amendment to Articles of Association consequent upon reduction of share capital.
- Authority to keep the Registers of Members, Indices of Members, copies of all Annual Returns etc. at the Office of the Registrars and Share Transfer Agents instead of at the Registered Office of the Company.

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

## 7. 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 Schedule 20 to the Accounts.

- 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.colgate.co.in](http://www.colgate.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 from time to time.

## 8. Means of Communication

The quarterly results are published in Financial Express, Free Press Journal and Navshakti. The Company results and official news releases are displayed on the Company's website [www.colgate.co.in](http://www.colgate.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.colgate.co.in](http://www.colgate.co.in).

## 9. Management Discussion and Analysis Report (within the limits set by the Company's competitive position)

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

During the year 2009-10, while the toothpaste market grew by about 6 per cent, the toothpowder

market declined by about 5 per cent. The overall market environment continues to be very competitive. In the face of an intense competitive scenario and despite difficult economic conditions, the Company reinforced its leadership in the oral care market and achieved a commendable business performance.

Almost half of the Indian population does not have access to modern dental care. The per capita consumption of toothpaste is about 116 gms – one of the lowest in the world. The national epidemiological study on the status of oral health in the country showed that dental caries [tooth decay] is prevalent in 63% of 15 year olds and as much as 80% amongst adults in the age group of 35-44 years and periodontal diseases [gum diseases] are prevalent in 68% of 15 year olds and as much as 90% amongst adults in the age group of 35-44 years. To address this situation, the Company in partnership with Indian Dental Association launched an intensive two-month-long awareness campaign in October/November 2009 under the banner Oral Health Month. The aim of this campaign was 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 long-standing endeavour to spread the message of good oral health and encourage the use of modern and efficacious dentifrice products.

To help achieve 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 confined to the Oral Care category where it faced intense competition, the outlook for industry is positive given the size of the opportunity. The Company is hopeful that through a combination of powerful marketing strategies, innovative new products and market development and expansion activities, the dentifrice market in India would continue to grow strongly over the next several years.

The Company has good internal control systems, the adequacy of which has been reported by its auditors in their report. The discussion on financial performance of the Company is covered in the Directors' Report. There has been no material development on the human resources and industrial relations continue to be positive. The number of people employed as on March 31, 2010 was 1,756.

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 15, 2010 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 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 31 as permitted under the listing agreement.

### Dates of Book Closure

July 8, 2010 to July 15, 2010 (both days inclusive).

### Dividend Payment Date

Dividend	Payment Date
First Interim 2009-10	September 4, 2009
Second Interim 2009-10	December 28, 2009
Third Interim 2009-10	April 23, 2010

### Listing on Stock Exchanges

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

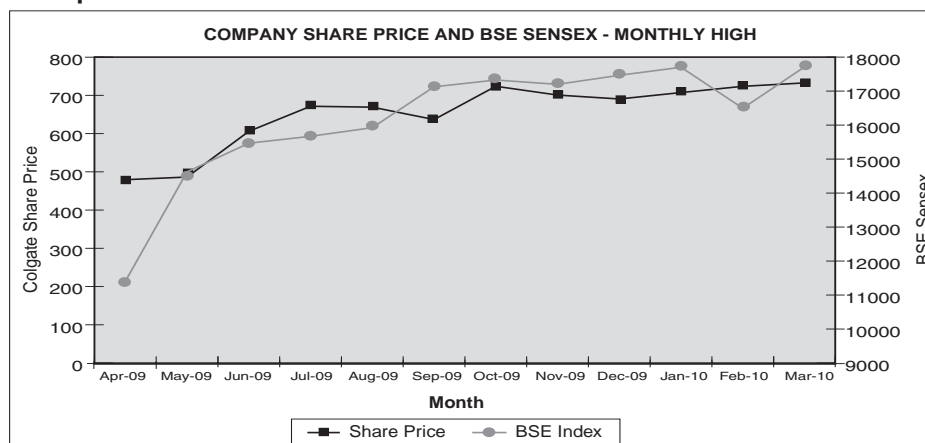
Stock Exchange Name	Stock Code
Bombay Stock Exchange Limited, Mumbai (physical & demat)	500 830
National Stock Exchange of India Limited, Mumbai (physical & demat)	COLPAL

## Market Price Data

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

Month	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April 2009	479.40	446.25	492.80	373.95
May 2009	486.35	453.60	498.00	392.00
June 2009	605.90	474.95	609.90	460.10
July 2009	671.45	609.05	686.95	601.15
August 2009	669.10	580.35	682.00	567.00
September 2009	636.70	609.70	648.90	605.10
October 2009	723.70	626.80	738.00	615.50
November 2009	700.75	672.85	710.00	660.00
December 2009	690.50	654.25	696.00	650.90
January 2010	707.30	657.50	720.65	632.70
February 2010	723.60	678.45	743.90	670.00
March 2010	732.55	675.25	740.00	665.05

## Performance in comparison to BSE Sensex



### Registrars and Share Transfer Agents

Sharepro Services (India) Private Limited,  
13AB, Samhita Warehousing Complex,  
2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri-Kurla Road, Sakinaka,  
Andheri – East, Mumbai 400 072.

Tel : 022 - 6772 0300

Fax : 022 - 2821 5168

Email : 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 effected 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, 2010)

Category	Number of shares	%
Foreign Collaborators	69356336	51.00
Resident Individuals	29542723	21.72
Foreign Institutional Investors	21135367	15.54
NRIs/OCBs	396958	0.29
Domestic Companies	5507860	4.05
Non-domestic Companies	—	—
Banks and Mutual Funds	1862054	1.37
Financial Institutions	8191519	6.03
<b>Total</b>	<b>135992817</b>	<b>100.00</b>

### Distribution of Shareholding (as at March 31, 2010)

Description	Holder(s)		Holder(s)	
	Folios	%	Shares	%
1 - 500	109579	88.30	10385779	7.64
501 - 1000	6969	5.62	5046466	3.71
1001 - 2000	4974	4.01	6810136	5.01
2001 - 3000	1802	1.45	4641704	3.41
3001 - 4000	206	0.17	721456	0.53
4001 - 5000	138	0.11	614445	0.45
5001 - 10000	231	0.19	1560379	1.15
10001 & above	192	0.15	106212452	78.10
<b>Total</b>	<b>124091</b>	<b>100.00</b>	<b>135992817</b>	<b>100.00</b>

### Dematerialisation of shares and liquidity

As on March 31, 2010, 43.98% of the shares were held in dematerialised form and the rest in physical form. It may be noted that the Promoters, Colgate-Palmolive Group owns 51% of the Company's shares and the same are held in physical form. If these shares were to be excluded

from the total number of shares, then dematerialised shares account for 89.76% of the remainder.

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 2010.

**Plant Locations****Aurangabad**

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

**Goa**

Plot Nos. 154, 158 & 160,  
Kundaim Industrial Estate,  
Kundaim, Goa 403 115.

**Baddi, Himachal Pradesh**

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

**Address for investor correspondence**

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

Sharepro Services (India) Private Limited,  
13AB, Samhita Warehousing Complex,  
2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri-Kurla Road, Sakinaka, Andheri – East,  
Mumbai 400 072.

Tel : 022 - 6772 0300

Fax : 022 - 2821 5168

Email : sharepro@shareproservices.com

An exclusive e-mail ID, **investor\_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, 2010.

For Colgate-Palmolive (India) Limited

**M. V. Deoras**

Managing Director

Mumbai, May 27, 2010

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## Auditors' Certificate on Compliance with the conditions of Corporate Governance Under Clause 49 of the Listing Agreement

To

The Members of Colgate-Palmolive (India) Limited

1. We have examined the compliance of conditions of Corporate Governance by Colgate-Palmolive (India) Limited (the Company) for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.
2. 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.
3. In our opinion and to the best of our information and 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.
4. We further 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

**Partha Ghosh**

Partner

Mumbai, May 27, 2010

Membership No. F-55913



**Annexure 2**
**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 :**

- \* Development of new and innovative products to expand market and increase consumption.
- \* All aspects of supply chain to reduce the cost of materials, to effect import substitution, process simplification and cycle time reduction.
- \* Quality improvements and upgradation of raw materials suppliers.
- \* Claim substantiation.

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

Development 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 developing new, innovative and high quality products to meet the ever changing consumer needs and drive growth. Also focused on reducing costs to fund the growth.

**4. Expenditure on R & D : 2009-10**  
**[Rs. Lacs]**

a) Capital .....	35.56
b) Recurring .....	2,97.28
c) Total .....	3,32.84
d) Total R & D expenditure as a percentage of total turnover ...	0.17

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

- \* The Company has developed 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 the 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 Rs. 63,84.35 Lacs. The particulars of foreign exchange earned/ utilised during the year are given in Schedule 25 to the Accounts.

## Auditors' Report

To the Members of Colgate-Palmolive (India) Limited

1. We have audited the attached Balance Sheet of Colgate-Palmolive (India) Limited (the "Company") as at March 31, 2010 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
    - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Price Waterhouse**  
Firm Registration No. 301112E  
Chartered Accountants

**Partha Ghosh**  
Partner

Mumbai, May 27, 2010      Membership No. F-55913



## Annexure to the Auditors' Report

(Referred to in Paragraph 3 of the Auditors' Report of even date to the members of Colgate-Palmolive (India) Limited on the financial statements for the year ended March 31, 2010)

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (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 verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
  - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
  - (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.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)(b) to (iii)(d) of the paragraph 4 of the Order are not applicable to the Company during the current year.
  - (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)(f) and (iii)(g) of the paragraph 4 of the Order are not applicable to the Company during the current year.
4. 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, 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, no major weakness has been noticed or reported.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
  - (b) In our opinion and according to the information and explanations given to us, for purchase of services made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lacs in respect of any party during the year, no comparison of prices could be made available as these services, according to Management, are of special nature.
6. 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.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. 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

## Annexure to the Auditors' Report (Contd.)

(Referred to in Paragraph 3 of the Auditors' Report of even date to the members of Colgate-Palmolive (India) Limited on the financial statements for the year ended March 31, 2010)

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.

9. (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 including provident fund, investor education and protection fund, employees' state insurance, income-tax,

sales tax, wealth tax, customs duty, excise duty, service tax, cess 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, custom duty and cess as at March 31, 2010, 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, 2010, which have not been deposited on account of a dispute are as follows :

Sr. No.	Name of the Statute	Nature of the Dues and period to which the amount relates	Amount under dispute not yet deposited (Rs. Lacs)	Forum where dispute is pending
1.	Excise Duty The Central Excise Act, 1944	Excise duty liability for the Financial Year 1994-1995, 2003-2004 to 2007-2008.  Excise duty liability for the Financial Years 1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004 and 2004-2005	261.89  317.47	Customs, Excise and Service Tax Appellate Tribunal  First Appellate Authorities
	Total		579.36	
2.	Sales Tax  As per the Statutes applicable in the following states – New Delhi, Maharashtra, Bihar, Orissa, Kerala, Andhra Pradesh, West Bengal, Uttar Pradesh, Gujarat, Assam and Tripura.	Sales tax in dispute for the Financial Years 1995-1996, 1996-1997, 1998-1999, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007 and 2007-2008.  Sales tax in dispute for the Financial Years 1988-1989, 1990-1991, 1993-1994, 1994-1995, 1997-1998, 1998-1999, 1999-2000, 2001-2002, 2003-2004 and 2004-2005	1,141.83  243.50	Assessing Authorities and First Appellate Authorities of various states  Sales Tax Appellate Tribunal of various states
	Total		1,385.33	
3.	Service Tax The Finance Act, 1994	Service tax in dispute for the Financial Years 2005-2006 and 2006-2007	1,952.78	Customs, Excise and Service Tax Appellate Tribunal

## Annexure to the Auditors' Report (Contd.)

(Referred to in Paragraph 3 of the Auditors' Report of even date to the members of Colgate-Palmolive (India) Limited on the financial statements for the year ended March 31, 2010)

Sr. No.	Name of the Statute	Nature of the Dues and period to which the amount relates	Amount under dispute not yet deposited (Rs. Lacs)	Forum where dispute is pending
		Service tax in dispute for the Financial Years 2001-2002, 2002-2003, 2003-2004, 2004-2005 to 2009-2010	494.58	First Appellate Authorities
	Total		2,447.36	
4.	Income Tax			
	The Income Tax Act, 1961	Income tax in dispute for the Financial Year 2004-2005 and 2005-2006.	354.12	First Appellate Authorities
	Total		354.12	

10. The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. 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.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. 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.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. 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 such case by the Management.

**For Price Waterhouse**  
Firm Registration No. 301112E  
Chartered Accountants

**Partha Ghosh**  
Partner

Mumbai, May 27, 2010      Membership No. F-55913

## Balance Sheet as at March 31, 2010

			As at March 31, 2009 Rs. Lacs
	Schedule	Rs. Lacs	Rs. Lacs
<b>Sources of Funds</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	13,59.93	13,59.93
Reserves and Surplus	2	312,51.23	202,69.64
			216,29.57
<b>Loan Funds</b>			
Unsecured Loans	3	4,58.75	4,68.75
<b>Total</b>		<b>330,69.91</b>	<b>220,98.32</b>
<b>Application of Funds</b>			
<b>Fixed Assets</b>	4		
Gross Block		534,52.15	425,25.56
Less : Depreciation/Amortisation/Impairment		287,57.37	251,32.76
Net Block		246,94.78	173,92.80
Capital Work-in-Progress and Advances for Capital Expenditure		6,18.88	4,66.84
			178,59.64
<b>Investments</b>	5	21,00.07	38,32.89
<b>Deferred Tax Asset (Net)</b>	6	17,90.03	17,68.82
<b>Current Assets, Loans and Advances</b>			
Inventories	7	110,55.36	82,42.33
Sundry Debtors	8	9,76.88	11,13.45
Cash and Bank Balances	9	347,58.44	251,14.33
Interest Accrued on Investments/Deposits		5,48.34	7,18.76
Loans and Advances	10	116,74.43	185,82.29
		590,13.45	537,71.16
<b>Less :</b>			
<b>Current Liabilities and Provisions</b>			
Liabilities	11	426,65.43	394,54.14
Provisions	12	124,81.87	156,80.05
		551,47.30	551,34.19
<b>Net Current Assets</b>		<b>38,66.15</b>	<b>(13,63.03)</b>
<b>Total</b>		<b>330,69.91</b>	<b>220,98.32</b>

The Schedules (1 to 25) referred to herein above form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

**For Price Waterhouse**  
Firm Registration No. 301112E  
Chartered Accountants

**Partha Ghosh**  
Partner  
Membership No. F-55913

Mumbai, May 27, 2010

**For and on behalf of the Board**

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

**R. A. Shah**  
**P. K. Ghosh**  
**M. V. Deoras**

**M. A. Elias**  
**J. K. Setna**

**K. V. Vaidyanathan**

## Profit and Loss Account for the year ended March 31, 2010

	Schedule	Rs. Lacs	Rs. Lacs	2008-2009 Rs. Lacs
<b>Income</b>				
Sales		2,024,64.65		1,758,15.90
Less : Excise Duty (Refer Note 10 on Schedule 25)		62,18.73		63,34.55
			1,962,45.92	1,694,81.35
Other Income	13		98,45.72	107,75.72
			2,060,91.64	1,802,57.07
<b>Expenditure</b>				
Cost of Goods Sold	14	776,84.29		741,30.76
Employee Costs	15	159,07.35		143,40.65
Other Expenses	16	602,63.36		549,60.12
Depreciation/Amortisation/Impairment [Includes Impairment of Fixed Assets Rs. Nil (Previous Year : Rs. 36.73 Lacs)]	4	37,56.79		22,94.89
			1,576,11.79	1,457,26.42
<b>Profit Before Taxation</b>			484,79.85	345,30.65
Current Tax		64,30.80		41,07.50
Deferred Tax		(2,76.77)		10,31.21
Fringe Benefit Tax		—		3,70.00
			61,54.03	55,08.71
<b>Profit After Taxation</b>			423,25.82	290,21.94
Balance Brought Forward			28,83.98	5,77.17
<b>Profit Available for Appropriation</b>			452,09.80	295,99.11
<b>Appropriation :</b>				
First Interim Dividend			108,79.43	122,39.35
Second Interim Dividend			95,19.50	81,59.57
Third Interim Dividend			67,99.64	—
Dividend Tax			45,83.67	34,14.02
Transfer to General Reserve			42,32.58	29,02.19
Balance Carried Forward			91,94.98	28,83.98
			452,09.80	295,99.11
<b>Earnings Per Equity Share (Rupees)</b> [Face Value of Re. 1 per Equity Share]				
Basic and Diluted (Refer Schedule 22)			31.12	21.34

The Schedules (1 to 25) referred to herein above form an integral part of the financial statements.

This is the Profit and Loss Account referred to in our report of even date.

**For Price Waterhouse**  
Firm Registration No. 301112E  
Chartered Accountants

**Partha Ghosh**  
Partner  
Membership No. F-55913

Mumbai, May 27, 2010

**For and on behalf of the Board**

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

**R. A. Shah**  
**P. K. Ghosh**  
**M. V. Deoras**

**M. A. Elias**  
**J. K. Setna**

**K. V. Vaidyanathan**

Mumbai, May 27, 2010

## Cash Flow Statement for the year ended March 31, 2010

	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
<b>Cash Flow from Operating Activities :</b>		
<b>Net Profit before Tax</b>	<b>484,79.85</b>	<b>345,30.65</b>
Adjustment for :		
Unrealised Foreign Exchange Loss (Net)	(1,35.39)	8,75.44
Depreciation/Amortisation/Impairment	37,56.79	22,94.89
Interest Expense	1,50.43	1,10.01
Profit on Sale of Fixed Assets (Net)	(2,93.30)	(9,80.54)
Interest Income	(22,70.07)	(31,36.57)
Dividend from Subsidiaries	(2,40.00)	(3,97.56)
Loss/(Gain) on Maturity of Long Term Investments	31.51	(39.13)
<b>Operating Profit before Working Capital Changes</b>	<b>494,79.82</b>	<b>332,57.19</b>
Adjustment for (Increase)/Decrease in Working Capital :		
Inventories	(20,08.35)	(4,20.74)
Sundry Debtors	1,36.57	(1,94.90)
Loans and Advances	(18,68.84)	4,94.69
Current Liabilities and Provisions	16,48.90	36,25.63
<b>Cash Generated from Operations</b>	<b>473,88.10</b>	<b>367,61.87</b>
Direct Taxes Paid (Net)	(76,52.75)	(48,23.45)
<b>Net Cash from/(used in) Operating Activities</b> (A)	<b>397,35.35</b>	<b>319,38.42</b>
(Refer Note 2 below)		
<b>Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(35,51.28)	(2,43.50)
Sale of Fixed Assets	4,49.56	11,07.27
(Purchase)/Sale of Investments in Subsidiaries (Net)	(3,09.25)	(1,65.28)
Sale of Other Investments	15,00.00	30,71.48
Inter Corporate Deposits (Placed)/Refunded (Net)	27,50.00	2,90.00
Loans to Subsidiaries	—	(33,35.00)
Interest Received	23,72.86	26,82.08
Dividend from Subsidiaries	2,40.00	7,75.61
<b>Net Cash from/(used in) Investing Activities</b> (B)	<b>34,51.89</b>	<b>41,82.66</b>
<b>Cash Flow from Financing Activities :</b>		
Long Term Loans Availed/(Paid) (Net)	(10.00)	—
Interest Paid	(1,50.43)	(1,10.01)
Dividend Paid	(287,14.08)	(217,46.08)
Dividend Tax Paid	(48,71.24)	(36,57.04)
<b>Net Cash from/(used in) Financing Activities</b> (C)	<b>(337,45.75)</b>	<b>(255,13.13)</b>
<b>Net increase in Cash and Cash Equivalents</b> (A+B+C)	<b>94,41.49</b>	<b>106,07.95</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>251,14.33</b>	<b>144,26.28</b>
<b>Cash and Cash Equivalents taken over as per the Scheme of Amalgamation</b>	<b>2,02.62</b>	<b>80.10</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>347,58.44</b>	<b>251,14.33</b>

## Cash Flow Statement for the year ended March 31, 2010 (Contd.)

	<b>As at March 31, 2010 Rs. Lacs</b>	As at March 31, 2009 Rs. Lacs
<b>Cash and Cash Equivalents comprise :</b>		
Cash on hand	<b>0.78</b>	—
Balances with Scheduled Banks in		
– Current Accounts	<b>12,57.06</b>	37,43.77
– Deposit Accounts	<b>328,06.67</b>	207,45.23
– Unpaid Dividend Accounts	<b>6,93.93</b>	6,25.33
<b>Cash and Cash Equivalents as at the end of the year</b>	<b><u>347,58.44</u></b>	<b><u>251,14.33</u></b>

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. In view of the matter stated in Note 13 on Schedule 25 to the Accounts, the figures of the current year are not directly comparable with those of the previous year.
3. Previous year figures have been re-grouped and re-arranged wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

**For Price Waterhouse**

Firm Registration No. 301112E  
Chartered Accountants

**Partha Ghosh**

Partner  
Membership No. F-55913

Mumbai, May 27, 2010

**For and on behalf of the Board**

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

Mumbai, May 27, 2010

**R. A. Shah  
P. K. Ghosh  
M. V. Deoras**

**M. A. Elias  
J. K. Setna**

**K. V. Vaidyanathan**



## Schedules forming part of the Balance Sheet as at March 31, 2010

	Rs. Lacs	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
<b>Schedule 1 : Share Capital</b>			
<b>Authorised</b>			
1,37,00,00,000 Equity Shares of Re. 1 each		<u>137,00.00</u>	<u>137,00.00</u>
<b>Issued, Subscribed and Paid-up</b>			
13,59,92,817 Equity Shares of Re. 1 each fully paid		<u>13,59.93</u>	<u>13,59.93</u>
Of the above :			
(i) 5,44,76,910 Shares are held by Colgate-Palmolive Company, U.S.A., the Ultimate Holding Company.			
(ii) 1,48,79,426 Shares are held by Colgate-Palmolive (Asia) Pte. Ltd., Subsidiary of the Ultimate Holding Company.			
(iii) 11,18,85,735 Shares of Rs. 10 each (presently Re. 1 each) were allotted as fully paid Bonus Shares by capitalisation of General Reserves and Securities Premium.			
<b>Schedule 2 : Reserves and Surplus</b>			
<b>Capital Reserve</b>			
Consideration for vacating rented godown	6.50		6.50
Special Capital Incentive from State Government	20.00		20.00
Add : Capital Reserve Taken Over as per the Scheme of Amalgamation (Refer Note 13 on Schedule 25)	<u>2,24.96</u>		—
	<u>2,51.46</u>		<u>26.50</u>
Less : Adjustment as per the Scheme of Amalgamation (Refer Note 13 on Schedule 25)	<u>(2,51.46)</u>	—	<u>—</u>
			<u>26.50</u>
<b>Securities Premium Account</b>		<b>12,79.93</b>	<b>12,79.93</b>
<b>General Reserve</b>			
Balance, beginning of the year	160,79.23		129,77.09
Add : General Reserve and Profit & Loss Balance Taken Over as per the Scheme of Amalgamation (Refer Note 13 on Schedule 25)	<u>6,15.62</u>		<u>3,08.22</u>
Add : Transfer from Profit and Loss Account	<u>42,32.58</u>		<u>29,02.19</u>
	<u>209,27.43</u>		<u>161,87.50</u>
Less : Adjustment as per the Scheme of Amalgamation (Refer Note 13 on Schedule 25)	<u>(1,51.11)</u>		<u>(1,08.27)</u>
		<b>207,76.32</b>	<b>160,79.23</b>
<b>Profit and Loss Account Balance</b>		<b>91,94.98</b>	<b>28,83.98</b>
		<u><b>312,51.23</b></u>	<u><b>202,69.64</b></u>
<b>Schedule 3 : Unsecured Loans (Others)</b>			
Loans [Repayable within one year <b>Rs. 4,53.75 Lacs</b> (Previous Year : Rs. 15.00 Lacs)]		<b>4,58.75</b>	<b>4,68.75</b>
		<u><b>4,58.75</b></u>	<u><b>4,68.75</b></u>

## Schedules forming part of the Balance Sheet as at March 31, 2010

### Schedule 4 : Fixed Assets

(Refer Note 2 on Schedule 17)

Particulars	Gross Block			Depreciation/Amortisation/Impairment			Net Book Value					
	As at March 31, 2009	Cost Taken Over as per the Scheme of Amalgamation [Refer Note (iii) below]	Disposals/ Transfers	As at March 31, 2010	Up to March 31, 2009	Depreciation Taken Over as per the Scheme of Amalgamation [Refer Note (iii) below]	For the Year	Impairment of Assets	Disposals/ Transfers	Up to March 31, 2010	As at March 31, 2010	As at March 31, 2009
Intangible Assets												
Goodwill and Trademarks	27,29.81	-	-	27,29.81	27,29.81	-	-	-	-	27,29.81	-	-
Copyrights and Design	13,52.90	-	-	13,52.90	13,52.90	-	-	-	-	13,52.90	-	-
Technical Know-how	49,83.70	-	-	49,83.70	49,83.70	-	-	-	-	49,83.70	-	-
Tangible Assets												
Land - Leasehold (Refer Note (i) below)	3,89.07	74.64	-	89.50	3,74.21	26.03	13.03	6.90	-	39.17	3,35.04	3,63.04
Buildings (Refer Note (ii) below)	98,20.69	38,00.68	2,87.29	2,60.78	136,47.88	33,21.21	4,94.87	5,56.56	-	2,60.78	41,11.86	64,99.48
Plant and Machinery	200,13.21	52,87.80	31,62.44	16,62.76	268,00.69	99,15.27	12,59.78	29,03.35	-	15,98.74	124,79.66	100,97.94
Furniture and Equipment	32,32.38	2,83.05	2,53.96	2,18.29	35,51.10	28,00.04	1,76.04	2,86.72	-	2,10.24	30,52.56	4,32.34
Vehicles	3.80	25.58	-	17.52	11.86	3.80	16.69	3.26	-	16.04	4.15	-
Total	425,25.56	94,71.75	37,03.69	22,48.85	534,52.15	251,32.76	19,60.41	37,56.79	-	20,92.59	287,57.37	173,92.80
Total Previous Year	449,59.43	6,37.57	5,35.50	36,06.94	425,25.56	258,18.85	4,99.23	22,58.16	36.73	34,80.21	251,32.76	
Add : Capital Work-in-Progress including advances on Capital Account <b>Rs. 3,08.98 Lacs</b> (Previous Year : Rs. Nil)												
Total											6,18.88	4,66.84
											253,13.66	178,59.64

Notes :

- 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.
- 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 and (e) Factory Buildings at Goa.
- Cost and Depreciation taken over as per the Scheme of Amalgamation referred to in Note 13 on Schedule 25.

## Schedules forming part of the Balance Sheet as at March 31, 2010

	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
<b>Schedule 5 : Investments</b>		
(Refer Note 3 on Schedule 17)		
(At Cost - Long Term, Unquoted, unless otherwise stated)		
<b>A. In Subsidiary Companies (Trade)</b>		
Nil (Previous Year : 1,50,000) Equity Shares of Rs. 100 each fully paid in Advanced Oral Care Products Private Limited (Equity Shares have been cancelled as per the Scheme of Amalgamation) [Refer Note 12 on Schedule 25].	–	1,38.26
Nil (Previous Year : 9,00,600) Equity Shares of Rs. 10 each fully paid in Professional Oral Care Products Private Limited (300 Equity Shares of Rs. 10 each fully paid allotted pursuant to Scheme of Amalgamation) [Refer Note 12 on Schedule 25]. (3,00,300 Equity Shares of Rs. 10 each fully paid acquired during the current year aggregating Rs. 2,40.18 Lacs) (Equity Shares have been cancelled as per the Scheme of Amalgamation) [Refer Note 13 on Schedule 25].	–	1,32.12
2,00,000 (Previous Year : 1,50,000) Equity Shares of Rs. 10 each fully paid in CC Healthcare Products Private Limited (50,000 Equity Shares of Rs. 10 each fully paid acquired during the current year aggregating Rs. 69.07 Lacs) [Refer Note 14 on Schedule 25].	<u>1,42.90</u>	<u>73.83</u>
	<b>1,42.90</b>	<b>3,44.21</b>
<b>B. Other Investments (Listed but not quoted) (Non-Trade)</b>		
6.15% (Taxable) National Textile Corporation Bonds of the face value of Rs. 10,00.00 Lacs.	–	10,00.00
6.70% (Taxable) Unsecured, Redeemable, Non-Convertible, Non-Priority Sector Bonds of HUDCO-Bonds (Series - 13) of the face value of Rs. 10,00.00 Lacs.	<b>9,98.17</b>	9,98.17
9.25% (Tax Free) Secured, Redeemable, Non-Convertible Bonds of HUDCO-Gujarat Punarnirman (Series - 1C) of the face value of Rs. 9,50.00 Lacs.	<u>9,59.00</u>	<u>9,59.00</u>
	<b>19,57.17</b>	<b>29,57.17</b>
<b>C. Other Investments (Listed and quoted) (Non-Trade)</b>		
6.60% Tax Free Bonds of Unit Trust of India of the face value of <b>Rs. 5,00.00 Lacs</b> [Market Value <b>Rs. Nil</b> (Previous Year : Rs. 5,00.00 Lacs)]	–	5,31.51
	–	5,31.51
	<u><b>21,00.07</b></u>	<u><b>38,32.89</b></u>

## Schedules forming part of the Balance Sheet as at March 31, 2010

	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
<b>Schedule 5 : Investments (Contd.)</b>		
Aggregate book value of Investments :		
Unquoted	1,42.90	3,44.21
Listed but not quoted	19,57.17	29,57.17
Listed and quoted - Market Value <b>Rs. Nil</b>		
(Previous Year : Rs. 5,00.00 Lacs)	—	5,31.51
	<u>21,00.07</u>	<u>38,32.89</u>
<b>Schedule 6 : Deferred Tax Asset/(Liability) [Net]</b>		
(Refer Note 9 on Schedule 17)		
Timing Difference between book and tax depreciation	(18,67.69)	(17,39.24)
Voluntary Retirement Scheme allowable over a period of five years in Income Tax	5,07.14	9,41.39
Accrual for expenses allowable only on payment	31,50.58	25,66.67
	<u>17,90.03</u>	<u>17,68.82</u>
<b>Schedule 7 : Inventories</b>		
(Refer Note 4 on Schedule 17)		
Stores and Spares	5,74.50	3,68.85
Raw and Packing Materials	23,89.52	13,72.78
Work-in-Process	6,08.33	4,92.44
Finished Goods	74,83.01	60,08.26
	<u>110,55.36</u>	<u>82,42.33</u>
<b>Schedule 8 : Sundry Debtors</b>		
Unsecured : Considered Good		
Over Six Months	—	—
Others	9,76.88	11,13.45
	<u>9,76.88</u>	<u>11,13.45</u>
<b>Schedule 9 : Cash and Bank Balances</b>		
Cash on hand	0.78	—
Balances with Scheduled Banks in :		
– Current Accounts	12,57.06	37,43.77
– Deposit Accounts	328,06.67	207,45.23
– Unclaimed Dividend Accounts	6,93.93	6,25.33
	<u>347,58.44</u>	<u>251,14.33</u>

## Schedules forming part of the Balance Sheet as at March 31, 2010

	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
<b>Schedule 10 : Loans and Advances</b>		
Secured :		
Loans to Employees	4,81.90	3,58.20
[include amounts due from an officer of the Company <b>Rs. 22.36 Lacs</b> (Previous Year : Rs. 23.56 Lacs) - maximum amounts due during the year : <b>Rs. 23.56 Lacs</b> (Previous Year : Rs. 24.76 Lacs)]		
Unsecured : Considered Good		
Inter Corporate Deposits	55,64.00	102,14.00
[include amounts due from Subsidiaries : <b>Rs. 5,00.00 Lacs</b> (Previous Year : Rs. 26,00.00 Lacs)]		
Loans to Subsidiaries	—	33,35.00
Advances Recoverable in Cash or in Kind or for Value to be Received	31,59.04	15,03.91
[include amounts due from Subsidiaries : <b>Rs. Nil</b> (Previous Year : Rs. 1,52.01 Lacs)]		
Balances with Excise Authorities	47.44	8.04
Deposits - Others	24,22.05	31,63.14
	<b>116,74.43</b>	<b>185,82.29</b>
<b>Schedule 11 : Liabilities</b>		
Sundry Creditors		
— Micro and Small Enterprises (Refer Note 8 on Schedule 25)	3,68.21	3,38.88
— Others	367,11.85	338,33.89
[include amount due to Subsidiaries : <b>Rs. 3,68.21 Lacs</b> (Previous Year : Rs. 5,84.08 Lacs)]		
Unclaimed Dividends*	6,93.93	6,25.33
Other Liabilities	48,91.44	46,56.04
	<b>426,65.43</b>	<b>394,54.14</b>
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
<b>Schedule 12 : Provisions</b>		
Taxation (net of advance tax payments)	10,13.23	25,26.78
Fringe Benefit Taxation (net of advance tax payments)	5,54.19	5,53.97
Second Interim Dividend	—	81,59.57
Third Interim Dividend	67,99.64	—
Dividend Tax	11,35.19	13,86.72
Retirement Benefits (Refer Note 7 on Schedule 17 and Schedule 18)	9,35.79	12,93.84
Others/Contingencies (Refer Note 6 on Schedule 17 and Schedule 24)	20,43.83	17,59.17
	<b>124,81.87</b>	<b>156,80.05</b>
	<b>551,47.30</b>	<b>551,34.19</b>

## Schedules forming part of the Profit and Loss Account for the year ended March 31, 2010

	<b>Rs. Lacs</b>	<b>2009-2010 Rs. Lacs</b>	<b>2008-2009 Rs. Lacs</b>
<b>Schedule 13 : Other Income</b>			
Interest			
– On Bank Deposits		<b>13,85.33</b>	12,51.45
– On Long Term Investments		<b>1,72.11</b>	3,76.05
– Others		<b>7,12.63</b>	15,09.07
[Tax Deducted at Source <b>Rs. 2,76.79 Lacs</b> (Previous Year : Rs. 5,44.14 Lacs)]			
Cash Discount		<b>1,04.24</b>	1,08.40
Gain on Maturity of Long Term Investments (Net)		–	39.13
Exchange Gain (Net)		<b>3,01.69</b>	–
Provisions no Longer Required Written Back		<b>7,90.00</b>	5,30.00
Bad Debts Recovered		–	98.41
Service Income		<b>54,83.15</b>	52,49.50
Profit on Sale of Assets (Net)		<b>2,93.30</b>	9,80.54
Dividend from Subsidiaries		<b>2,40.00</b>	3,97.56
Miscellaneous		<b>3,63.27</b>	2,35.61
		<b><u>98,45.72</u></b>	<b><u>107,75.72</u></b>
<b>Schedule 14 : Cost of Goods Sold</b>			
Opening Stock			
Work-in-Process	<b>4,92.44</b>		2,12.25
Finished Goods	<b>60,08.26</b>		60,76.61
Add : Stock taken over as per the Scheme of Amalgamation (Refer Note 13 on Schedule 25)	<b><u>2,02.86</u></b>		<u>1,07.41</u>
		<b>67,03.56</b>	<u>63,96.27</u>
Raw and Packing Materials Consumed			
Opening Stock	<b>13,72.78</b>		8,85.25
Add : Stock taken over as per the Scheme of Amalgamation (Refer Note 13 on Schedule 25)	<b>5,24.68</b>		1,38.34
Add : Purchases [Net of transfer of <b>Rs. 12,43.31 Lacs</b> (Previous Year : Rs. 6,57.12 Lacs)]	<b>634,44.05</b>		399,11.38
	<b><u>653,41.51</u></b>		<u>409,34.97</u>
Less : Closing Stock	<b><u>23,89.52</u></b>		<u>13,72.78</u>
		<b>629,51.99</b>	<u>395,62.19</u>
		<b>696,55.55</b>	459,58.46
Purchased Finished Goods		<b>158,75.13</b>	350,19.02
Less : Closing Stock			
Work-in-Process	<b>6,08.33</b>		4,92.44
Finished Goods	<b><u>74,83.01</u></b>		<u>60,08.26</u>
		<b>80,91.34</b>	<u>65,00.70</u>
Increase/(Decrease) in Excise Duty on Finished Goods (Refer Note 10 on Schedule 25)		<b>2,44.95</b>	(3,46.02)
		<b><u>776,84.29</u></b>	<b><u>741,30.76</u></b>

## Schedules forming part of the Profit and Loss Account for the year ended March 31, 2010

	Rs. Lacs	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
<b>Schedule 15 : Employee Costs</b>			
Salaries, Wages and Bonus		144,48.61	119,59.04
Voluntary Retirement Scheme Cost (Refer Note 7 on Schedule 17)		–	4,86.21
Contribution to Provident, Gratuity and Other Funds		7,92.63	13,73.76
Staff Welfare Expenses		6,66.11	5,21.64
		<u>159,07.35</u>	<u>143,40.65</u>
<b>Schedule 16 : Other Expenses</b>			
Consumption of Stores and Spares		7,11.46	4,97.48
Processing Charges		2,79.17	1,39.52
Power and Fuel		14,03.25	11,09.75
Freight and Forwarding Charges		50,34.08	44,23.53
Rent		7,21.52	7,06.85
Rates and Taxes		7,88.58	10,00.91
Insurance		1,86.21	1,76.37
Repairs and Maintenance			
– Plant and Machinery	10,39.53		8,08.46
– Buildings	47.14		87.51
– Others	78.24		1,19.17
		<u>11,64.91</u>	<u>10,15.14</u>
Advertising and Sales Promotion		299,42.19	271,71.68
Directors' Fees		10.85	10.35
Auditors' Remuneration :			
– As Auditors	79.50		72.00
In other capacity in respect of			
– Other Matters	27.73		20.50
– Out-of-Pocket Expenses	1.63		1.58
		<u>1,08.86</u>	<u>94.08</u>
Sales Taxes absorbed		27.07	61.98
Royalty		87,11.47	59,66.66
Loss on Maturity of Long Term Investments		31.51	–
Bad Debts/Advance Written Off		50.62	–
Exchange Loss (Net)		–	9,04.22
Interest [Includes <b>Rs. 37.30 Lacs</b> (Previous Year : Rs. 37.50 Lacs) on Fixed Loans]		1,50.43	1,10.01
Travel and Conference Expenses		20,97.26	19,60.65
Outside Services		30,11.77	28,68.54
Miscellaneous		58,32.15	67,42.40
		<u>602,63.36</u>	<u>549,60.12</u>



## Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

### Schedule 17 : Significant Accounting Policies

#### 1. Basis of Accounting

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 of India (the Act) and the relevant provisions of the Act.

#### 2. 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. Interest on borrowed funds, if any, used to finance the acquisition of fixed assets, is capitalised up to the date the assets are ready for commercial use. Under utilised/Idle assets are recorded at estimated realisable value.

##### Intangible Assets

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

##### 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 :

<b>Assets</b>	<b>Useful Lives</b>
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

\* In respect of buildings acquired, estimated useful life is considered from the date of completion of construction.

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 Rs. 5,000 are fully depreciated in the year of acquisition.

##### 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).

#### 3. 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.

#### 4. Inventories

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

#### 5. Revenue Recognition

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

##### **Service Income**

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

#### 6. 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.

#### 7. Expenditure

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

## Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

The Company has Defined Contribution Plan for its employees' retirement benefits comprising of Provident Fund and Superannuation Fund which are recognised by the Income Tax Authorities and administered through its trustees/appropriate authorities. The Company contributes to Provident Fund and Superannuation Fund for its employees. In respect of employees covered by Provident Fund trust, interest rates payable by the trust to the beneficiaries every year is being 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 notified interest rate. The Company contributes to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme 1995.

The Company has Defined Benefit Plan comprising of Gratuity Fund and Pension Scheme. The Company contributes to the Gratuity Fund which is recognised by the Income Tax Authorities and administered through its trustees. The liability for the Gratuity Fund and the Pension Scheme is determined on the basis of an independent actuarial valuation done at the year-end using Projected Unit Credit Method. The Company has Leave Encashment Entitlements which are provided on the basis of 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 Profit and Loss Account as income or expense.

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

### 8. 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 Profit and Loss Account. 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 Profit and Loss Account. Non Monetary foreign currency items are carried at cost.

### 9. Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax for timing differences between the income as per financial statement and income as per the Income Tax Act, 1961 is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets arising from the timing differences are recognised to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### Schedule 18 : Employee Benefits

In accordance with Accounting Standard 15 "Employee Benefits", the Company has classified various benefits provided to employees as under :

#### I Defined Contribution Plans

- a. Provident Fund\*
- b. Superannuation Fund
- c. State Defined Contribution Plans
  - i. Employers' Contribution to Employees' State Insurance
  - ii. Employers' Contribution to Employees' Pension Scheme 1995

During the year, the Company has recognised the following amounts in the Profit and Loss Account :

	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
– Employers' Contribution to Provident Fund*	5,41.66	4,35.74
– Employers' Contribution to Superannuation Fund	2,01.22	1,95.00
– Employers' Contribution to Employees' State Insurance	15.93	12.83
– Employers' Contribution to Employees' Pension Scheme 1995	79.69	82.11

Included in Contribution to Provident and Other Funds (Refer Schedule 15)

\* The Guidance on Implementing AS 15, "Employee Benefits" issued by the Accounting Standards Board (ASB) states benefit involving employer established provident funds, which require interest shortfall to be recompensed are to be considered as defined benefit plans. Pending the issuance of the guidance note

## Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

### Schedule 18 : Employee Benefits (Contd.)

from the Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly, the Company is unable to exhibit the related information.

#### II Defined Benefit Plans

Contribution to Gratuity 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 :

	2009-2010	2008-2009
Discount Rate (per annum)	8.40%	7.90%
Rate of increase in Compensation levels	10% for first three years & 7% thereafter	10% for first four years & 7% thereafter
Rate of Return on Plan Assets (for Funded Scheme)	7.50%	7.50%
Expected Average remaining working lives of employees (years)	16.15	17.77

	Rs. Lacs	Rs. Lacs
<b>A) (i) Changes in the Present Value of Obligation (Funded Scheme)</b>		
Present Value of Obligation at the beginning of the year	22,33.38	17,59.37
Add : Balance taken over as per the Scheme of Amalgamation	92.15	42.09
Interest Cost	1,99.30	1,64.75
Current Service Cost	2,81.16	2,11.01
Benefits Paid	(54.39)	(1,98.15)
Actuarial (Gain)/Loss due to Curtailment	—	19.82
Actuarial (Gain)/Loss on Obligations	(2,95.33)	2,34.49
<b>Present Value of Obligation as at the end of the year</b>	<b>24,56.27</b>	<b>22,33.38</b>
<b>A) (ii) Changes in the Present Value of Obligation (Non-Funded Scheme)</b>		
Present Value of Obligation at the beginning of the year	1,07.54	81.23
Interest Cost	5.81	4.65
Current Service Cost	7.22	5.73
Actuarial (Gain)/Loss on Obligations	2.34	15.93
<b>Present Value of Obligation as at the end of the year</b>	<b>1,22.91</b>	<b>1,07.54</b>
<b>B) (i) Changes in the Fair Value of Plan Assets (For Funded Scheme)</b>		
Present Value of Plan Assets at the beginning of the year	18,11.38	14,05.16
Add : Balance taken over as per the Scheme of Amalgamation	61.97	21.32
Expected Return on Plan Assets	1,46.84	1,11.05
Actuarial Gain/(Loss)	99.53	(1,02.75)
Contributions	4,51.98	5,74.75
Benefits Paid	(54.39)	(1,98.15)
<b>Fair Value of Plan Assets as at the end of the year</b>	<b>25,17.31</b>	<b>18,11.38</b>
<b>B) (ii) Percentage of each category of Plan Assets to total Fair Value of Plan Assets</b>		
Category of Assets (% Allocation)	%	%
Government of India Securities	7%	12%
Corporate Bonds	12%	19%
Insurer Managed Funds	77%	57%
Others	4%	12%

## Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

### Schedule 18 : Employee Benefits (Contd.)

Schedule 18 : Employee Benefits (Contd.)		2009-2010	2008-2009		
		Rs. Lacs	Rs. Lacs		
C)	Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets				
	Present Value of Funded Obligation as at the end of the year	24,56.27	22,33.38		
	Fair Value of Plan Assets as at the end of the year	25,17.31	18,11.38		
	Funded Status	(61.04)	4,22.00		
	Present Value of Unfunded Obligation as at the end of the year	1,22.91	1,07.54		
	Unfunded Liability recognised in Balance Sheet	61.87	5,29.54		
	Included in Provisions (Refer Schedule 12)				
D) (i)	Amount recognised in the Balance Sheet (Funded Scheme)				
	Present Value of Obligation as at the end of the year	24,56.27	22,33.38		
	Fair Value of Plan Assets as at the end of the year	25,17.31	18,11.38		
	Liability/(Asset) recognised in the Balance Sheet	(61.04)	4,22.00		
D) (ii)	Amount recognised in the Balance Sheet (Non-Funded Scheme)				
	Present Value of Obligation as at the end of the year	1,22.91	1,07.54		
	Liability/(Asset) recognised in the Balance Sheet	1,22.91	1,07.54		
E) (i)	Expenses recognised in the Profit and Loss Account (Funded Scheme)				
	Current Service Cost	2,81.16	2,11.01		
	Interest Cost	1,99.30	1,64.75		
	Expected Return on Plan Assets	(1,46.84)	(1,11.05)		
	Loss/(Gain) on Curtailments and Settlements	—	19.82		
	Net actuarial (Gain)/Loss recognised in the year	(3,94.86)	3,37.24		
	Total Expenses recognised in the Profit and Loss Account	(61.24)	6,21.77		
	Included in Contribution to Provident and Other Funds (Refer Schedule 15)				
E) (ii)	Expenses recognised in the Profit and Loss Account (Non-Funded Scheme)				
	Current Service Cost	7.22	5.73		
	Interest Cost	5.81	4.65		
	Net actuarial (Gain)/Loss recognised in the year	2.34	15.93		
	Total Expenses recognised in the Profit and Loss Account	15.37	26.31		
	Included in Contribution to Provident and Other Funds (Refer Schedule 15)				
F)	Expected Contribution to be paid for next year				
	Expected Contribution to be paid for next year				
	– Funded	2,30.00	3,21.49		
	– Unfunded	91.97	82.42		
G)	Details of Present Value of Obligation, Plan Assets and Experience Adjustments	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs	2007-2008 Rs. Lacs	2006-2007 Rs. Lacs
	Present Value of Obligation				
	– Funded	24,56.27	22,33.38	17,59.37	14,73.19
	– Unfunded	1,22.91	1,07.54	81.23	64.34
	Fair Value of Plan Assets	25,17.31	18,11.38	14,05.16	15,07.21
	(Surplus)/Deficit	61.87	5,29.54	4,35.44	30.32
	Experience Adjustments :				
	(Gain)/Loss on Funded Plan Liabilities	(1,38.54)	74.47	2,85.43	—
	Gain/(Loss) on Funded Plan Assets	99.54	(1,02.75)	(0.64)	—
	(Gain)/Loss on Unfunded Plan Liabilities	3.24	14.94	12.34	(0.07)

### III Other Employee Benefit Plan

The liability for leave encashment as at the year end is **Rs. 8,73.92 Lacs** (Previous Year : Rs. 7,64.30 Lacs).

## Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

### Schedule 19 : Segment Information

In accordance with the requirements of Accounting Standard-17 "Segment Reporting", 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	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
1. Segment Revenue from Operations	<b>1,962,45.92</b>	1,694,81.35
Unallocated Income	<b>54,83.15</b>	52,49.50
Other Income	<b>43,62.57</b>	55,26.22
	<b><u>2,060,91.64</u></b>	<b><u>1,802,57.07</u></b>
2. Segment Results	<b>439,66.19</b>	288,06.15
Add : Unallocated results	<b>3,01.52</b>	3,08.29
Add : Other Income	<b>43,62.57</b>	55,26.22
Less : Interest and Financial charges	<b>1,50.43</b>	1,10.01
Total Profit before Tax	<b><u>484,79.85</u></b>	<b><u>345,30.65</u></b>
3. <b>Capital Employed</b>		
Segment Assets	<b>742,43.17</b>	532,12.12
Add : Unallocated Corporate Assets	<b>139,74.04</b>	240,20.39
Total Assets	<b><u>882,17.21</u></b>	<b><u>772,32.51</u></b>
Segment Liability	<b>448,58.11</b>	418,59.32
Add : Unallocated Corporate Liability	<b>107,47.94</b>	137,43.62
Total Liability	<b><u>556,06.05</u></b>	<b><u>556,02.94</u></b>
Segment Capital Employed	<b>293,85.06</b>	113,52.80
Add : Unallocated Capital Employed	<b>32,26.10</b>	102,76.77
Total Capital Employed	<b><u>326,11.16</u></b>	<b><u>216,29.57</u></b>
4. <b>Capital Expenditure</b>		
Segment Capital Expenditure	<b>33,87.26</b>	1,71.07
Add : Unallocated Capital Expenditure	<b>1,64.02</b>	72.43
Total Capital Expenditure	<b><u>35,51.28</u></b>	<b><u>2,43.50</u></b>
5. <b>Depreciation/Amortisation/Impairment</b>		
Segment Depreciation	<b>35,11.06</b>	20,15.40
Add : Unallocated Depreciation	<b>2,45.73</b>	2,79.49
Total Depreciation	<b><u>37,56.79</u></b>	<b><u>22,94.89</u></b>
6. <b>Significant Non Cash Expenditure (excluding depreciation)</b>	<b>50.62</b>	—

#### Secondary Reportable Segment

	India		Outside India		Total	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
<b>Revenue by geographical segment</b>						
External	<b>1,944,21.82</b>	1,678,73.40	<b>18,24.10</b>	16,07.95	<b>1,962,45.92</b>	1,694,81.35
Internal Segment	—	—	—	—	—	—
Total	<b>1,944,21.82</b>	1,678,73.40	<b>18,24.10</b>	16,07.95	<b>1,962,45.92</b>	1,694,81.35
Carrying amount of segment assets	<b>742,43.17</b>	532,12.12	—	—	<b>742,43.17</b>	532,12.12
Capital Expenditure	<b>33,87.26</b>	1,71.07	—	—	<b>33,87.26</b>	1,71.07



## Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

### Schedule 20 : 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) **Subsidiaries** :
  - : Professional Oral Care Products Private Limited (Merged with the Company effective April 1, 2009)
  - : CC Healthcare Products Private Limited
  - : Advanced Oral Care Products Private Limited (Merged during the year with Professional Oral Care Products Private Limited effective April 1, 2008)
  - : Colgate-Palmolive (Nepal) Private Limited (Upto November 19, 2008)
- iii) **Group Companies where common control exists** :
  - : Colgate-Palmolive (Malaysia) Mktg. SDN BHD
  - : Colgate-Palmolive, East Africa Ltd., Kenya
  - : Colgate-Palmolive, Morocco Limited
  - : Colgate-Palmolive Pty Ltd., South Africa
  - : Colgate-Palmolive Pty Ltd., Australia
  - : Colgate-Palmolive (Thailand) Ltd.
  - : Colgate-Palmolive (H.K.) Ltd., Hong Kong
  - : Colgate-Palmolive Management Services (H.K.) Limited
  - : Colgate-Palmolive (China) Co. Ltd., China (formerly known as Colgate-Palmolive (Guangzhou) Co. Ltd., China)
  - : Colgate-Palmolive Son Hai Ltd., Vietnam
  - : Colgate Sanxiao (Consumer Products) Company Limited
  - : Colgate-Palmolive (U.K.) Limited
  - : Hawley & Hazel Chemical Company (H.K.) Limited
  - : Colgate-Palmolive, Temizlik, Urunleri, Turkey
  - : Colgate-Palmolive Cameroun S.A.
  - : Colgate-Palmolive Romania srl.
  - : Mission Hills S.A. DE C.V.
  - : Colgate-Palmolive (Eastern) Pte. Ltd., Singapore
  - : Colgate-Palmolive Industria E Comercio Ltda, Brazil
  - : Colgate-Palmolive (Asia) Pte. Ltd., Singapore
  - : Colgate-Palmolive Tanzania Limited
  - : CP Hawley & Hazel Chemical Co., (ZS) Ltd.
  - : Colgate-Palmolive Zambia Inc.
  - : Colgate-Palmolive Russia
  - : Colgate-Palmolive Services Poland
  - : Colgate-Palmolive (PNG) Limited, PNG
  - : Hills Pet Nutrition, Inc., Topeka
  - : Colgate Flavours and Fragrances Inc., New York
  - : Colgate-Palmolive Bt Ltd., Blantyre, Malawi
  - : Colgate Oral Pharmaceuticals, Inc. Carrollton, U.S.A.
  - : Colgate-Palmolive CACE Region, Istanbul, Turkey
- iv) **Key Management Personnel** :
  - : Roger Calmeyer (Upto January 31, 2010)
  - : Mukul Deoras (Effective February 1, 2010)
  - : Moses Elias
  - : K. V. Vaidyanathan
- v) **Relatives of Key Management Personnel** : Mrs. Pratima Elias



# Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

## Schedule 20 : Disclosure of Related Parties (Contd.)

The Company has entered into transaction with the ultimate Holding Company, subsidiaries, 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		Parties referred to in (iv) above		Parties referred to in (v) above		Total	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
<b>Purchase of Goods/Materials</b>												
Colgate-Palmolive (Nepal) Private Limited	-	-	-	9,85.60	-	-	-	-	-	-	-	9,85.60
Advanced Oral Care Products Private Limited	-	-	-	143,85.11	-	-	-	-	-	-	-	143,85.11
Professional Oral Care Products Private Limited	-	-	-	127,34.34	-	-	-	-	-	-	-	127,34.34
CC Healthcare Products Private Limited	-	-	38,80.34	25,84.10	-	-	-	-	-	-	38,80.34	25,84.10
Others	-	-	-	-	10,52.36	7,60.31	-	-	-	-	10,52.36	7,60.31
<b>Sub-Total</b>	-	-	38,80.34	306,89.15	10,52.36	7,60.31	-	-	-	-	49,32.70	314,49.46
<b>Sale of Goods/Materials</b>												
Advanced Oral Care Products Private Limited	-	-	-	2,27.29	-	-	-	-	-	-	-	2,27.29
Colgate-Palmolive, East Africa Ltd., Kenya	-	-	-	-	8,82.69	6,02.54	-	-	-	-	8,82.69	6,02.54
Colgate-Palmolive Tanzania Limited	-	-	-	-	1,34.28	1,24.67	-	-	-	-	1,34.28	1,24.67
Others	-	-	1,21.96	13.78	2,54.65	2,04.34	-	-	-	-	3,76.61	2,18.12
<b>Sub-Total</b>	-	-	1,21.96	2,41.07	12,71.62	9,31.55	-	-	-	-	13,93.58	11,72.62
<b>Purchase of Assets/Spares</b>												
Colgate-Palmolive (China) Co. Ltd., China	-	-	-	-	12,40.45	-	-	-	-	-	12,40.45	-
Others	-	-	-	-	2.46	-	-	-	-	-	2.46	-
<b>Sub-Total</b>	-	-	-	-	12,42.91	-	-	-	-	-	12,42.91	-
<b>Sale of Assets</b>												
Advanced Oral Care Products Private Limited	-	-	-	9,37.79	-	-	-	-	-	-	-	9,37.79
Others	-	-	-	91.86	-	-	-	-	-	-	-	91.86
<b>Sub-Total</b>	-	-	-	10,29.65	-	-	-	-	-	-	-	10,29.65
<b>Interest Received</b>												
Advanced Oral Care Products Private Limited	-	-	-	2,44.90	-	-	-	-	-	-	-	2,44.90
Professional Oral Care Products Private Limited	-	-	-	56.00	-	-	-	-	-	-	-	56.00
CC Healthcare Products Private Limited	-	-	48.18	44.82	-	-	-	-	-	-	48.18	44.82
<b>Sub-Total</b>	-	-	48.18	3,45.72	-	-	-	-	-	-	48.18	3,45.72
<b>Services Rendered</b>												
Colgate-Palmolive Company, U.S.A.	55,65.34	53,05.40	-	-	-	-	-	-	-	-	55,65.34	53,05.40
Others	-	-	-	-	30.28	29.16	-	-	-	-	30.28	29.16
<b>Sub-Total</b>	55,65.34	53,05.40	-	-	30.28	29.16	-	-	-	-	55,95.62	53,34.56
<b>Services Received</b>												
Colgate-Palmolive Company, U.S.A.	24,14.04	25,10.85	-	-	-	-	-	-	-	-	24,14.04	25,10.85
Colgate-Palmolive Management Services (H.K.) Limited	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total</b>	24,14.04	25,10.85	-	-	-	-	-	-	-	-	-	-
<b>Reimbursement of Expenses Charged by us/(on us)</b>												
Colgate-Palmolive Company, U.S.A.	(13,16.42)	(10,22.02)	-	-	-	-	-	-	-	-	(13,16.42)	(10,22.02)
Others	-	-	-	-	72.22	4.49	-	-	-	-	72.22	4.49
<b>Sub-Total</b>	(13,16.42)	(10,22.02)	-	-	72.22	4.49	-	-	-	-	(12,44.20)	(10,17.53)

Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

**Schedule 20 : 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		Parties referred to in (iv) above		Parties referred to in (v) above		Total	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
<b>Inter Corporate Deposits given/(repayment)</b>												
Advanced Oral Care Products Private Limited	-	-	-	(7,70.00)	-	-	-	-	-	-	-	(7,70.00)
OC Healthcare Products Private Limited	-	-	(2,00.00)	7,00.00	-	-	-	-	-	-	(2,00.00)	7,00.00
<b>Sub-Total</b>	-	-	(2,00.00)	(70.00)	-	-	-	-	-	-	(2,00.00)	(70.00)
<b>Loans to Subsidiaries given/(repayment)</b>												
Advanced Oral Care Products Private Limited	-	-	-	33,35.00	-	-	-	-	-	-	-	33,35.00
<b>Sub-Total</b>	-	-	-	33,35.00	-	-	-	-	-	-	-	33,35.00
<b>Dividend Paid/Proposed</b>												
Colgate-Palmolive Company, U.S.A.	108,95.38	81,71.54	-	-	-	-	-	-	-	-	108,95.38	81,71.54
Colgate-Palmolive (Asia) Pte. Ltd., Singapore	-	-	-	-	29,75.89	22,31.91	-	-	-	-	29,75.89	22,31.91
<b>Sub-Total</b>	108,95.38	81,71.54	-	-	29,75.89	22,31.91	-	-	-	-	138,71.27	104,03.45
<b>Dividend Received</b>												
Advanced Oral Care Products Private Limited	-	-	-	3,45.00	-	-	-	-	-	-	-	3,45.00
Professional Oral Care Products Private Limited	-	-	-	1,75.62	-	-	-	-	-	-	-	1,75.62
OC Healthcare Products Private Limited	-	-	2,40.00	2,55.00	-	-	-	-	-	-	2,40.00	2,55.00
<b>Sub-Total</b>	-	-	2,40.00	7,75.62	-	-	-	-	-	-	2,40.00	7,75.62
<b>Royalty and Technical Fees</b>												
Colgate-Palmolive Company, U.S.A.	74,59.27	50,74.29	-	-	-	-	-	-	-	-	74,59.27	50,74.29
<b>Sub-Total</b>	74,59.27	50,74.29	-	-	-	-	-	-	-	-	74,59.27	50,74.29
<b>Remuneration</b>												
Roger Calmeyer	-	-	-	-	-	6,42.39	5,34.31	-	-	-	6,42.39	5,34.31
Mukul Deoras	-	-	-	-	-	1,16.76	-	-	-	-	1,16.76	-
Moses Elias	-	-	-	-	-	7,24.16	3,60.11	-	-	-	7,24.16	3,60.11
K. V. Vaidyanathan	-	-	-	-	-	2,53.99	1,42.00	-	-	-	2,53.99	1,42.00
<b>Sub-Total</b>	-	-	-	-	-	17,37.30	10,36.42	-	-	-	17,37.30	10,36.42
<b>Dividend</b>												
<b>Sub-Total</b>	-	-	-	-	-	0.26	0.20	-	0.48	0.37	0.74	0.57
<b>Repayment of Loan</b>												
<b>Sub-Total</b>	-	-	-	-	-	0.26	0.20	-	0.48	0.37	0.74	0.57
<b>Interest on Loan Received</b>												
<b>Sub-Total</b>	-	-	-	-	-	1.20	1.20	-	-	-	1.20	1.20
<b>Outstanding Receivable net of Payable</b>												
<b>Sub-Total</b>	-	-	-	-	-	0.69	0.72	-	-	-	0.69	0.72
<b>Outstanding Payable net of Receivable</b>												
<b>Sub-Total</b>	-	-	1,39.02	56,07.87	-	1,38.48	23.56	-	-	-	4,16.45	57,69.91
	22,55.20	62,25.10	-	-	2,55.07	14,83.23	-	-	-	-	24,20.21	77,08.33

## Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

	<b>2009-2010</b> <b>Rs. Lacs</b>	<b>2008-2009</b> <b>Rs. Lacs</b>
<b>Schedule 21 : Lease Accounting</b>		
1. The Company has leased 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	<b>3,70.33</b>	3,49.96
Greater than 1 year but less than 5 years	<b>2,43.10</b>	2,78.72
Greater than 5 years	—	—
2. Lease payments recognised in Profit and Loss Account are included in "Miscellaneous" under Other Expenses in Schedule 16.	<b>5,90.75</b>	5,92.41

### Schedule 22 : Earnings Per Share

Profit After Taxation (Rs. Lacs)	<b>423,25.82</b>	290,21.94
Weighted average number of shares (Nos.)	<b>13,59,92,817</b>	13,59,92,817
Nominal Values of shares outstanding (Re.)	<b>1</b>	1
Basic and Diluted Earnings Per Share (Rs.)	<b>31.12</b>	21.34

### Schedule 23 : Contingencies and Commitments

1. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of <b>Rs. 3,08.98 Lacs</b> (Previous Year : Rs. Nil)]	<b>17,79.22</b>	1,06.80
2. Contingent liabilities not provided for in respect of : (Refer Note 6 on Schedule 17)		
(i) Guarantees given by the Company	<b>7,82.00</b>	3,50.00
(ii) Counter Guarantees given to the Banks	<b>3,34.45</b>	2,24.28
(iii) Cheques Discounted with Banks	<b>85.42</b>	23,83.63
(iv) Claims against the Company not acknowledged as debts	<b>1,55.20</b>	1,42.90
(v) Excise Matters	<b>19,94.30</b>	4,24.84
(vi) Service Tax Matters	<b>12,49.56</b>	12,18.78
(vii) Income Tax Matters	<b>2,22.26</b>	18.79
(viii) Provident Fund Matters	<b>7.37</b>	—

Note :

Future cash flow in respect of (iv) to (viii) above, if any, is determinable only on receipt of judgements/decisions pending with the relevant authorities.

### Schedule 24 : Others/Contingencies

(Refer Note 6 on Schedule 17)

	<b>Direct/Indirect Taxes</b> <b>(Refer Note below)</b>	
Opening Balance (net of advance payments)	<b>17,59.17</b>	17,13.98
Add : Provision made	<b>2,94.66</b>	79.00
Add : Payments made during the year	<b>(10.00)</b>	(33.81)
Less : Provision Utilised/Reversed	—	—
<b>Closing Balance (net of advance payments)</b>	<b>20,43.83</b>	17,59.17

## Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

### Schedule 24 : Others/Contingencies (Contd.)

#### Note :

#### Direct/Indirect Taxes

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 matter depends on the 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.

### Schedule 25 : Supplementary Information

#### 1. Details of Raw and Packing Materials consumed :

	Unit	2009-2010		2008-2009	
		Quantity	Value Rs. Lacs	Quantity	Value Rs. Lacs
Chemicals	M.T.	78,181	260,84.97	48,696	195,61.57
Tubes and Containers	Gross	81,77,686	162,53.09	44,12,678	107,07.44
Oils	M.T.	1,004	80,03.38	421	27,40.13
Cartons	Gross	76,06,403	78,09.24	39,16,944	52,46.45
Others			60,44.62		19,63.72
Less : Transfer of Materials			12,43.31		6,57.12
<b>Total</b>			<b>629,51.99</b>		<b>395,62.19</b>

#### 2. Value of imported and indigenous Raw and Packing Materials, Stores and Spare Parts consumed :

		2009-2010		2008-2009	
		Value Rs. Lacs	% to Total Consumption	Value Rs. Lacs	% to Total Consumption
Raw and Packing Materials :					
Imported at landed cost		61,54.97	10	68,77.59	17
Indigenously obtained		567,97.02	90	326,84.60	83
<b>Total</b>		<b>629,51.99</b>	<b>100</b>	<b>395,62.19</b>	<b>100</b>
Stores and Spare Parts :					
Imported at landed cost		2,42.21	34	2,18.55	44
Indigenously obtained		4,69.25	66	2,78.93	56
<b>Total</b>		<b>7,11.46</b>	<b>100</b>	<b>4,97.48</b>	<b>100</b>

#### 3. Value of imports calculated on C.I.F. basis (on payment basis) :

	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
Raw Materials	59,71.29	35,82.23
Finished Goods	7,58.02	3,42.03
Capital Goods	15,03.62	1,74.97
Spares	7,78.70	2,93.90

## Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

### Schedule 25 : Supplementary Information (Contd.)

			<b>2009-2010</b>	<b>2008-2009</b>
			<b>Rs. Lacs</b>	<b>Rs. Lacs</b>
<b>4. Expenditure in foreign currency (on payment basis) :</b>				
Travelling			<b>49.47</b>	57.78
Royalty (Net of tax)			<b>69,65.78</b>	35,64.43
Services Received			<b>54,31.83</b>	26,27.02
Others			<b>32,83.35</b>	10,53.82
<b>5. Earnings in foreign currency (on receipt basis) :</b>				
Exports at F.O.B. Value			<b>16,59.89</b>	17,99.57
Services Rendered			<b>47,24.46</b>	56,57.54
<b>6. Net Dividends remitted in foreign currency to one non-resident shareholder – Colgate-Palmolive Company, U.S.A. :</b>				
For the year	Nature of Dividend	No. of Equity Shares	<b>2009-2010</b>	<b>2008-2009</b>
			<b>Rs. Lacs</b>	<b>Rs. Lacs</b>
2007-2008	Final Dividend	54,476,910	–	38,13.38
2008-2009	First Interim	54,476,910	–	49,02.92
2008-2009	Second Interim	54,476,910	<b>32,68.61</b>	–
2009-2010	First Interim	54,476,910	<b>43,58.15</b>	–
2009-2010	Second Interim	54,476,910	<b>38,13.38</b>	–
			<b>114,40.14</b>	<b>87,16.30</b>
<b>Net Dividends remitted in foreign currency to one non-resident shareholder – Colgate-Palmolive (Asia) Pte. Ltd. :</b>				
2007-2008	Final Dividend	14,879,426	–	10,41.56
2008-2009	First Interim	14,879,426	–	13,39.15
2008-2009	Second Interim	14,879,426	<b>8,92.77</b>	–
2009-2010	First Interim	14,879,426	<b>11,90.35</b>	–
2009-2010	Second Interim	14,879,426	<b>10,41.56</b>	–
			<b>31,24.68</b>	<b>23,80.71</b>

### 7. Information for each class of goods manufactured :

#### (a) Licensed Capacity, Installed Capacity and Actual Production :

		Annual capacity on three-shift basis			Actual Production
	Unit	Licensed	Installed		
Cosmetics and Toilet Preparation	<b>2009-2010</b> M.T.	<b>See Note (i) below</b>	<b>1,52,688</b>		<b>92,360</b>
	2008-2009 M.T.	”	80,688		56,785
Flavour	<b>2009-2010</b> M.T.	<b>See Note (i) below</b>	<b>4,475</b>		<b>540</b>
	2008-2009 M.T.	”	4,475		88
Tooth Brushes and Shave Brushes	<b>2009-2010</b> Doz.	<b>Not Applicable</b>	–		–
		<b>See Note (ii) below</b>			
	2008-2009 Doz.	”	–		8,273

## Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

### Schedule 25 : Supplementary Information (Contd.)

#### Notes :

- (i) In terms of the Industrial Entrepreneurs Memoranda filed with the Government of India, Ministry of Commerce and Industry, New Delhi, the aggregate registered annual capacity of toothpaste at Baddi, Himachal Pradesh and Goa is 1,38,000 tonnes (Previous Year : 66,000 tonnes) and flavour is 4,475 tonnes (Previous Year : 4,475 tonnes). The annual capacity of the erstwhile Professional Oral Care Products Private Limited at Goa (POC) has been included following merger of POC with the Company from April 1, 2009 as per the Order issued by the Bombay High Court at Goa sanctioning the Scheme of Amalgamation of POC with the Company.
- (ii) The bristling operations for toothbrushes and shave brushes are carried out under manufacturing arrangements with third parties.
- (iii) The installed capacity as shown above has been certified by the Executive Vice-President (Manufacturing and Product Supply Chain) and not verified by the Auditors, being a technical matter.

#### (b) Opening and Closing Stocks of Finished Goods :

	2009-2010				2008-2009			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	Doz.	Rs. Lacs	Doz.	Rs. Lacs	Doz.	Rs. Lacs	Doz.	Rs. Lacs
Soaps, Cosmetics and Toilet Preparations	62,10,304	53,17.62	89,07,505	64,99.74	61,01,894	52,61.01	62,10,304	53,17.62
Tooth Brushes and Shave Brushes	11,37,251	6,73.11	13,95,741	9,59.60	14,23,196	7,73.41	11,37,251	6,73.11
Others		17.53		23.67		42.19		17.53
<b>Total</b>		<u>60,08.26</u>		<u>74,83.01</u>		<u>60,76.61</u>		<u>60,08.26</u>

#### (c) Sale by Class of Goods :

	Unit	2009-2010		2008-2009	
		Quantity	Value	Quantity	Value
			Rs. Lacs		Rs. Lacs
Soaps, Cosmetics and Toilet Preparations	Doz.	11,02,22,340	1,746,56.67	9,70,97,536	1,519,25.98
Tooth Brushes and Shave Brushes	Doz.	2,02,90,312	213,37.62	1,62,76,173	173,34.44
Others			2,51.63		2,20.93
<b>Total</b>			<u>1,962,45.92</u>		<u>1,694,81.35</u>

#### (d) Purchase of Finished Goods :

	Unit	2009-2010		2008-2009	
		Quantity	Value	Quantity	Value
			Rs. Lacs		Rs. Lacs
Soaps, Cosmetics and Toilet Preparations	Doz.	42,37,353	66,45.76	3,36,22,213	277,35.58
Tooth Brushes and Shave Brushes	Doz.	2,07,57,317	91,02.56	1,62,49,616	71,48.75
Others			1,26.81		1,34.69
<b>Total</b>			<u>158,75.13</u>		<u>350,19.02</u>



## Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

### Schedule 25 : Supplementary Information (Contd.)

8. There are no delays in payments to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. 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. This has been relied upon by the Auditors.

9. (a) Remuneration to the Directors	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
Salaries	5,82.40	5,75.34
Commission/Bonus	2,42.60	1,91.54
Contribution to Provident and other Funds	36.01	24.37
Other Perquisites	8,76.29	2,45.17
<b>Total</b>	<b>17,37.30</b>	<b>10,36.42</b>

Note :

Appointment of Mr. Mukul Deoras as the Managing Director of the Company effective February 1, 2010, is pending receipt of approval from the Central Government and approval of the Shareholders of the Company will be sought at the ensuing Annual General Meeting. During the year, an aggregate remuneration of Rs. 1,16.76 Lacs has been paid to him.

- (b) Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956, and Commission payable to the Directors :

	2009-2010		2008-2009	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Profit before Taxation		484,79.85		345,30.65
Add : (i) Remuneration paid to the Directors	17,37.30		10,36.42	
(ii) Directors' Fees	10.85		10.35	
(iii) Depreciation/Amortisation/Impairment	37,56.79		22,94.89	
(iv) Profit on sale of Fixed Assets as per Section 350	—		6,80.04	
Less : (i) Depreciation/Amortisation as per Section 350	32,08.33		20,51.79	
(ii) Profit on sale of Fixed Assets (net)	2,93.30		9,80.54	
(iii) Loss on sale of Fixed Assets as per Section 350	1,45.32		—	
		18,57.99		9,89.37
Net Profit for the purpose of Directors' Commission		503,37.84		355,20.02
Commission @ 1% of Net Profit		5,03.38		3,55.20
Restricted to		2,42.60		1,91.54

10. 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 excised duty expense in "Cost of Goods Sold - Increase/(Decrease) in Excise Duty on Finished Goods" under Schedule 14 annexed and forming part of Profit and Loss Account.
11. Research and Development expenses of the year for the Company amount to **Rs. 2,97.28 Lacs** (Previous Year : Rs. 2,01.56 Lacs).

## Notes forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010

### Schedule 25 : Supplementary Information (Contd.)

12. Pursuant to the Scheme of Amalgamation sanctioned by the order dated April 27, 2009 of the Bombay High Court at Goa, Advanced Oral Care Products Private Limited ("AOC") has been amalgamated with Professional Oral Care Products Private Limited ("POC"). Accordingly, 1,50,000 Equity Shares of Rs. 100 each fully paid held in AOC by the Company have been cancelled and 300 additional shares of Rs. 10 each fully paid up of POC have been issued to the Company.
13. Pursuant to the Scheme of Amalgamation ("the Scheme") sanctioned by the order dated April 16, 2010 of Bombay High Court at Goa, Professional Oral Care Products Private Limited ("POC"), a 100% subsidiary of the Company, engaged in the business of manufacturing of toothpaste, has been amalgamated with the Company with effect from April 1, 2009. The amalgamation has been accounted as per the Scheme which is in accordance with the "Pooling of Interests" method as prescribed by Accounting Standard (AS-14), 'Accounting for Amalgamations'.
- In accordance with the said Scheme :
- a) the assets, liabilities and reserves of POC have been taken over by the Company with effect from April 1, 2009 and have been recorded at their respective book values.
  - b) 12,01,200 Equity Shares of Rs. 10 each fully paid in POC held as an investment by the Company stands cancelled. The deficit of Rs. 4,02.57 Lacs between the net assets and reserves taken over from POC and the book value of investment held by the Company in POC have been adjusted to Capital Reserve by Rs. 2,51.46 Lacs and the balance deficit has been adjusted to General Reserve.
14. CC Healthcare Products Private Limited ("CCH"), a 100% subsidiary of the Company, has initiated the process of filing a petition before the High Court of Judicature at Andhra Pradesh for amalgamation with the Company with effect from April 1, 2009.
15. In view of the Scheme of Amalgamation referred to in Note 13 above, the current year's figures are not comparable with those of the previous year.
16. Refer Annexure for additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956.
17. Previous year's figures have been re-grouped and re-arranged wherever necessary.

The Schedules (1 to 25) referred to herein above form an integral part of the financial statements.

**For Price Waterhouse**  
Firm Registration No. 301112E  
Chartered Accountants

**Partha Ghosh**  
Partner  
Membership No. F-55913

Mumbai, May 27, 2010

**For and on behalf of the Board**

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

Mumbai, May 27, 2010

**R. A. Shah**  
**P. K. Ghosh**  
**M. V. Deoras**

**M. A. Elias**  
**J. K. Setna**

**K. V. Vaidyanathan**

## Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956.

### Annexure

#### Balance Sheet Abstract and Company's General Business Profile :

<b>I. Registration Details :</b>		<b>Application of Funds</b>	
Registration No.	2700	Net Fixed Assets	2531366
State Code	11	Investments	210007
Balance Sheet Date	31-03-10	Deferred Tax Asset (Net)	179003
		Net Current Assets	386615
		Miscellaneous Expenditure	—
		Accumulated Losses	—
<b>II. Capital raised during the year (Amount in Rs. Thousands) :</b>		<b>IV. Performance of Company (Amount in Rs. Thousands) :</b>	
Public Issue	—	Turnover (including Other Income)	20609164
Rights Issue	—	Total Expenditure	15761179
Bonus Issue	—	Profit/Loss Before Tax	4847985
Private Placement	—	Profit/Loss After Tax	4232582
		Earnings per Share in Rs.*	31.12
		Dividend	2000%
<b>III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands) :</b>		* Based on weighted average number of equity shares - 13,59,92,817	
Total Liabilities (including Shareholders' Funds)	8821721	<b>V. Generic Names of Three Principal Products/ Services of Company (as per Monetary Terms)</b>	
Total Assets	8821721	Item Code No. (ITC Code)	330610.02
<b>Sources of Funds</b>		Product Description	Toothpaste
Paid-up Capital	135993	Item Code No. (ITC Code)	960321.00
Reserves and Surplus	3125123	Product Description	Toothbrush
Secured Loans	—	Item Code No. (ITC Code)	330610.01
Unsecured Loans	45875	Product Description	Tooth Powder

#### For and on behalf of the Board

Vice-Chairman	<b>R. A. Shah</b>
Deputy Chairman	<b>P. K. Ghosh</b>
Managing Director	<b>M. V. Deoras</b>
Whole-time Director & Chief Financial Officer	<b>M. A. Elias</b>
Director	<b>J. K. Setna</b>
Whole-time Director & Company Secretary	<b>K. V. Vaidyanathan</b>

Mumbai, May 27, 2010

## Auditors' Report

To the Board of Directors of Colgate-Palmolive (India) Limited

1. We have audited the attached Consolidated Balance Sheet of Colgate-Palmolive (India) Limited (the "Company") and its subsidiary, hereinafter referred to as the "Group" (refer Note 2 on Schedule 17 to the attached consolidated financial statements) as at March 31, 2010, the related Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under sub-section 3C of Section 211 of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :
  - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
  - (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
  - (c) in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**For Price Waterhouse**

Firm Registration No. 301112E

Chartered Accountants

**Partha Ghosh**

Partner

Mumbai, May 27, 2010

Membership No. F-55913

## Consolidated Balance Sheet as at March 31, 2010

			As at March 31, 2009	As at March 31, 2009
	Schedule	Rs. Lacs	Rs. Lacs	Rs. Lacs
<b>Sources of Funds</b>				
<b>Shareholders' Funds</b>				
Share Capital	1	13,59.93		13,59.93
Reserves and Surplus	2	<u>316,62.34</u>		<u>201,66.91</u>
			<b>330,22.27</b>	<u>215,26.84</u>
<b>Minority Interest</b>			–	3,74.52
<b>Loan Funds</b>				
Unsecured Loans	3		<u>4,58.75</u>	<u>4,68.75</u>
<b>Total</b>			<u><b>334,81.02</b></u>	<u><b>223,70.11</b></u>
<b>Application of Funds</b>				
<b>Fixed Assets</b>	4			
Gross Block		560,98.98		546,33.87
Less : Depreciation/Amortisation/Impairment		<u>306,69.50</u>		<u>296,95.91</u>
<b>Net Block</b>		<u>254,29.48</u>		<u>249,37.96</u>
Capital Work-in-Progress and Advances for Capital Expenditure		<u>6,43.49</u>		<u>7,74.46</u>
			<b>260,72.97</b>	<u>257,12.42</u>
<b>Investments</b>	5		<b>19,57.17</b>	34,88.68
<b>Deferred Tax Asset (Net)</b>	6		<b>17,61.44</b>	14,80.46
<b>Current Assets, Loans and Advances</b>				
Inventories	7	111,35.52		90,23.66
Sundry Debtors	8	9,76.88		11,13.45
Cash and Bank Balances	9	347,67.37		253,40.16
Interest Accrued on Investments/Deposits		5,41.11		6,18.90
Loans and Advances	10	<u>112,59.34</u>		<u>130,85.90</u>
		<u>586,80.22</u>		<u>491,82.07</u>
Less :				
<b>Current Liabilities and Provisions</b>				
Liabilities	11	424,73.27		419,10.15
Provisions	12	<u>125,17.51</u>		<u>155,83.37</u>
		<u>549,90.78</u>		<u>574,93.52</u>
<b>Net Current Assets</b>			<b>36,89.44</b>	<u>(83,11.45)</u>
<b>Total</b>			<u><b>334,81.02</b></u>	<u><b>223,70.11</b></u>

The Schedules (1 to 25) referred to herein above form an integral part of the financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

**For Price Waterhouse**  
Firm Registration No. 301112E  
Chartered Accountants

**Partha Ghosh**  
Partner  
Membership No. F-55913

Mumbai, May 27, 2010

**For and on behalf of the Board**

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

**R. A. Shah**  
**P. K. Ghosh**  
**M. V. Deoras**

**M. A. Elias**  
**J. K. Setna**

**K. V. Vaidyanathan**

Mumbai, May 27, 2010

## Consolidated Profit and Loss Account for the year ended March 31, 2010

	Schedule	Rs. Lacs	Rs. Lacs	2008-2009 Rs. Lacs
<b>Income</b>				
Sales		<b>2,024,64.65</b>		1,758,55.83
Less : Excise Duty (Refer Note 1 on Schedule 25)		<b>62,18.73</b>		63,34.55
			<b>1,962,45.92</b>	1,695,21.28
Other Income	<b>13</b>		<b>95,68.77</b>	93,45.40
			<b>2,058,14.69</b>	1,788,66.68
<b>Expenditure</b>				
Cost of Goods Sold	<b>14</b>	<b>761,50.81</b>		680,92.72
Employee Costs	<b>15</b>	<b>161,32.78</b>		155,76.02
Other Expenses	<b>16</b>	<b>604,25.73</b>		575,19.88
Depreciation/Amortisation/Impairment [Includes Impairment of Fixed Assets <b>Rs. Nil</b> (Previous Year : Rs. 39.91 Lacs)]	<b>4</b>	<b>30,66.18</b>		28,25.26
			<b>1,557,75.50</b>	1,440,13.88
<b>Profit Before Taxation</b>			<b>500,39.19</b>	348,52.80
Current Tax		<b>67,58.68</b>		43,57.31
Deferred Tax		<b>(2,80.98)</b>		12,95.23
Fringe Benefit Tax		<b>—</b>		3,77.02
			<b>64,77.70</b>	60,29.56
<b>Profit After Tax and Before Minority Interest</b>			<b>435,61.49</b>	288,23.24
Less : Minority Interest			<b>(1,51.46)</b>	(2,45.12)
<b>Profit After Taxation</b>			<b>434,10.03</b>	285,78.12
Add : Balance Brought Forward			<b>21,65.85</b>	6,31.59
Less : Adjustment on Consolidation due to Amalgamation of a Subsidiary			<b>(1,53.32)</b>	(1,27.98)
<b>Profit Available for Appropriation</b>			<b>454,22.56</b>	290,81.73
<b>Appropriation :</b>				
First Interim Dividend			<b>108,79.43</b>	122,39.35
Second Interim Dividend			<b>95,19.50</b>	81,59.57
Third Interim Dividend			<b>67,99.64</b>	—
Dividend Tax			<b>46,18.09</b>	35,14.98
Transfer to General Reserve			<b>42,93.16</b>	30,01.98
Balance Carried Forward			<b>93,12.74</b>	21,65.85
			<b>454,22.56</b>	290,81.73
<b>Earnings Per Equity Share (Rupees)</b> [Face Value of Re. 1 per equity share] Basic and Diluted (Refer Schedule 22)			<b>31.92</b>	21.01

The Schedules (1 to 25) referred to herein above form an integral part of the financial statements.

This is the Consolidated Profit and Loss Account referred to in our report of even date.

**For Price Waterhouse**  
Firm Registration No. 301112E  
Chartered Accountants

**Partha Ghosh**  
Partner  
Membership No. F-55913

Mumbai, May 27, 2010

**For and on behalf of the Board**

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

**R. A. Shah**  
**P. K. Ghosh**  
**M. V. Deoras**

**M. A. Elias**  
**J. K. Setna**

**K. V. Vaidyanathan**

Mumbai, May 27, 2010



## Consolidated Cash Flow Statement for the year ended March 31, 2010

	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
<b>Cash Flow from Operating Activities :</b>		
<b>Net Profit before Tax</b>	<b>500,39.19</b>	<b>348,52.80</b>
Adjustment for :		
Unrealised Foreign Exchange Loss (Net)	(1,35.39)	8,75.44
Depreciation/Amortisation/Impairment	30,66.18	28,25.26
Loss on Divestiture of Subsidiary	—	3.69
Interest Expense	1,50.43	1,53.77
Profit on Sale of Fixed Assets (Net)	(2,93.30)	(2,52.69)
Interest Income	(22,22.66)	(28,43.58)
Loss/(Gain) on Maturity of Long Term Investments	31.51	(39.13)
<b>Operating Profit before Working Capital Changes</b>	<b>506,35.96</b>	<b>355,75.56</b>
<b>Adjustment for (Increase)/Decrease in Working Capital :</b>		
Inventories	(21,11.86)	(2,73.13)
Sundry Debtors	1,36.57	(1,87.59)
Loans and Advances	(7,23.44)	3,71.81
Current Liabilities and Provisions	4,53.64	50,47.04
<b>Cash Generated from Operations</b>	<b>483,90.87</b>	<b>405,33.69</b>
Direct Taxes Paid (Net)	(79,91.30)	(55,67.15)
<b>Net Cash from/(used in) Operating Activities (A)</b>	<b>403,99.57</b>	<b>349,66.54</b>
<b>Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(35,82.99)	(37,12.69)
Sale of Fixed Assets	4,49.56	3,48.56
(Purchase)/Sale of Investments in Subsidiaries (Net)	(3,09.25)	(1,65.28)
Sale of Other Investments	15,00.00	30,71.48
Inter Corporate Deposits (Placed)/Refunded (Net)	25,50.00	2,20.00
Interest Received	23,00.45	24,84.08
<b>Net Cash from/(used in) Investing Activities (B)</b>	<b>29,07.77</b>	<b>22,46.15</b>
<b>Cash Flow from Financing Activities :</b>		
Term Loans Availed/(Paid) (Net)	(10.00)	(3,56.18)
Interest Paid	(1,50.43)	(1,53.77)
Dividend Paid	(287,94.08)	(220,04.62)
Dividend Tax Paid	(49,25.62)	(38,32.79)
<b>Net Cash from/(used in) Financing Activities (C)</b>	<b>(338,80.13)</b>	<b>(263,47.36)</b>
<b>Net increase in Cash and Cash Equivalents (A+B+C)</b>	<b>94,27.21</b>	<b>108,65.33</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>253,40.16</b>	<b>148,13.24</b>
<b>Cash and Cash Equivalents on Acquisition/Divestiture of Subsidiaries</b>	<b>—</b>	<b>(3,38.41)</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>347,67.37</b>	<b>253,40.16</b>

## Consolidated Cash Flow Statement for the year ended March 31, 2010 (Contd.)

	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
<b>Cash and Cash Equivalents comprise :</b>		
Cash on Hand	0.93	1.25
Balances with Scheduled Banks in		
– Current Accounts	12,65.84	38,61.97
– Deposit Accounts	328,06.67	208,51.61
– Unpaid Dividend Accounts	6,93.93	6,25.33
<b>Cash and Cash Equivalents as at the end of the year</b>	<b><u>347,67.37</u></b>	<b><u>253,40.16</u></b>

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 figures have been re-grouped and re-arranged wherever necessary.

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This is the Consolidated Cash Flow Statement referred to in our report of even date.

**For Price Waterhouse**  
Firm Registration No. 301112E  
Chartered Accountants

**Partha Ghosh**  
Partner  
Membership No. F-55913

Mumbai, May 27, 2010

**For and on behalf of the Board**

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

Mumbai, May 27, 2010

**R. A. Shah**  
**P. K. Ghosh**  
**M. V. Deoras**

**M. A. Elias**  
**J. K. Setna**

**K. V. Vaidyanathan**

## Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

	Rs. Lacs	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
<b>Schedule 1 : Share Capital</b>			
<b>Authorised</b>			
1,37,00,00,000 Equity Shares of Re. 1 each		<u>137,00.00</u>	<u>137,00.00</u>
<b>Issued, Subscribed and Paid-up</b>			
13,59,92,817 Equity Shares of Re. 1 each fully paid		<u>13,59.93</u>	<u>13,59.93</u>
Of the above :			
(i) 5,44,76,910 Shares are held by Colgate-Palmolive Company, U.S.A., the Ultimate Holding Company.			
(ii) 1,48,79,426 Shares are held by Colgate-Palmolive (Asia) Pte. Ltd., Subsidiary of the Ultimate Holding Company.			
(iii) 11,18,85,735 Shares of Rs. 10 each (presently Re. 1 each) were allotted as fully paid Bonus Shares by capitalisation of General Reserves and Securities Premium.			
<b>Schedule 2 : Reserves and Surplus</b>			
<b>Capital Reserve</b>			
Consideration for vacating rented godown	6.50		6.50
Special Capital Incentive from State Government	20.00		20.00
On Acquisition of Subsidiaries [Net of adjustment on Consolidation due to Amalgamation of Subsidiaries <b>Rs. 3,87.40 Lacs</b> (Previous Year : Rs. 44.70 Lacs)]	<u>1,79.45</u>		<u>4,49.65</u>
		<b>2,05.95</b>	<u>4,76.15</u>
<b>Securities Premium Account</b>		<b>12,79.93</b>	12,79.93
<b>General Reserve</b>			
Balance, beginning of the year	162,44.98		130,70.32
Add : Adjustment on Consolidation due to Amalgamation of a Subsidiary	3,25.58		1,72.68
Add : Transfer from Profit and Loss Account	<u>42,93.16</u>		<u>30,01.98</u>
		<b>208,63.72</b>	162,44.98
<b>Profit and Loss Account Balance</b>		<b>93,12.74</b>	21,65.85
		<u>316,62.34</u>	<u>201,66.91</u>
<b>Schedule 3 : Unsecured Loans (Others)</b>			
Loans		<u>4,58.75</u>	<u>4,68.75</u>
		<u>4,58.75</u>	<u>4,68.75</u>

## Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

### Schedule 4 : Fixed Assets

(Refer Note 3 on Schedule 17)

Particulars	Gross Block				Depreciation/Amortisation/Impairment					Net Book Value		Rs. Lacs			
	As at March 31, 2009	Acquisition of Subsidiary	Additions/ Transfers	Dispo- sals/ Transfers	Divesture of Subsidiary	As at March 31, 2010	Up to March 31, 2009	Acquisition of Subsidiary	For the Year	Impairment of Assets	Dispo- sals/ Transfers		Divesture of Subsidiary	Up to March 31, 2010	As at March 31, 2010
Intangible Assets															
Goodwill and Trademarks	27,29.81	-	-	-	-	27,29.81	27,29.81	-	-	-	-	-	27,29.81	-	-
Copyrights and Design	13,52.90	-	-	-	-	13,52.90	13,52.90	-	-	-	-	-	13,52.90	-	-
Technical Know-how	49,83.70	-	-	-	-	49,83.70	49,83.70	-	-	-	-	-	49,83.70	-	-
Tangible Assets															
Land - Leasehold (Refer Note (i) below)	4,63.72	-	-	89.50	-	3,74.22	39.07	-	6.90	-	6.79	-	39.18	3,35.04	4,24.65
Buildings (Refer Note (ii) below)	141,64.39	-	2,89.67	2,60.78	-	141,93.28	39,03.61	-	5,18.92	-	2,60.78	-	41,61.75	100,31.53	102,60.78
Plant and Machinery	273,18.86	-	31,70.33	16,62.76	-	288,26.43	136,26.54	-	22,52.14	-	15,98.74	-	142,79.94	145,46.49	136,92.32
Furniture and Equipment	35,79.56	-	2,53.96	2,18.29	-	36,15.23	30,36.35	-	2,82.53	-	2,10.24	-	31,08.64	5,06.59	5,43.21
Vehicles	40.93	-	-	17.52	-	23.41	23.93	-	5.69	-	16.04	-	13.58	9.83	17.00
Total	546,33.87	-	37,13.96	22,48.85	-	560,98.98	296,95.91	-	30,66.18	-	20,92.59	-	306,69.50	254,29.48	249,37.96
Total Previous Year	517,53.69	10,68.24	60,83.23	15,33.86	27,37.43	546,33.87	307,74.74	2,71.33	27,85.35	39.91	14,37.99	27,37.43	296,95.91		
Add : Capital Work-in-Progress including advances on Capital Account														6,43.49	7,74.46
Total														260,72.97	257,12.42

Notes :

- 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.
- 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 Building at Hyderabad.

## Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
<b>Schedule 5 : Investments</b>		
(Refer Note 5 on Schedule 17)		
(At Cost - Long Term, Unquoted, unless otherwise stated)		
<b>A. Other Investments (Listed but not quoted) (Non-Trade)</b>		
6.15% (Taxable) National Textile Corporation Bonds of the face value of Rs. 10,00.00 Lacs.	—	10,00.00
6.70% (Taxable) Unsecured, Redeemable, Non-Convertible, Non-Priority Sector Bonds of HUDCO-Bonds (Series - 13) of the face value of Rs. 10,00.00 Lacs.	9,98.17	9,98.17
9.25% (Tax Free) Secured, Redeemable, Non-Convertible Bonds of HUDCO-Gujarat Punarnirman (Series - 1C) of the face value of Rs. 9,50.00 Lacs.	9,59.00	9,59.00
	<b>19,57.17</b>	29,57.17
<b>B. Other Investments (Listed and quoted) (Non-Trade)</b>		
6.60% Tax Free Bonds of Unit Trust of India of the face value of Rs. 5,00.00 Lacs [Market Value <b>Rs. Nil</b> (Previous Year : Rs. 5,00.00 Lacs)]	—	5,31.51
	—	5,31.51
	<b>19,57.17</b>	34,88.68
Aggregate book value of Investments :		
Listed but not quoted	19,57.17	29,57.17
Listed and quoted - Market Value <b>Rs. Nil</b> (Previous Year : Rs. 5,00.00 Lacs)	—	5,31.51
	<b>19,57.17</b>	34,88.68
<b>Schedule 6 : Deferred Tax Asset/(Liability) [Net]</b>		
(Refer Note 10 on Schedule 17)		
Timing Difference between book and tax depreciation	(19,11.17)	(20,64.97)
Voluntary Retirement Scheme allowable over a period of five years in Income Tax	5,08.27	9,46.02
Accrual for expenses allowable only on payment	31,64.34	25,99.41
	<b>17,61.44</b>	14,80.46
<b>Schedule 7 : Inventories</b>		
(Refer Note 6 on Schedule 17)		
Stores and Spares	5,74.50	4,46.00
Raw and Packing Materials	24,63.85	19,54.77
Work-in-Process	6,08.98	6,66.81
Finished Goods	74,88.19	59,56.08
	<b>111,35.52</b>	90,23.66

## Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
<b>Schedule 8 : Sundry Debtors</b>		
Unsecured : Considered Good		
Over Six Months	—	—
Others	9,76.88	11,13.45
	<u>9,76.88</u>	<u>11,13.45</u>
<b>Schedule 9 : Cash and Bank Balances</b>		
Cash on hand	0.93	1.25
Balances with Scheduled Banks in :		
– Current Accounts	12,65.84	38,61.97
– Deposit Accounts	328,06.67	208,51.61
– Unclaimed Dividend Accounts	6,93.93	6,25.33
	<u>347,67.37</u>	<u>253,40.16</u>
<b>Schedule 10 : Loans and Advances</b>		
Secured :		
Loans to Employees	4,81.90	3,58.20
Unsecured : Considered Good		
Inter-Corporate Deposits	50,64.00	76,14.00
Advances Recoverable in Cash or in Kind or for Value to be Received	31,68.52	17,43.00
Balances with Excise Authorities	47.87	1,24.55
Deposits - Others	24,97.05	32,46.15
	<u>112,59.34</u>	<u>130,85.90</u>
<b>Schedule 11 : Liabilities</b>		
Acceptances	81.18	78.33
Sundry Creditors	367,80.30	361,21.98
Unclaimed Dividends	6,93.93	6,25.33
Other Liabilities	49,17.86	50,84.51
	<u>424,73.27</u>	<u>419,10.15</u>
<b>Schedule 12 : Provisions</b>		
Taxation (net of advance tax payments)	10,09.21	22,41.94
Fringe Benefit Taxation (net of advance tax payments)	5,53.39	5,53.28
Second Interim Dividend	—	81,59.57
Third Interim Dividend	67,99.64	—
Dividend Tax	11,35.19	14,31.25
Retirement Benefits (Refer Note 8 on Schedule 17 and Schedule 18)	9,76.25	14,38.16
Others/Contingencies (Refer Note 7 on Schedule 17 and Schedule 24)	20,43.83	17,59.17
	<u>125,17.51</u>	<u>155,83.37</u>
	<u>549,90.78</u>	<u>574,93.52</u>



## Schedules forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2010

	2009-2010	2008-2009
Rs. Lacs	Rs. Lacs	Rs. Lacs
<b>Schedule 13 : Other Income</b>		
Interest		
– On Bank Deposits	13,85.33	12,81.19
– On Long Term Investments	1,72.11	3,76.05
– Others	6,65.22	11,86.34
Cash Discount	1,04.24	1,08.40
Gain on Maturity of Long Term Investments (Net)	–	39.13
Exchange Gain (Net)	3,01.69	–
Provisions no Longer Required Written Back	7,90.00	4,00.00
Bad Debts Recovered	–	98.41
Service Income	54,83.15	52,49.50
Profit on Sale of Assets (Net)	2,93.30	2,52.69
Miscellaneous	3,73.73	3,53.69
	<u>95,68.77</u>	<u>93,45.40</u>
<b>Schedule 14 : Cost of Goods Sold</b>		
Opening Stock		
Work-in-Process	6,66.81	3,27.26
Finished Goods	59,56.08	61,59.12
Work-in-Process/Finished Goods of Acquired Subsidiaries	–	33.51
	<u>66,22.89</u>	<u>65,19.89</u>
Raw and Packing Materials Consumed		
Opening Stock	19,54.77	16,71.66
Add : Raw and Packing Material of Acquired Subsidiaries	–	92.12
Add : Purchases [Net of transfer of <b>Rs. 11,57.81 Lacs</b> (Previous Year : Rs. 5,79.51 Lacs)]	656,68.62	593,63.30
	<u>676,23.39</u>	<u>611,27.08</u>
Less : Closing Stock	<u>24,63.85</u>	<u>19,54.77</u>
	<u>651,59.54</u>	<u>591,72.31</u>
	<u>717,82.43</u>	<u>656,92.20</u>
Purchased Finished Goods	122,20.60	93,72.94
Less : Closing Stock		
Work-in-Process	6,08.98	6,66.81
Finished Goods	<u>74,88.19</u>	<u>59,56.08</u>
	<u>80,97.17</u>	<u>66,22.89</u>
Increase/(Decrease) in Excise Duty on Finished Goods (Refer Note 1 on Schedule 25)	2,44.95	(3,49.53)
	<u>761,50.81</u>	<u>680,92.72</u>

## Schedules forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2010

	2009-2010	2008-2009
Rs. Lacs	Rs. Lacs	Rs. Lacs
<b>Schedule 15 : Employee Costs</b>		
Salaries, Wages and Bonus	146,43.72	130,12.00
Voluntary Retirement Scheme Cost	—	4,86.21
Contribution to Provident, Gratuity and Other Funds	8,19.67	14,68.09
Staff Welfare Expenses	6,69.39	6,09.72
	<u>161,32.78</u>	<u>155,76.02</u>
<b>Schedule 16 : Other Expenses</b>		
Consumption of Stores and Spares	7,20.56	6,67.10
Processing Charges	2,79.17	2,23.79
Power and Fuel	14,26.16	15,21.54
Freight and Forwarding Charges	50,34.08	44,23.53
Rent	7,30.28	7,27.13
Rates and Taxes	7,97.34	11,05.96
Insurance	1,88.55	2,05.15
Repairs and Maintenance		
– Plant and Machinery	10,50.52	10,87.39
– Buildings	59.55	99.10
– Others	<u>79.40</u>	<u>1,25.30</u>
	11,89.47	13,11.79
Advertising and Sales Promotion	299,42.19	271,71.68
Directors' Fees	10.85	10.85
Sales Taxes absorbed	27.07	61.98
Royalty	87,52.21	71,68.38
Loss on Maturity of Long Term Investments	31.51	—
Bad Debts/Advances Written Off	50.62	—
Exchange Loss (Net)	—	9,04.22
Interest	1,50.43	1,53.77
Travel and Conference Expenses	21,09.20	20,79.24
Outside Services	31,24.27	28,80.76
Loss on Divestiture of Subsidiary	—	3.69
Miscellaneous	58,61.77	68,99.32
	<u>604,25.73</u>	<u>575,19.88</u>

## Notes forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit and Loss Account for the year ended March 31, 2010

### Schedule 17 : Significant Accounting Policies

#### 1. Basis of Accounting

The Consolidated Financial Statements of Colgate-Palmolive (India) Limited ("the Company") and its Subsidiary (collectively referred to as "the Group") are prepared on an accrual basis of accounting in accordance with generally accepted accounting principles in India and the Accounting Standard 21 on Consolidated Financial Statements, to the extent possible in the same format as that adopted by the Company for its separate financial statements.

#### 2. Principles of Consolidation

The consolidated financial statements have been

prepared on the following basis :

- The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.
- Intra group balances and intra group transactions and resulting profits are eliminated in full.
- Subsidiaries are no longer consolidated from the date of disposal.
- The subsidiaries considered in the consolidated financial statements are :

	Notes	Country of Incorporation	% voting power held as at March 31, 2010	% voting power held as at March 31, 2009
Advanced Oral Care Products Private Limited		India	–	75
Professional Oral Care Products Private Limited	a	India	–	75
CC Healthcare Products Private Limited	b & c	India	100	75

Notes :

- a. Effective February 1, 2010, the Company acquired the balance 25% of the shareholding of Professional Oral Care Products Private Limited ("POC") for a total consideration of Rs. 2,40.18 Lacs and accordingly POC became a 100% subsidiary of the Company. Pursuant to the Scheme of Amalgamation, sanctioned by order dated April 16, 2010, of the Bombay High Court at Goa, POC, a wholly owned subsidiary of the Company has been amalgamated with the Company with effect from April 1, 2009.
- b. Effective March 29, 2010, the Company has acquired the balance 25% of the shareholding of CC Healthcare Products Private Limited.
- c. CC Healthcare Products Private Limited has initiated the process of filing a petition before the High Court of Judicature at Andhra Pradesh for amalgamation with the Company with effect from April 1, 2009.

#### 3. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The Group capitalises all direct costs relating to the acquisition and installation of fixed assets. Interest on borrowed funds, if any, used to finance the acquisition of fixed assets, is capitalised up to the date the assets are ready for commercial use. Under utilised assets are recorded at estimated realisable value.

##### Intangible Assets

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

##### Tangible Assets

Leasehold 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

\* In respect of buildings acquired, estimated useful life is considered from the date of completion of construction.

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

## Notes forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit and Loss Account for the year ended March 31, 2010

basis of the rates prescribed under Schedule XIV to the Companies Act, 1956 of India. Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

### Impairment

At each Balance Sheet date, the Group 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).

#### **4. Revenue Recognition**

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

### **Service Income**

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

#### **5. 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 Group provides for diminution in value of investments, other than temporary in nature.

#### **6. Inventories**

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

#### **7. Provisions and Contingent Liabilities**

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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.

#### **8. Expenditure**

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

The Group has Defined Contribution Plan for its employees' retirement benefits comprising of Provident Fund and Superannuation Fund which are recognised by the Income Tax Authorities and administered through its trustees/appropriate authorities, as applicable. The Group contributes to Provident Fund and Superannuation Fund for its employees. In respect of employees covered by Provident Fund trust, interest rates payable by the trust to the beneficiaries every year is being notified by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investment of the trust and notified interest rate. The Group contributes to State Plans namely Employees' State Insurance Fund and Employees' Pension Scheme 1995.

The Group has Defined Benefit Plan comprising of Gratuity Fund and Pension Scheme, as applicable. The Group contributes to the Gratuity Fund which is recognised by the Income Tax Authorities and administered through its trustees/appropriate authorities, as applicable. The liability for the Gratuity Fund and the Pension Scheme is determined on the basis of an independent actuarial valuation done at the year-end using Projected Unit Credit Method. The Group has Leave Encashment Entitlements which are provided on the basis of 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 Profit and Loss Account as income or expense.

Expenditure on voluntary retirement scheme is charged to the Profit and Loss Account in the year in which it is incurred.

#### **9. Foreign Currency Transactions**

Transactions in foreign currencies are recognised

## Notes forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit and Loss Account for the year ended March 31, 2010

at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Profit and Loss Account. 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 Profit and Loss Account. Non Monetary foreign currency items are carried at cost.

The Consolidated Financial Statements are prepared in Indian Rupees, which is the functional currency for the Company and its subsidiary.

### 10. Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax for timing differences between the income as per financial statement and income as per the Income Tax Act, 1961 is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets arising from the timing differences are recognised to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### Schedule 18 : Employee Benefits

In accordance with Accounting Standard 15 "Employee Benefits", the Group has classified various benefits provided to employees as under :

#### I Defined Contribution Plans

- a. Provident Fund\*
- b. Superannuation Fund
- c. State Defined Contribution Plans
  - i. Employers' Contribution to Employees' State Insurance
  - ii. Employers' Contribution to Employees' Pension Scheme 1995

During the year, the Group has recognised the following amounts in the Profit and Loss Account :

	2009-2010	2008-2009
	Rs. Lacs	Rs. Lacs
– Employers' Contribution to Provident Fund*	5,51.30	4,69.50
– Employers' Contribution to Superannuation Fund	2,03.60	2,10.49
– Employers' Contribution to Employees' State Insurance	19.19	21.74
– Employers' Contribution to Employees' Pension Scheme 1995	83.08	98.82

Included in Contribution to Provident and Other Funds (Refer Schedule 15)

\* The Guidance on Implementing AS 15, "Employee Benefits" issued by the Accounting Standards Board (ASB) states benefit involving employer established provident funds, which require interest shortfall to be recompensed are to be considered as defined benefit plans. Pending the issuance of the guidance note from the Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly, the Company is unable to exhibit the related information.

#### II Defined Benefit Plans

Contribution to Gratuity 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 :

Discount Rate (per annum)	8.40%	7.90%
Rate of increase in Compensation levels	10% for first three years & 7% thereafter	10% for first four years & 7% thereafter
Rate of Return on Plan Assets (for Funded Scheme)	7.50%	7.50%
Expected Average remaining working lives of employees (years)	16.15	17.77

Notes forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit and Loss Account for the year ended March 31, 2010

**Schedule 18 : Employee Benefits (Contd.)**

	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
<b>A) (i) Changes in the Present Value of Obligation (Funded Scheme)</b>		
Present Value of Obligation at the beginning of the year	23,55.76	18,75.35
Opening Present Value of Obligation of Acquired Subsidiaries	—	25.79
Interest Cost	2,01.84	1,73.92
Current Service Cost	2,83.46	2,23.13
Benefits Paid	(54.39)	(2,00.46)
Actuarial (Gain)/Loss due to Curtailment	—	19.82
Actuarial (Gain)/Loss on Obligations	(2,90.47)	2,38.21
<b>Present Value of Obligation as at the end of the year</b>	<b>24,96.20</b>	<b>23,55.76</b>
<b>A) (ii) Changes in the Present Value of Obligation (Non-Funded Scheme)</b>		
Present Value of Obligation at the beginning of the year	1,07.54	81.23
Interest Cost	5.81	4.65
Current Service Cost	7.22	5.73
Actuarial (Gain)/Loss on Obligations	2.34	15.93
<b>Present Value of Obligation as at the end of the year</b>	<b>1,22.91</b>	<b>1,07.54</b>
<b>B) (i) Changes in the Fair Value of Plan Assets (For Funded Scheme)</b>		
Present Value of Plan Assets at the beginning of the year	18,89.21	14,75.95
Opening Present Value of Obligation of Acquired Subsidiaries	—	14.74
Expected Return on Plan Assets	1,48.19	1,15.98
Actuarial Gain/(Loss)	99.51	(1,02.13)
Contributions	4,52.84	5,85.13
Benefits Paid	(54.39)	(2,00.46)
<b>Fair Value of Plan Assets as at the end of the year</b>	<b>25,35.36</b>	<b>18,89.21</b>
<b>B) (ii) Percentage of each category of Plan Assets to total Fair Value of Plan Assets</b>		
<b>Category of Assets (% Allocation)</b>	<b>%</b>	<b>%</b>
Government of India Securities	8%	11%
Corporate Bonds	11%	18%
Insurer Managed Funds	77%	59%
Others	4%	12%
<b>C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>		
Present Value of Funded Obligation as at the end of the year	24,96.20	23,55.76
Fair Value of Plan Assets as at the end of the year	25,35.36	18,89.21
Funded Status	(39.16)	4,66.55
Present Value of Unfunded Obligation as at the end of the year	1,22.91	1,07.54
<b>Unfunded Liability recognised in Balance Sheet</b>	<b>83.75</b>	<b>5,74.09</b>
Included in Provisions (Refer Schedule 12)		
<b>D) (i) Amount recognised in the Balance Sheet (Funded Scheme)</b>		
Present Value of Obligation as at the end of the year	24,96.20	23,55.76
Fair Value of Plan Assets as at the end of the year	25,35.36	18,89.21
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>(39.16)</b>	<b>4,66.55</b>



Notes forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit and Loss Account for the year ended March 31, 2010

**Schedule 18 : Employee Benefits (Contd.)**

	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs		
D) (ii) <b>Amount recognised in the Balance Sheet (Non-Funded Scheme)</b>				
Present Value of Obligation as at the end of the year	1,22.91	1,07.54		
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>1,22.91</b>	<b>1,07.54</b>		
E) (i) <b>Expenses recognised in the Profit and Loss Account (Funded Scheme)</b>				
Current Service Cost	2,83.46	2,23.13		
Interest Cost	2,01.84	1,73.92		
Expected Return on Plan Assets	(1,48.19)	(1,15.98)		
Loss/(Gain) on Curtailments and Settlements	—	19.82		
Net actuarial (Gain)/Loss recognised in the year	(3,89.98)	3,40.34		
<b>Total Expenses recognised in the Profit and Loss Account</b>	<b>(52.87)</b>	<b>6,41.23</b>		
Included in Contribution to Provident and Other Funds (Refer Schedule 15)				
E) (ii) <b>Expenses recognised in the Profit and Loss Account (Non-Funded Scheme)</b>				
Current Service Cost	7.22	5.73		
Interest Cost	5.81	4.65		
Net actuarial (Gain)/Loss recognised in the year	2.34	15.93		
<b>Total Expenses recognised in the Profit and Loss Account</b>	<b>15.37</b>	<b>26.31</b>		
Included in Contribution to Provident and Other Funds (Refer Schedule 15)				
F) <b>Expected Contribution to be paid for next year</b>				
Expected Contribution to be paid for next year				
— Funded	2,36.00	3,48.00		
— Unfunded	91.97	82.42		
G) <b>Details of Present Value of Obligation, Plan Assets and Actuarial Gain/Loss</b>				
	<b>2009-2010 Rs. Lacs</b>	<b>2008-2009 Rs. Lacs</b>	<b>2007-2008 Rs. Lacs</b>	<b>2006-2007 Rs. Lacs</b>
Present Value of Obligation				
— Funded	24,96.20	23,55.76	18,75.35	14,73.19
— Unfunded	1,22.91	1,07.54	81.23	64.34
Fair Value of Plan Assets	25,35.36	18,89.21	14,75.95	15,07.21
(Surplus)/Deficit	83.75	5,74.09	4,80.63	30.32
Experience Adjustments on :				
(Gain)/Loss on Funded Plan Liabilities	(1,31.16)	68.72	3,09.34	—
Gain/(Loss) on Funded Plan Assets	99.53	(1,02.13)	(0.46)	—
(Gain)/Loss on Unfunded Plan Liabilities	3.24	14.94	12.34	(0.07)

**III Other Employee Benefit Plan**

The liability for leave encashment as at the year end is **Rs. 8,92.50 Lacs**  
(Previous Year : Rs. 8,64.07 Lacs).

## Notes forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit and Loss Account for the year ended March 31, 2010

### Schedule 19 : Segment Information

In accordance with the requirements of Accounting Standard-17 "Segment Reporting", the Group'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 Group. 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	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
1. Segment Revenue from Operations	<b>1,962,45.92</b>	1,695,21.28
Unallocated Income	<b>54,83.15</b>	52,49.50
Other Income	<b>40,85.62</b>	40,95.90
	<b>2,058,14.69</b>	1,788,66.68
2. Segment Results	<b>458,02.48</b>	306,02.38
Add : Unallocated results	<b>3,01.52</b>	3,08.29
Add : Other Income	<b>40,85.62</b>	40,95.90
Less : Interest and Financial charges	<b>1,50.43</b>	1,53.77
Total Profit before Tax	<b>500,39.19</b>	348,52.80
3. <b>Capital Employed</b>		
Segment Assets	<b>751,76.48</b>	625,10.65
Add : Unallocated Corporate Assets	<b>132,95.32</b>	173,52.98
Total Assets	<b>884,71.80</b>	798,63.63
Segment Liability	<b>447,06.41</b>	444,59.66
Add : Unallocated Corporate Liability	<b>107,43.12</b>	135,02.61
Total Liability	<b>554,49.53</b>	579,62.27
Segment Capital Employed	<b>304,70.07</b>	180,50.99
Add : Unallocated Capital Employed	<b>25,52.20</b>	38,50.37
Total Capital Employed	<b>330,22.27</b>	219,01.36
4. <b>Capital Expenditure</b>		
Segment Capital Expenditure	<b>34,18.97</b>	37,33.02
Add : Unallocated Capital Expenditure	<b>1,64.02</b>	72.43
Total Capital Expenditure	<b>35,82.99</b>	38,05.45
5. <b>Depreciation/Amortisation/Impairment</b>		
Segment Depreciation	<b>28,20.45</b>	25,45.77
Add : Unallocated Depreciation	<b>2,45.73</b>	2,79.49
Total Depreciation	<b>30,66.18</b>	28,25.26
6. <b>Significant Non Cash Expenditure (excluding depreciation)</b>	<b>50.62</b>	—

## Notes forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit and Loss Account for the year ended March 31, 2010

### Schedule 19 : Segment Information (Contd.)

Secondary Reportable Segment		Rs. Lacs					
		India		Outside India		Total	
		2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
<b>Revenue by geographical segment</b>							
External		1,944,21.82	1,678,73.41	18,24.10	16,47.87	1,962,45.92	1,695,21.28
Internal Segment		—	—	—	—	—	—
Total		1,944,21.82	1,678,73.41	18,24.10	16,47.87	1,962,45.92	1,695,21.28
Carrying amount of segment assets		751,76.48	625,10.65	—	—	751,76.48	625,10.65
Capital Expenditure		34,18.97	37,30.13	—	2.89	34,18.97	37,33.02

### Schedule 20 : Disclosure of Related Parties

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

- |  |  |
|--|--|
| i) <b>Ultimate Holding Company</b>                     | : Colgate-Palmolive Company, U.S.A.  |
| ii) <b>Group Companies where common control exists</b> | <ul style="list-style-type: none"> <li>: Colgate-Palmolive (Malaysia) Mktg. SDN BHD</li> <li>: Colgate-Palmolive, East Africa Ltd., Kenya</li> <li>: Colgate-Palmolive, Marocco Limited</li> <li>: Colgate-Palmolive Pty Ltd., South Africa</li> <li>: Colgate-Palmolive Pty Ltd., Australia</li> <li>: Colgate-Palmolive (Thailand) Ltd.</li> <li>: Colgate-Palmolive (H.K.) Ltd., Hong Kong</li> <li>: Colgate-Palmolive Management Services (H.K.) Limited</li> <li>: Colgate-Palmolive (China) Co. Ltd., China</li> <li>: Colgate-Palmolive (Guangzhou) Co. Ltd., China</li> <li>: Colgate-Palmolive Son Hai Ltd., Vietnam</li> <li>: Colgate Sanxiao (Consumer Products) Company Limited</li> <li>: Colgate-Palmolive (U.K.) Limited</li> <li>: Hawley &amp; Hazel Chemical Company (H.K.) Limited</li> <li>: Colgate-Palmolive, Temizlik, Urunleri, Turkey</li> <li>: Colgate-Palmolive Cameroun S.A.</li> <li>: Colgate-Palmolive Romania srl.</li> <li>: Mission Hills S.A. DE C.V.</li> <li>: Colgate-Palmolive (Eastern) Pte. Ltd., Singapore</li> <li>: Colgate-Palmolive Industria E Commercio Ltda, Brazil</li> <li>: Colgate-Palmolive (Asia) Pte. Ltd., Singapore</li> <li>: Colgate-Palmolive Tanzania Limited</li> <li>: CP Hawley &amp; Hazel Chemical Co., (ZS) Ltd.</li> <li>: Colgate-Palmolive Zambia Inc.</li> <li>: Colgate-Palmolive Russia</li> <li>: Colgate-Palmolive Services Poland</li> <li>: Colgate-Palmolive (PNG) Limited, PNG</li> <li>: Hills Pet Nutrition, Inc., Topeka</li> <li>: Colgate Flavours and Fragrances Inc., New York</li> <li>: Colgate-Palmolive Bt Ltd., Blantyre, Malawi</li> <li>: Colgate Oral Pharmaceuticals, Inc. Carrollton, U.S.A.</li> <li>: Colgate-Palmolive CACE Region, Istanbul, Turkey</li> </ul> |
| iii) <b>Key Management Personnel</b>                   | <ul style="list-style-type: none"> <li>: Roger Calmeyer (Upto January 31, 2010)</li> <li>: Mukul Deoras (Effective February 1, 2010)</li> <li>: Moses Elias</li> <li>: K. V. Vaidyanathan</li> </ul>   |
| iv) <b>Relatives of Key Management Personnel</b>       | : Mrs. Pratima Elias   |

# Notes forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit and Loss Account for the year ended March 31, 2010

## Schedule 20 : 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				Parties referred to in (iv) above				Total	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
<b>Purchase of Goods/Materials</b>																		
Colgate-Palmolive (Thailand) Ltd.	—	—	—	—	4,02.05	2,66.81	—	—	—	—	—	—	—	—	4,02.05	2,66.81		
Colgate Sanxiao (Consumer Products) Company Limited	—	—	—	—	3,64.11	3,35.69	—	—	—	—	—	—	—	—	3,64.11	3,35.69		
Colgate Flavours and Fragrances Inc., New York	—	—	—	—	1,96.48	—	—	—	—	—	—	—	—	—	1,96.48	—		
Others	—	—	—	—	89.72	1,69.79	—	—	—	—	—	—	—	—	89.72	1,69.79		
<b>Sub-Total</b>	—	—	—	—	10,52.36	7,72.29	—	—	—	—	—	—	—	—	10,52.36	7,72.29		
<b>Sale of Goods/Materials</b>																		
Colgate-Palmolive, East Africa Ltd., Kenya	—	—	—	—	8,82.69	6,02.54	—	—	—	—	—	—	—	—	8,82.69	6,02.54		
Colgate-Palmolive Tanzania Ltd.	—	—	—	—	1,34.28	1,24.67	—	—	—	—	—	—	—	—	1,34.28	1,24.67		
Others	—	—	—	—	2,54.65	2,04.34	—	—	—	—	—	—	—	—	2,54.65	2,04.34		
<b>Sub-Total</b>	—	—	—	—	12,71.62	9,31.55	—	—	—	—	—	—	—	—	12,71.62	9,31.55		
<b>Purchase of Assets/Spares</b>																		
Colgate-Palmolive (China) Co. Ltd., China	—	—	—	—	12,40.45	—	—	—	—	—	—	—	—	—	12,40.45	—		
Others	—	—	—	—	2.46	—	—	—	—	—	—	—	—	—	2.46	—		
<b>Sub-Total</b>	—	—	—	—	12,42.91	—	—	—	—	—	—	—	—	—	12,42.91	—		
<b>Services Rendered</b>																		
Colgate-Palmolive Company, U.S.A.	55,65.34	53,05.40	—	—	—	—	—	—	—	—	—	—	—	—	55,65.34	53,05.40		
Others	—	—	30.28	29.16	—	—	—	—	—	—	—	—	—	—	30.28	29.16		
<b>Sub-Total</b>	55,65.34	53,05.40	30.28	29.16	—	—	—	—	—	—	—	—	—	—	55,95.62	53,34.56		
<b>Services Received</b>																		
Colgate-Palmolive Company, U.S.A.	24,14.04	25,10.85	—	—	—	—	—	—	—	—	—	—	—	—	24,14.04	25,10.85		
Colgate-Palmolive Management Services (H.K.) Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
<b>Sub-Total</b>	24,14.04	25,10.85	—	—	—	—	—	—	—	—	—	—	—	—	24,14.04	25,10.85		
<b>Reimbursement of Expenses Charged by us/(on us)</b>																		
Colgate-Palmolive Company, U.S.A.	(13,16.42)	(10,22.02)	—	—	—	—	—	—	—	—	—	—	—	—	(13,16.42)	(10,22.02)		
Others	—	—	72.22	4.49	—	—	—	—	—	—	—	—	—	—	72.22	4.49		
<b>Sub-Total</b>	(13,16.42)	(10,22.02)	72.22	4.49	—	—	—	—	—	—	—	—	—	—	(12,44.20)	(10,17.53)		
<b>Dividend Paid/Proposed</b>																		
Colgate-Palmolive Company, U.S.A.	108,95.38	81,71.54	—	—	—	—	—	—	—	—	—	—	—	—	108,95.38	81,71.54		
Colgate-Palmolive (Asia) Pre. Ltd., Singapore	—	—	29,75.89	22,31.91	—	—	—	—	—	—	—	—	—	—	29,75.89	22,31.91		
<b>Sub-Total</b>	108,95.38	81,71.54	29,75.89	22,31.91	—	—	—	—	—	—	—	—	—	—	138,71.27	104,03.45		

Notes forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit and Loss Account for the year ended March 31, 2010

**Schedule 20 : 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		Parties referred to in (iv) above		Total	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
<b>Royalty and Technical Fees</b>										
Colgate-Palmolive Company, U.S.A.										
<b>Sub-Total</b>	<b>74,95.81</b>	<b>61,04.04</b>							<b>74,95.81</b>	<b>61,04.04</b>
<b>Remuneration</b>										
Roger Calmeyer										
Mukul Deoras										
Moses Elias										
K. V. Vaideyanathan										
<b>Sub-Total</b>										
<b>Dividend</b>										
<b>Sub-Total</b>										
<b>Repayment of Loan</b>										
<b>Sub-Total</b>										
<b>Interest on Loan received</b>										
<b>Sub-Total</b>										
<b>Outstanding Receivable net of Payable</b>										
<b>Outstanding Payable net of Receivable</b>										
	<b>22,65.79</b>	<b>70,26.29</b>	<b>2,55.07</b>	<b>1,38.48</b>	<b>22.36</b>	<b>23.56</b>	<b>0.48</b>	<b>0.37</b>	<b>2,77.43</b>	<b>1,62.04</b>
			<b>1,65.01</b>	<b>14,83.58</b>					<b>24,30.80</b>	<b>85,09.87</b>

Rs. Lacs

## Notes forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit and Loss Account for the year ended March 31, 2010

	2009-2010 Rs. Lacs	2008-2009 Rs. Lacs
<b>Schedule 21 : Lease Accounting</b>		
1. The Company has leased 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	3,70.33	3,70.13
Greater than 1 year but less than 5 years	2,43.10	3,14.59
Greater than 5 years	—	—
2. Lease payments recognised in Consolidated Profit and Loss Account are included in "Miscellaneous" under Other Expenses in Schedule 16.	5,90.75	6,03.36

### Schedule 22 : Earnings Per Share

Profit After Taxation (Rs. Lacs)	434,10.03	285,78.12
Weighted average number of shares (Nos.)	13,59,92,817	13,59,92,817
Nominal Values of shares outstanding (Re.)	1	1
Basic and Diluted Earnings Per Share (Rs.)	31.92	21.01

### Schedule 23 : Contingencies and Commitments

1. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of <b>Rs. 3,08.98 Lacs</b> (Previous Year : Rs. 37.76 Lacs)]	17,79.22	2,08.21
2. Contingent liabilities not provided for in respect of : (Refer Note 7 on Schedule 17)		
(i) Guarantees given by the Company	7,82.00	3,50.00
(ii) Counter Guarantees given to the Banks	3,34.45	2,83.58
(iii) Cheques Discounted with Banks	85.42	23,83.63
(iv) Claims against the Company not acknowledged as debts	1,55.20	1,42.90
(v) Other Matters :		
— Excise Matters	19,94.30	4,67.58
— Service Tax Matters	12,51.05	12,46.17
— Sales Tax Matters	15.48	15.48
— Income Tax Matters	2,22.26	28.67
— Provident Fund Matters	7.37	—

#### Note :

Future cash flow in respect of (iv) and (v) above, if any, is determinable only on receipt of judgements/decisions pending with the relevant authorities.

### Schedule 24 : Others/Contingencies

(Refer Note 7 on Schedule 17)

	Direct/Indirect Taxes (Refer Note below)	
Opening Balance (net of advance payments)	17,59.17	17,13.98
Add : Provision made	2,94.66	79.00
Add : Payments made during the year	(10.00)	(33.81)
Less : Provision Utilised/Reversed	—	—
<b>Closing Balance (net of advance payments)</b>	<b>20,43.83</b>	<b>17,59.17</b>



## Notes forming part of the Consolidated Balance Sheet as at March 31, 2010 and Consolidated Profit and Loss Account for the year ended March 31, 2010

### Schedule 24 : Others/Contingencies (Contd.)

#### Note :

#### Direct/Indirect Taxes

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 matter depends on the 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.

### Schedule 25 : Supplementary Information

1. 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 excised duty expense in "Cost of Goods Sold - Increase/ (Decrease) in Excise Duty on Finished Goods" under Schedule 14 annexed and forming part of Consolidated Profit and Loss Account.
2. Previous year figures have been re-grouped and re-arranged wherever necessary.

The Schedules (1 to 25) referred to herein above form an integral part of the financial statements.

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#### For Price Waterhouse

Firm Registration No. 301112E  
Chartered Accountants

#### Partha Ghosh

Partner  
Membership No. F-55913

Mumbai, May 27, 2010

#### For and on behalf of the Board

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

Mumbai, May 27, 2010

**R. A. Shah**  
**P. K. Ghosh**  
**M. V. Deoras**

**M. A. Elias**  
**J. K. Setna**

**K. V. Vaidyanathan**

## Statements pursuant to Section 212 of The Companies Act, 1956, relating to subsidiary company

Name of the Subsidiary	Financial Year ending of the subsidiary	Number of equity shares held	Extent of holding	For financial year of the subsidiary		For the previous financial years since it became a subsidiary	
				Profit/(losses) so far it concerns the members of the holding company and not dealt with in the books of accounts of the holding company	Profit/(losses) so far it concerns the members of the holding company and not dealt with in the books of accounts of the holding company	Profit/(losses) so far it concerns the members of the holding company and not dealt with in the books of accounts of the holding company	Profit/(losses) so far it concerns the members of the holding company and not dealt with in the books of accounts of the holding company
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
CC Healthcare Products Private Limited	March 31, 2010	2,00,000 of Rs.10 each fully paid	100%	Rs. Lacs 2,14.39	Rs. Lacs 2,40.00	Rs. Lacs 66.84	Rs. Lacs 1,35.00

## Statement pursuant to exemption received under Section 212 (8) of the Companies Act, 1956, relating to subsidiary company.

Name of the Subsidiary Company	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Details of investments (except in case of investment in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for Taxation	Profit/(Loss) after taxation	Proposed Dividend
CC Healthcare Products Private Limited	20.00	5,46.23	13,32.03	7,65.80	—	36,54.52	9,29.52	3,23.67	6,05.85	—

Rs. Lacs

Note : The Annual Accounts of the subsidiary company will be available for inspection by the Members at the Registered Office of the Company and that of the subsidiary company during business hours on any working day, excluding Saturday, up to and including the day of the Annual General Meeting, namely July 15, 2010.

### For and on behalf of the Board

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

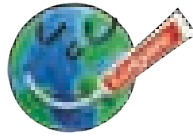
**R. A. Shah**  
**P. K. Ghosh**  
**M. V. Deoras**

**M. A. Elias**  
**J. K. Setna**

**K. V. Vaidyanathan**

Mumbai, May 27, 2010





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