

## Contents

Board of Directors	2
Ten-year Highlights	3
Notice	4
Report of the Directors	7
Corporate Governance Report	11
Auditors' Certificate on Corporate Governance	18
Auditors' Report to the Shareholders	20
Balance Sheet	24
Profit and Loss Account	25
Cash Flow Statement	26
Schedules to the Accounts	28

### Subsidiary Accounts

Colgate-Palmolive (Nepal) Private Limited	51
---	----

### Consolidated Accounts

Auditors' Report	61
Consolidated Balance Sheet	62
Consolidated Profit and Loss Account	63
Consolidated Cash Flow Statement	64
Schedules to the Consolidated Accounts	66
Statement pursuant to Section 212	83

## Board of Directors

	<i>Chairman</i>	<b>J. Skala</b>
	<i>Vice-Chairman</i>	<b>R. A. Shah</b>
	<i>Deputy Chairman</i>	<b>P. K. Ghosh</b>
	<i>Managing Director</i>	<b>R. D. Calmeyer</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>R. D. Calmeyer</b>
	<i>Finance</i>	<b>M. A. Elias</b>
	<i>Legal</i>	<b>K. V. Vaidyanathan</b>
	<i>Marketing</i>	<b>P. Parameswaran (Ms.)</b>
	<i>Sales</i>	<b>S. Bharatwaj</b>
	<i>R&amp;D</i>	<b>S. Manek</b>
	<i>Manufacturing &amp; Supply Chain</i>	<b>L. Wheeler</b>
	<i>Human Resources</i>	<b>D. Roy</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>R. D. Calmeyer</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, 1 Jharmajari, Barotiwala, District Solan, Baddi, [H.P.] 174 103</b>
	<i>Registrars &amp; Share Transfer Agents</i>	<b>Sharepro Services (India) Private Limited</b>

## Ten-year Highlights

	Rs. Lacs									
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
<b>A. Operating Results :</b>										
Sales	998,22#	1,089,58#	1,176,88	1,160,89	1,056,89	1,042,08	1,072,53	1,217,50	1,385,38	1,553,21
Other Income	16,31#	22,89#	29,51	30,95	35,76	29,92	34,23	46,09#	67,00	84,78
Net Profit After Tax	45,67	51,79	62,50	69,79	88,66	108,00	113,29	137,60	160,17	231,71
Cash Profits	70,30	75,00	82,72	91,94	108,13	132,26	135,66	169,03	175,42	251,56
<b>B. Financial Position :</b>										
Fixed Assets (Net)	226,17	215,58	196,93#	172,31	158,02	93,95	147,21	169,12	192,03	198,99
Current Assets (Net)	58,47	80,31	31,26#	56,86	29,52	36,77	(62,83)	(49,64)	(66,23)	(132,51)
Others (Net)	14,23	11,08	23,97#	27,72	89,62	115,76	169,37	155,95	159,00	100,41
TOTAL ASSETS	298,87	306,97	252,16	256,89	277,16	246,48	253,75	275,43	284,80	166,89
Share Capital	135,99	135,99	135,99	135,99	135,99	135,99	135,99	135,99	135,99	13,60
Reserves and Surplus	157,75	164,26	103,12	111,65	139,03	108,32	113,78	135,08	144,53	148,61
SHAREHOLDERS' FUNDS	293,74	300,25	239,11	247,64	275,02	244,31	249,77	271,07	280,52	162,21
Loan Funds	5,13	6,72	13,05	9,25	2,14	2,17	3,98	4,36	4,28	4,68
TOTAL CAPITAL EMPLOYED	298,87	306,97	252,16	256,89	277,16	246,48	253,75	275,43	284,80	166,89
<b>C. Equity Share Data :</b>										
Earnings Per Share (Rs.)	3.36	3.81	4.60	5.13	6.52	7.94	8.33	10.12	11.78	17.04
Dividend Per Share (Rs.)	3.00	3.00	8.25*	4.25	4.25	6.00**	7.00	7.50	9.50***	13.00
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)	2,41	2,30	2,22	2,15	2,07	1,85	1,59	1,41	1,40	1,33

# 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-seventh 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 17, 2008 at 3.30 p.m. to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at March 31, 2008 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors.
2. To declare a dividend.
3. To appoint a Director in place of Mr. J. K. Setna, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. V. S. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

By Order of the Board

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

Date: May 30, 2008

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. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 10, 2008 to Thursday, July 17, 2008 (both days inclusive).

3. The Board has recommended a final dividend at its meeting held on May 30, 2008. This dividend, if approved by the Members at the ensuing Annual General Meeting to be held on July 17, 2008, will be paid on or about July 30, 2008 to those Members whose names appear in the Company's Register of Members on July 17, 2008. However, in respect of shares held in electronic form, the dividend will be payable to those persons whose names appear as beneficial owners as at the end of the business hours on July 9, 2008 as per details thereof to be furnished by the depositories.
4. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company, Sharepro Services (India) Private Limited, Satam Estate, 3<sup>rd</sup> floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri – East, Mumbai 400 099.
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

accounts 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 upto 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 2007-08, unclaimed amount of dividend (Rs.26,79,219/-) declared for the year 1999-2000 has been transferred to the Investor Education and Protection Fund on July 5, 2008.

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. J. K. Setna and Mr. V. S. Mehta shall retire by rotation and being

eligible, offer themselves for re-appointment. Pursuant to Clause 49 of the Listing Agreement, the particulars of Mr. J. K. Setna and Mr. V. S. Mehta are given below :

**Mr. J. K. Setna :**

Mr. J. K. Setna is a Chartered Accountant with a Bachelors degree in Commerce from the University of Mumbai. Mr. Setna joined Ingersoll-Rand (India) Limited (a 74% subsidiary of Ingersoll-Rand Company, the multinational diversified machinery manufacturer of New Jersey, U.S.A.) in 1957 and was appointed Corporate Secretary in 1958. He was elected to the Board of Directors in 1965 and designated as Area Controller, Asia Pacific Region, Ingersoll-Rand International in 1966. Mr. Setna took over as the Chairman and President of Ingersoll-Rand (India) Limited in 1968. He retired as President in December 1988 at the age of 60 and then as Chairman in September 1993. He joined the Board of Tata Sons Limited in October 1993 and continued as a Director on its Board until his retirement in 2003.

Mr. Setna is also a trustee of the N. M. Wadia Charities and its associated Trusts.

Mr. Setna is a Director and Member of Board's Committees of the following companies :

**Other Directorships :**

Camphor & Allied Products Ltd. and Universal Ferro & Allied Chemicals Ltd.

**Committee Memberships :**

Audit Committee and Remuneration Committee of the Board of Camphor & Allied Products Limited.

**Mr. V. S. Mehta :**

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

Ministry of Petroleum.

Mr. Mehta who completed his Bachelors degree in Mathematics (Hons.) from Delhi University, also holds a Masters degree in Energy Economics from Fletchers School, Tufts and Harvard University in USA as well as a Masters degree in Economics (Hons.) from Oxford University, UK. His brilliance and knowledge, coupled with his deep business perspective will bring added value to the Company.

Mr. V. S. Mehta is a Director of the following companies :

**Other Directorships :**

Chairman & Director of Bharat Shell Limited, Shell India Private Limited, Shell Bitumen India Private Limited, Shell India Marketing Private Limited, Hazira LNG Private Limited, Hazira Port Private Limited, Hazira Gas Private Limited, Shell Technology India Private Limited and Director of Shell MRPL Aviation Fuels Services Private Limited.



## 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, 2008.

### Financial Results

	(Rs. Crore)	
	2007-08	2006-07
Total Revenues	<b>15,58.16</b>	13,62.14
Sales (Excluding Excise Duty)	<b>14,73.38</b>	12,95.14
Other Income	<b>84.78</b>	67.00
Profit before Taxation	<b>2,92.05</b>	2,01.61
Provision for Taxation	<b>60.34</b>	41.44
Profit after Taxation	<b>2,31.71</b>	1,60.17
Balance brought forward	<b>24.87</b>	28.84
Profit available for Appropriation	<b>2,56.58</b>	1,89.01
Appropriation :		
Dividend	<b>1,76.79</b>	1,29.19
Dividend Tax [includes Rs. 20.80 crore (previous year : Nil) on reduction of share capital]	<b>50.85</b>	18.93
General Reserve	<b>23.17</b>	16.02
Balance carried forward	<b>5.77</b>	24.87
	<b>2,56.58</b>	1,89.01

### Business Performance

For the financial year 2007-08, your Company achieved a sales growth of 14 per cent at Rs.14,73.38 crore. During the year, toothpaste shipment recorded an impressive volume growth of 9 per cent.

The profit after tax for the financial year 2007-08 grew by 45 per cent at Rs. 2,31.71 crore. Excluding the charges for Voluntary Retirement Schemes implemented in both years and certain credits in 2006-07, the profit after tax from operations for the year was Rs. 2,32.40 crore, a 25 per cent increase over the previous year.

The underlying performance can be gauged from the following ratios :

	2007-08	2006-07
Earnings per share (Rs.)	<b>17.0</b>	11.8
Dividend per share (Rs.)	<b>13.0*</b>	9.5
(Face value per share : 2006-07 - Rs.10; 2007-08 - Re.1)		
Return on Equity (%)	<b>309.8</b>	117.8
Return on Networth (%)	<b>104.7</b>	58.1

\* Includes final dividend of Rs.7 per share recommended by the Board of Directors of the Company.



Your Company continued to lay emphasis on cash generation and delivered strong operating cash flow during the year. This was driven by strong business performance, efficiencies and cost savings across the organization and a continued efficient collection system. Surplus funds have been prudently invested after ensuring that such investments satisfy the Company's criteria of security and liquidity.

### **Business Prospects**

In an increasingly fierce competitive market environment, your Company achieved excellent business results during the year. This is as a result of your Company's ongoing commitment to powerful strategic initiatives which are focused on consumers, dental professionals and retail customers with a stronger focus on innovation, greater effectiveness and efficiency everywhere while strengthening leadership.

In order to succeed in the marketplace, it is necessary to have a deep understanding and partnership with three key groups : consumers, dental professionals and retail customers.

Your Company continues to connect with consumers in new and different ways to better understand their wants and needs and to increase sales of your Company's products. Your Company also continues to conduct a variety of consumption building activities. One example is the very successful "Bright Smiles, Bright Futures" comprehensive oral health education initiatives which have provided oral health information and Colgate product samples to over 70 million children in India since the dental education program began 30 years ago.

Strong and ongoing partnership with dental professionals also build the Company's business. For example, the Company is highly visible at dental conventions, conducts the annual Oral Health Month in conjunction with dental professionals and has a robust professional sampling program. All these activities strengthen the Company's relationships with dental professionals and greatly contribute to your Company's leading position as its toothpaste brand is recommended most often and used personally by dentists in the country.

Strengthening the relationships with retail customers is another critical part of the Company's business strategy as research shows that more than 50 per cent of consumer purchase decisions are taking place in the store. One of the Company's key strategic initiatives, called Shopper Marketing, focuses on shoppers' in-store behavior which leads to new growth opportunities for your Company.

Innovation is another key strategic initiative and involves everything from the identification of a consumer and shopper insights to superior R&D to improving daily processes in all areas of business. Importantly, innovation extends beyond new products to all business processes. In the area of information systems, your Company has long been at the leading edge with implementation of SAP, a powerful IT platform, for various processes including supply chain and finance.

Effectiveness and efficiency in all areas of the business are key drivers of growth and profitability. Your Company's successful Funding the Growth Program, which has been generating savings every year, is an integral part of the Company's efforts to become more effective and efficient across all business functions. The savings generated from this Program are used to fund your Company's investments in growth-building activities which help the Company achieve its profit goals year after year.

Your Company is dedicated to being a leader not only in the marketplace with superior products but also developing Colgate people to strengthen its leadership. Each year Colgate employees take courses that build skills to meet key business needs and support personal development. One example is "Managing Sales Practices with Effectiveness & Integrity", a course that provides direction on how to achieve Colgate business goals while complying with the Company's policies regarding competitive practices. This program conducted in 2007 was attended by all sales and marketing professionals of your Company besides other key executives.

Your Company has clearly defined strategies in place and is firmly committed to these strategic initiatives. Your Company ended 2007-08 with excellent business results. Looking to the future, the Board is confident that the Company's positive business momentum will continue and enable your Company to deliver better results.

### **Dividend**

For the financial year 2007-08, one interim dividend of Rs. 6 per share on the reduced face value of the equity shares of Re. 1 each was paid on December 14, 2007. In addition, your Directors have recommended a final dividend of Rs. 7 per share. This dividend, if approved by the Members at the ensuing Annual General Meeting to be held on July 17, 2008, will be paid on or about July 30, 2008 to those Members whose names appear in the Company's Register of Members on July 17, 2008. However, in respect of shares held in electronic form, the dividend will be payable to those persons whose



names appear as beneficial owners as at the end of the business hours on July 9, 2008 as per details thereof to be furnished by the depositories.

Accordingly, the total dividend (including the dividend recommended) for the financial year 2007-08 works out to Rs.13 per share.

### **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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
- c) that to the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) that they have prepared the annual accounts on a going concern basis.

### **Reduction of Share Capital**

The proposal on reduction of share capital, as passed by the shareholders at the Annual General Meeting held on July 27, 2007, was confirmed by the Hon'ble Bombay High Court vide its order dated September 27, 2007. Accordingly, the said reduction of share capital became finally effective November 1, 2007. Consequently, the existing issued, subscribed and paid-up equity share capital of the Company stood reduced from Rs. 135,99,28,170 comprising of 13,59,92,817 equity shares of the face value of Rs. 10/- each fully paid-up to Rs.13,59,92,817 comprising of 13,59,92,817 equity shares of the face value of Re. 1/- each fully paid-up.

### **Subsidiary Companies**

As a result of acquisition of 75 per cent shareholdings during the year in three companies, namely, Advanced Oral Care Products Pvt. Ltd., Professional Oral Care

Products Pvt. Ltd., and SS Oral Hygiene Products Pvt. Ltd., they have become subsidiaries of your Company effective November 1, 2007. A statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies is attached to the accounts.

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, the Audited Statements of Accounts and the Auditors' Reports thereon for the year ended March 31, 2008 along with the Reports of the Board of Directors of the Company's three subsidiaries, namely, Advanced Oral Care Products Pvt. Ltd., Professional Oral Care Products Pvt. Ltd. and SS Oral Hygiene Products Pvt. Ltd., have not been annexed. The Company will make available these documents upon request by any member of the Company interested in obtaining the same. However, as directed by the Central Government, the financial data of the said three subsidiaries for five months ended March 31, 2008 have been furnished under 'Subsidiary Companies Particulars' forming part of the Annual Report. Further, the Consolidated Financial Statements prepared pursuant to the applicable Accounting Standard issued by the Institute of Chartered Accountants of India and the Listing Agreement prescribed by SEBI includes the financial information of its subsidiaries.

### **Nepal Subsidiary**

Your Company is closely monitoring the situation and will take such steps as may be necessary to protect its interest.

### **Acquisition**

Your Company has acquired 75 per cent shareholding in CC Health Care Products Pvt. Ltd. in April 2008 and consequently, it has become subsidiary of your Company during the financial year 2008-09. The said Company is engaged in the manufacture of toothpowder and they have been supplying the same to your Company for past several years.

### **Guinness World Record**

Your Company in association with the Indian Dental Association created a Guinness World Record in India for 'most people brushing their teeth (multiple venue)' and accordingly a certificate of achievement was awarded by Guinness World Record.

A record number of 177,003 people brushed their teeth simultaneously at 380 locations across India, in one day and at one time, at the Colgate "Brush-Up Challenge" organised in October 2007 as part of Colgate Oral Health Month.

Organised as part of the 4<sup>th</sup> edition of the Oral Health Month,

this world record attempt was aimed at boosting and spreading greater awareness about oral health in India, while teaching school children the right way to brush. This is truly a remarkable achievement that will help in furthering the awareness of good oral hygiene as the Company progresses towards its Mission : Zero Tooth Decay.

### 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

Relations between the employees and the management continued to be cordial during the year.

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

Consequent upon promotion of Mr. Fabian Garcia as Executive Vice President, President Latin America & Global Sustainability, he resigned as Director and Chairman of the Board effective January 31, 2008. The Directors wish to place on record their appreciation for the valuable services rendered by Mr. Garcia during his tenure as Chairman of the Board.

Effective January 31, 2008, Mr. Justin Skala has been appointed as Director and Chairman of the Board. Mr. Skala is the President of Colgate Greater Asia.

Mr. V. Hegde resigned as Director effective July 31, 2007. The Directors wish to place on record their appreciation for the valuable services rendered by Mr. Hegde during his tenure as Director of the Company.

Under Article 124 of the Company's Articles of Association, Mr. J. K. Setna and Mr. V. S. Mehta retire by rotation at the 67<sup>th</sup> Annual General Meeting and, being eligible, offer themselves for re-appointment.

### Auditors

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

### Acknowledgements

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

On behalf of the Board

R. D. Calmeyer  
Managing Director

P. K. Ghosh  
Deputy Chairman

May 30, 2008

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 (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