

Contents

Board of Directors	2
Ten-year Highlights	3
Notice	4
Report of the Directors	8
Corporate Governance Report	12
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
Consolidated Accounts	
Auditors' Report	50
Balance Sheet	51
Profit and Loss Account	52
Cash Flow Statement	53
Schedules to the Accounts	55
Statements pursuant to Section 212	72

Board of Directors

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

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
A. Operating Results :										
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. Financial Position :										
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
C. Equity Share Data :										
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 25th Anniversary Dividend (since becoming public in 1978) of Rs. 1.25 per share.

*** Including one-time special 70th 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, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri – East, Mumbai 400 072.
5. Members who hold shares in physical form are requested to notify immediately any change in their

addresses to the Registrars and Share Transfer Agents of the Company at the above address and to their respective Depository Participants, in case shares are held in electronic mode.

6. The Company, consequent upon the introduction of the Depository System ('DS'), entered into agreements with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). The Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL.
7. The DS envisages elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, mutilation of share certificates, etc. Simultaneously, DS offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.
8. To prevent fraudulent transactions, we urge the Members to exercise due diligence and notify the Company of any change in address/stay 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	2,060.92	1,802.57
Sales (Excluding Excise Duty)	1,962.46	1,694.81
Other Income	98.46	107.76
Profit before Taxation	484.80	345.31
Provision for Taxation	61.54	55.09
Profit after Taxation	423.26	290.22
Balance brought forward	28.84	5.77
Profit available for appropriation	452.10	295.99
Appropriation :		
Dividend	271.98	203.99
Dividend Tax	45.84	34.14
General Reserve	42.33	29.02
Balance carried forward	91.95	28.84
	452.10	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.)	31.1	21.3
Dividend per share (Rs.)	20.0	15.0
Return on Capital Employed (%)	156.9	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 6th 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 69th Annual General Meeting and, being eligible, offer themselves for re-appointment.