



80
years of trust

SPREADING
SMILES
ACROSS INDIA



ANNUAL REPORT
2016-2017



1937

Incorporation of Colgate-Palmolive (India) Pvt. Ltd.
Colgate Dental Cream toothpaste starts journey in India
with distribution on handcarts.
Today it is one of the most widely distributed Oral Care brands in India.



1949

Colgate Toothpowder launched for rural India.
Manufacturing starts at Prabhadevi, Mumbai.



1967

Manufacturing of dentifrice products shifts to Sewri, Mumbai.



1976

Colgate starts 'Young India', a global Oral Care awareness program
teaching primary school children the importance of good oral hygiene.
This program is now known as Colgate Bright Smiles, Bright Futures™



1978 Colgate-Palmolive becomes a Blue chip Co. on the Indian bourses.
Indian public offered 60% equity in the Co. & shares listed on BSE.

1988 Colgate relocates Toothpowder plant to Waluj, Aurangabad.



1990 Colgate Gel launched with a unique Oral Care formulation.

1993 Colgate Total, the most technologically advanced toothpaste launched.

1994 Colgate-Palmolive acquires the Cibaca brand.

1996 Colgate Oral Pharmaceutical products launched.



1997

Colgate CalciGuard & Colgate Plus Toothbrushes,
become the first to receive
Indian Dental Association's Seal of Acceptance.



1999

A&M Magazine's annual survey of
India's Top Brands
rates Colgate as 'India's Premier Brand'



2000

International Palmolive Shave Gel & Shave Foam launch with two variants.
New Palmolive Shave Cream 2-in-1 also launched.
Launch of Colgate Navigator Toothbrush,
New Superior - Colgate ZigZag Toothbrush, Colgate Herbal Toothpaste.

8

2016
Toothbrush Manufacturing Facility inaugurated at
Sricity, Andhra Pradesh.



Launched Colgate Scholarship & Colgate Collectibles Offer. **2015**
Toothpaste Manufacturing Facility inaugurated at Sanand, Gujarat. **2014**



2012
Ranked the 3rd Most Admired Company in India,
by the global business magazine Fortune,
and management consultancy Hay Group.



Guinness World Records™ achieved for
maximum number of people
rinsing with a mouthwash at the same time. **2011**
Colgate and IDA achieves another Guinness World Record™ **2010**
by providing dental check-ups to 66,322 children
from 33 schools across 5 Indian cities.



2009
Toothpaste Manufacturing Facility inaugurated at Goa.
Colgate-Palmolive (India) Limited adjudged as
Best Value Creator (Mid-Cap Category)
in the 2009 Outlook Money NDTV Profit Awards.



2007
The 'Colgate Brush-Up Challenge' enters the Guinness World Records™
with 1,77,003 students from 396 schools in 22 cities brushing simultaneously.



Colgate initiates an Oral Care health training camp **2006**
for Anganwadi workers.
Colgate establishes Oral Care Category Innovation Centre in India.
Toothpaste Manufacturing Facility inaugurated at **2005**
Baddi, Himachal Pradesh.



2004
Colgate and Indian Dental Association (IDA) launched
India's first Oral Health Month (OHM), to provide free dental check-ups,
& promote the importance of good oral hygiene.



2002
Voted Brand No. 1 in A&M's annual survey of India's Top Brands
conducted by Taylor Nelson Sofres-MODE.
Ranked as 'Best Employers in India' in a survey conducted by
BT-Hewitt and Best Employers in India.



years of trust

Colgate®**INDIA'S MOST TRUSTED BRAND**

Colgate has been voted as India's #1 Most Trusted Brand across all categories in the Economic Times Brand Equity Most Trusted Brands Survey - an annual consumer survey conducted by Nielsen - for six consecutive years, from 2011-2016.

TOOTHPASTE



TOOTHBRUSH



PERSONAL CARE



MOUTHWASH

OUR STRATEGIC PILLARS

- Engaging to build our brands
- Innovation for growth
- Effectiveness & Efficiency
- Leading to win

OUR VALUES

- Caring
- Global teamwork
- Continuous improvement

BOARD OF DIRECTORS



VINOD NAMBIAR, CHAIRMAN

Mr. Vinod Nambiar joined Colgate-Palmolive India in 1999. In 2004, he became the Customer Development Director for CPIL and in 2005, rose to be the GM of Colgate-Palmolive Romania. He then moved as VP & GM of Colgate-Palmolive Italy. In 2011, he was appointed VP & GM of Global Personal Care, New York, post which he led Colgate-Palmolive China in 2012. In 2014, he took on the position of VP & GM - Colgate-Palmolive Greater China Hub (which includes China, Hong Kong and Sanxiao). Recently appointed as the President of the Asia Pacific Division, and also appointed as a Non-Executive Director & Chairman to the CPIL Board, in 2015.



R. A. SHAH, NON-EXECUTIVE & INDEPENDENT DIRECTOR (VICE-CHAIRMAN)

Mr. R. A. Shah is a leading Solicitor and a Senior Partner of M/s Crawford Bayley & Co., a firm of Solicitors & Advocates. He specialises in a broad spectrum of corporate laws. He is also the Chairman/Member of audit committees of a number of public limited companies in India. Appointed Vice-Chairman to the CPIL Board in 1983.



P. K. GHOSH, NON-EXECUTIVE & INDEPENDENT DIRECTOR (DEPUTY CHAIRMAN)

Mr. P. K. Ghosh is a Fellow of the Institute of Chartered Accountants of India and a former Managing Director of Colgate-Palmolive, India. Since 1974, he served the Company in various capacities. Mr. Ghosh brings to the CPIL Board, his rich experience and understanding of the consumer product business. Appointed Dy. Chairman on the CPIL Board in 1993.



INDU SHAHANI, NON-EXECUTIVE & INDEPENDENT DIRECTOR

Dr. (Ms.) Indu Shahani, Former Sheriff of Mumbai, has been the Principal of H.R. College of Commerce and Economics in Mumbai since 2000. She is on the board of several Indian Companies. A doyen in the field of academics, Dr. (Ms.) Indu Shahani has over three decades of teaching experience at the college and university level. She is also a member of the University Grants Commission (UGC), serves as an Advisor to the International Baccalaureate (IB) in India, and Chairperson, Unitedway, Mumbai. Dr. Shahani was awarded an Honorary Doctor of Letters degree by the University of Westminster in London. Appointed as Non-Executive Director to the CPIL Board in 2012.



SHYAMALA GOPINATH, NON-EXECUTIVE & INDEPENDENT DIRECTOR

Ms. Shyamala Gopinath has over four decades of experience in the field of finance. She worked in different capacities at the Reserve Bank of India. She was also a non-executive director on the boards of public sector banks and public financial institutions as an RBI nominee. Ms. Gopinath retired as Deputy Governor of RBI. She is the Independent Non-Executive Chairperson of the HDFC Bank and is also on the Board of Indian Oil Corporation, and of other private organizations (Tata Elxsi, EID Parry, etc.). Appointed as Additional Director (Non-executive & Independent) to the CPIL Board in 2015.



ISSAM BACHAALANI, MANAGING DIRECTOR

Mr. Issam Bachaalani has been the Managing Director at Colgate-Palmolive (India) Limited since October 1, 2014. He joined Colgate-Palmolive in 1991 as part of the Global Marketing Development Program and later moved to the US Household Surface Care in New York. He has since held a series of significant positions in various divisions and subsidiaries within Colgate-Palmolive globally. In 1996, he joined the Central Europe/Russia Division as Marketing Manager, then promoted to Associate Director, Household Surface Care for Colgate-Palmolive Mexico in 1999, and then moved as Marketing Director, Colgate-Palmolive Dominican Republic. In 2002, Mr. Bachaalani was promoted to Marketing Director of Colgate-Palmolive, South Africa. In 2006, he was promoted as GM Colgate-Palmolive Hong Kong. In 2009, he was promoted to GM Colgate-Palmolive, Malaysia, Singapore and Brunei. In 2012, he was VP & GM of the Global Toothbrush Division.



M. S. JACOB, WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER

Mr. M. S. Jacob joined Colgate-Palmolive (India) Limited in 1995 in the Continuous Improvement Group. Over the course of 21 years, Jacob served through leadership roles in Finance at Colgate-Palmolive Company's subsidiaries in India, Thailand, Vietnam and Malaysia as well as at the Asia Pacific Division Head Quarters in Hong Kong. Before India, Jacob was the Finance Director of Colgate-Palmolive Malaysia Group. As Finance Director of Colgate-Palmolive India, Jacob provides overall financial leadership including Investor Relations. Appointed as a Whole-Time Director of the Company in 2016.



M. CHANDRASEKAR, WHOLE-TIME DIRECTOR & EXECUTIVE VICE PRESIDENT - SALES & CUSTOMER DEVELOPMENT

Mr. M. Chandrasekar joined Colgate-Palmolive (India) Limited in 1989, in Sales. During the course of his 27 years at Colgate, he progressed through increasing levels of responsibility in the Customer Development & Sales function in different regional roles of Colgate-Palmolive India, leading to the position of Executive Vice-President - Sales & Customer Development. Appointed as an Additional Director (Whole-time Director) of the Company in 2017.



VIKRAM MEHTA, NON-EXECUTIVE & INDEPENDENT DIRECTOR

Mr. Vikram Singh Mehta was the Chairman of the Shell Group of Companies in India since 1994. His illustrious career began as Member of the Indian Administrative Service of the Government of India. Mr. Mehta has held Advisory positions with world-renowned petroleum companies and the Indian Government's Ministry of Petroleum. Appointed Director to the CPIL Board in 2001.



J. K. SETNA, NON-EXECUTIVE & INDEPENDENT DIRECTOR

Mr. J. K. Setna is a trustee of the N.M. Wadia Charities and its associated Trusts, and also Director on the Board of Governors of Escorts, Heart Institute & Research Centre. Mr. Setna is a special permanent invitee to the Executive Council of Indo-American Chamber of Commerce. Appointed Director to the CPIL Board in 1978.



MESSAGE TO SHAREHOLDERS

Dear Colgate Shareholders

This year, Colgate is celebrating its 80th year in India, a testimony to the brand's commitment to the country where Colgate is an intrinsic part of most households.

In 2016, for the sixth consecutive year, Colgate was ranked as India's #1 Most Trusted Brand in the Economic Times Brand Equity Most Trusted Brand Survey, a consumer survey conducted by Nielsen. Colgate's '**trust**' has been nurtured through the years with our expertise in Oral Care and with our core value of '**Caring**' as its bedrock. Colgate's trust is reflected in the quality of our products and also in our dedication to serving the communities in which we do business. We have built our brand in India with consistency, while keeping the **Consumer at the heart of everything we do.**

In FY 2016-17, Colgate continued to focus on its strategic pillars of **Engaging to Build our Brands, Innovation for Growth, Effectiveness and Efficiency, and Leading to Win**, in order to achieve our goals and sustain our momentum in the market. At Colgate, it is not only delivering the numbers that matters, but also conducting business with integrity and respect.

"At Colgate, it is not only delivering the numbers that matters, but also conducting business with integrity and respect."

In FY 2016-17, sales growth moved positively with net sales increasing 4.0% over the previous year. While volume was under pressure largely due to softness in the wholesale channel, gross margin expanded 40 bps due to selling price increase and focussed cost-efficiency programs within the Company. We increased our advertising spends by 14% in FY 2016-17 as we continued to invest behind innovation and building our brands in a heightened competitive environment. We maintained our strong balance sheet and cash flow, and our leadership in both, toothpaste and toothbrush categories in FY 2016-17, with volume market shares for the year at 55.1% and 47.4% respectively.

FY 2016-17 was a year of unprecedented challenges with liquidity crunch and the changing macroeconomic conditions. Despite these challenges, Colgate proactively took positive measures to ensure ease of business for our business partners by extending credit to our distributors, providing additional incentives, accelerating the processing of trade claims and advancing payments to our supply chain partners. Such proactive support reinforces the trust our partners have, on Colgate.

Colgate is a frontrunner in using technology as an enabler in order to build a stronger engagement with urban and rural constituents. In 2016, we launched a one-of-a kind service '**Pocket Dentist**', in partnership with Indian Dental Association, which provides individualized professional dental advice. Currently launched in two districts of Uttar Pradesh, 'Pocket Dentist' detects multiple dialects and responds to the 30 most common oral health questions, thereby addressing 91% of the total oral health queries.

Innovation is essential for driving growth and we believe in tapping into local insights and leveraging trends basis consumer needs. In 2016 we launched

Colgate Cibaca Vedshakti toothpaste based on the insight that consumers value the use of natural ingredients to help prevent dental problems. This new addition further enhances our existing Naturals portfolio. In 2016, we also launched **Colgate Sensitive Clove**, our first toothpaste using the natural ingredient-clove, for protection against sensitivity.

At Colgate, we have a deep understanding of our responsibility and are dedicated to contributing to the communities where we live and work. In India, we are committed towards promoting preventive health care with a special focus on oral health, promoting education, addressing inequalities and conserving our natural resources.

"In India, we are committed towards promoting preventive health care with a special focus on oral health, promoting education, addressing inequalities and conserving our natural resources."

We believe oral health care is an area that needs attention and as a leader in Oral Care in the country, we continue to '**Keep India Smiling**' through our **Oral Health Month** (OHM) program. OHM is our annual dental health awareness program, run in partnership with the Indian Dental Association (IDA) now, for over 13 years. In 2016 the OHM program enabled a total of 6 million free dental check-ups across India.

One of our most engaging programs, **Bright Smiles Bright Futures™** (BSBF), which started in 1976 in association with the Indian Dental Association (IDA), has reached 142 million school children till date. BSBF spreads oral hygiene education and awareness among children between the ages of 6 and 14 years. This program reached a total of 8.2 million school children in the year 2016.

Skill building is the need of the hour and we believe that every small step in this direction counts. In 2016, Colgate started the **Saksham program in association with SEEDS and Implementation Partner-IL&FS Skills**, in Lucknow, with 55 students. This is a pragmatic initiative for Social and Economic Empowerment of the underprivileged youth through an Employability Linked Skill Development program. A total of 202 youth have been trained and certified through Saksham during FY 2016-17, and the program has now expanded to Muzaffarpur in Bihar and Moradabad in Uttar Pradesh.

Water is a key pillar of Colgate's Sustainability Initiatives. Colgate's priority focus areas include promoting water conservation awareness among all consumers, partnering with local and global organisations to bring water to under-served areas, reducing our manufacturing water intensity as well as engaging vendors and suppliers towards water sensitisation.

In 2016, Colgate launched the **Water program** in association with 'Water for People', focusing on the quality and accessibility of drinking water, hygiene education, water conservation, and supporting sanitation in schools with harvested water.

Also, as part of our **Making Every Drop of Water Count** commitment, Colgate implemented a campaign in India featuring Indian Water Heroes and their success stories to sensitise and inspire people towards the cause of water conservation.

Looking Forward

For FY 2017-18, our overarching priority and objective is to continue to remain focused on innovations, increasing effectiveness and efficiency and giving back to the communities where we live and work, in line with our core values of **Caring, Global Teamwork and Continuous Improvement**. Our product pipeline will continue to be supported with engaging marketing programs and strong advertising investment.

As we move ahead together, I would like to thank all Colgate stakeholders for their commitment towards achieving our goals with the highest ethical standards, and I would also like to express my appreciation for the support we receive from our consumers, customers, suppliers, shareholders and directors.



Issam Bachaalani

Managing Director

Colgate-Palmolive (India) Limited

BOARD COMMITTEES

MANAGEMENT COMMITTEE

I. Bachaalani	<i>Managing Director</i>
M. S. Jacob	<i>Finance</i>
F. Giwa	<i>Legal</i>
E. Jumbert	<i>Marketing</i>
M. Chandrasekar	<i>Customer Development</i>
M. K. Ajay	<i>Human Resources</i>
Dr. S. Potnis	<i>India Global Technology Centre</i>
A. Lara	<i>Supply Chain (Toothpaste)</i>
M. Mehrotra	<i>Supply Chain (Toothbrush)</i>
V. Ganesh	<i>Customer Service & Logistics</i>

COMPLIANCE OFFICER

M. Karnataki	<i>Associate Director - Legal & Company Secretary</i>
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AUDIT COMMITTEE

R. A. Shah	<i>Chairperson</i>
M. Karnataki	<i>Secretary</i>
P. K. Ghosh	
V. S. Mehta	
J. K. Setna	
Dr. I. Shahani (Ms.)	
S. Gopinath (Ms.)	

STAKEHOLDERS' RELATIONSHIP COMMITTEE

J. K. Setna	<i>Chairperson</i>
P. K. Ghosh	
I. Bachaalani	
M. S. Jacob	

RISK MANAGEMENT COMMITTEE

P. K. Ghosh	<i>Chairperson</i>
V. S. Mehta	
S. Gopinath (Ms.)	
I. Bachaalani	
M. S. Jacob	
M. K. Ajay	
F. Giwa	

NOMINATION & REMUNERATION COMMITTEE

R. A. Shah	<i>Chairperson</i>
V. S. Mehta	
V. Nambiar	

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. I. Shahani (Ms.)	<i>Chairperson</i>
I. Bachaalani	
P. Sharma (Ms.)	
M. Chandrasekar	