



▶ Annual Report 2018-19



KEEP INDIA SMILING



COLGATE-PALMOLIVE (INDIA) LIMITED

► Our Products at a Glance



Toothpastes



Toothbrushes

Personal Care



Mouthwashes

Your Trust.
It's what helps us keep India smiling.



India's Most Trusted Oral Care Brand



No. 1 Oral Care Brand



SMILES TO GO

How Colgate staved off babas, banks, mobiles, other FMCGs and ecommerce to retain the Most Trusted crown

[illegible]

2015



Colgate has been voted as India's #1 Most Trusted Oral Care Brand for 8 consecutive years, from 2011-2018, in The Economic Times Brand Equity Most Trusted Brands Survey - an annual consumer survey conducted by Nielsen.



2013



2012



2011



► Board of Directors



Mukul Deoras
Chairman

Mr. Mukul Deoras is the President, Asia Pacific Division of Colgate-Palmolive. Most recently, Mr. Deoras has served as Chief Marketing Officer of Colgate-Palmolive Company since August 2015. From February 2012 to July 2015, Mr. Deoras served as President, Asia Division of Colgate-Palmolive, and from February 2012 to September 2015, Mr. Deoras served as Chairman of Colgate-Palmolive (India) Ltd. From February 2010 to January 2012, Mr. Deoras served as Managing Director for Colgate-Palmolive (India) Limited. Mr. Deoras has also led Colgate-Palmolive's Thailand business and Global Personal Care Marketing function. Prior to joining Colgate-Palmolive, Mr. Deoras held positions of increasing responsibility in marketing and sales at Hindustan Unilever Limited from 1984 to 2004. Since June 2018, Mr. Deoras is a member of the Board of Directors of Wyndham Hotels and Resorts Inc. Mr. Deoras holds a post graduate degree in Management from the Indian Institute of Management, Ahmedabad. Appointed as Chairman of Colgate-Palmolive (India) Limited in September 2018.



Issam Bachaalani
Managing Director

Mr. Issam Bachaalani has been the Managing Director of Colgate-Palmolive India since October, 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 in 1999 promoted to Associate Director, Household Surface Care for Colgate-Palmolive Mexico, 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 General Manager Colgate-Palmolive Hong Kong. In 2009, he was promoted to General Manager Colgate-Palmolive Malaysia, Singapore and Brunei. From 2012, he was Vice-President & General Manager of the Global Toothbrush Division till he joined Colgate-Palmolive India.



Rajendra Ambalal Shah
Non-executive & Independent Director

Mr. Rajendra Ambalal Shah is a leading Solicitor and a Senior Partner of M/s. Crawford Bayley & Co. He specialises in a broad spectrum of corporate laws. He is also the Chairman and a member of various committees in a number of public limited companies in India. He joined Colgate-Palmolive India Board in 1983.



Pradyot Kumar Ghosh
Non-executive & Independent Director

Mr. Pradyot Kumar Ghosh is a Fellow of the Institute of Chartered Accountants of India (ICAI) and a former Managing Director of Colgate-Palmolive India. Since 1974, he served the Company in various capacities. Mr. Ghosh brings to the Board his rich experience and understanding of the consumer product business. He joined Colgate-Palmolive India Board in 1993.



Vikram Singh Mehta
Non-executive & Independent Director

Mr. Vikram Singh Mehta was the Chairman of the Shell Group of Companies in India from 1994 till 2013. Mr. Mehta began his career as a Member of the Indian Administrative Service of the Government of India and was Advisor to the Public Sector 'Oil India'. He was awarded Asia House's 'Businessmen of the Year' award for the year 2010. Mr. Mehta is on Boards of several other public limited companies. He received an award from Asia Centre for Corporate Governance and Sustainability for 'Best Independent Director' for the year 2016. He was appointed as a Director on the Board in 2001.



Indu Shahani

Non-executive & Independent Director

Dr. Indu Shahani is the President and Chairperson at the Indian School of Design and Innovation (ISDI) and Founding Dean of Indian School of Management and Entrepreneurship (ISME). Formerly Sheriff of Mumbai, Dr. Shahani served as the Principal of H.R. College of Commerce and Economics in Mumbai from 2000 till July 2016. She is on the Board of several Indian companies. A doyen in the field of academics, Dr. Shahani has over three decades of teaching experience at College and University level. Dr. Shahani was awarded an Honorary Doctor of Letters degree by the University of Westminster in London. She is acknowledged worldwide for her significant contribution to education and value-based leadership. She was appointed as a Director on the Board in 2012.



Shyamala Gopinath

Non-executive & Independent Director

Ms. Shyamala Gopinath is the part-time Non-Executive Chairperson of HDFC Bank. As Deputy Governor of RBI for seven years and member of the Board and several Committees of RBI, she guided and influenced national policies in diverse areas of financial sector regulation and supervision, development and regulation of financial markets, capital account management, management of government borrowings, foreign exchange reserves management and payment and settlement systems. During 2001-03, she worked as senior financial sector expert in Monetary Affairs & Exchange Department of IMF (Financial Institutions Division). She was on SEBI's Corporate Bonds & Securitization Advisory Committee (CoBoSAC). She served as Chairperson Advisory Board on Bank, Commercial and Financial Frauds during 2012-14. She was an independent Director on the Boards of Clearing Corporation of India, IOC and GAIL. She is also Chairperson of the Board of Governors of IIM, Raipur, besides being an Independent Director in some other Companies and Not-for-Profit entities. She was appointed as a Director on the Board in 2015.



Sukanya Kripalu

Non-executive & Independent Director

Ms. Sukanya Kripalu is a graduate from St. Xavier's College and IIM Calcutta. She is a consultant in the fields of marketing, strategy, advertising and market research. Her experience includes working with leading corporates like Nestle India Limited, Cadbury India Limited and Kellogg's India. She was also the CEO of Quadra Advisory, a WPP group company. Ms. Kripalu is presently on the Boards of various other companies. She was appointed as Director on the Board in 2018.



Madukkakuzy Sebastian Jacob

Whole-time Director & Chief Financial Officer

Mr. Madukkakuzy Sebastian Jacob joined Colgate-Palmolive India 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 Thailand, Vietnam and Malaysia as well as at the Asia Pacific Division Head Quarters at Hong Kong. His last assignment was as the Finance Director of Colgate-Palmolive Malaysia. As Finance Director of Colgate-Palmolive India, Jacob provides overall financial leadership including Investor Relations matters. He was appointed as Whole-time Director & CFO in 2016.



Chandrasekar Meenakshi Sundaram

Whole-time Director & Executive Vice-President - Customer Development

Mr. Chandrasekar Meenakshi Sundaram joined Colgate-Palmolive India in 1989 in Sales. During the course of his 27 years tenure, he progressed through increasing levels of responsibility in the Customer Development function in different regional roles of Colgate-Palmolive India, leading to the position of Executive Vice-President - Sales & Customer Development. He was appointed as Whole-time Director on the Board in 2017.

► Message to Shareholders

Dear Colgate Shareholders

We are pleased to share the progress of the Company in FY. 2018-19.

Financial Results FY. 2018-19

We delivered a consistent revenue growth of 7% over the previous year with Net Sales* at ₹4,432.4 crores, for the year ended March 31, 2019. The EBITDA margins were higher by 100 bps and the reported Net Profit After Tax for the year was at ₹775.57 crores, an increase of 15% over the past year. Excluding the impact of Tax reversals and exceptional items, the Net Profit After Tax for FY. 2018-19 increased by 11%, over the last financial year.

Dividend

In pursuance of our commitment to maximize shareholder value, the Board declared a Special third interim dividend for the Financial Year 2018-19, of ₹8/- per share of ₹1/- (Face value). The Total Dividend stands at ₹23/- per share, for FY. 2018-19.

Market Leadership

We maintained our strong leadership positions in both, the toothpaste and toothbrush categories, with volume market shares for the year 2018 at 52.4% and 45.2%, respectively.

Colgate is India's No. 1 Most Trusted Oral Care Brand

For the eighth consecutive year, Colgate ranked as India's #1 Most Trusted Oral Care Brand in The Economic Times Brand Equity Most Trusted Brands Survey - 2018, a consumer survey conducted in collaboration with Nielsen. We sincerely thank you for your trust.

Driving Growth is Our Key Priority

We work towards achieving a sustainable profitable business growth with brand building activities and a sharp focus on innovation, supported by a strong advertising investment.

To reinvigorate Colgate's flagship brand and India's largest selling toothpaste - Colgate Strong Teeth, the brand was re-launched with a thought-provoking consumer communication of 'Andar Se Strong' moment reflected as 'Bahar Se Smiles'. The TV commercials featured the real stories of India's popular icons Deepika Padukone and Mahendra Singh Dhoni, highlighting how they face life's tough moments with self-belief and a smile.

Colgate Total got a brand refresh with an advanced formula of Dual Zinc and Arginine. It provides superior protection to problem causing germs. The brand proposition was communicated through a new campaign persuading people to 'Upgrade to Whole Mouth Health'.

Continuing the momentum in our 'Naturals' segment, a 360° marketing campaign for Swarna Vedshakti leveraged leading celebrities Kajol and Jyothika. Additionally, through strong region-specific communication, Vedshakti asserted its presence at major festivals in India, throughout



the year. It is pertinent to mention that at Kumbh, the world's largest congregation of pilgrims, our campaign, 'Kumbh Se Sampoorana Shuddhi, Colgate Vedshakti Se Sampoorana Suraksha', ensured the exposure of our brand to one in every five visitors through impactful outdoor advertising, Kumbh related utility accessories like Suraksha-wristbands and Suraksha-ropes, and large-scale sampling with sachet packs.

Focusing on the children's portfolio we launched the new Colgate Kids Toothpaste integrated marketing communication of 'Make brushing fun', leveraging the much-loved, popular characters of Batman, Barbie and Motu-Patlu. This new communication was amplified across digital platforms, in addition to in-store engagements and exciting promotions.

We recently introduced Colgate ProClinical 150 Toothbrush in the market. This technology led innovation is a battery operated toothbrush that is tough on plaque yet gentle on gums.

We have expanded the Palmolive equity to a new category of Palmolive Facial Bars. Available in 3 exciting variants of Vitamin C&E, Turmeric & Tamarind, and Charcoal, the facial cleansing bars were launched with a high impact campaign across multiple consumer touch-points in digital and social channels, in-stores and outdoors.

Bringing Alive Colgate's Brand Purpose

In line with our brand purpose - 'Everyone Deserves a Future They Can Smile About', we recently launched Colgate's equity campaign - 'Smile Karo Aur Shuru Ho Jao' or Get Started with a Smile. This brand expression underscores Colgate's message of hope and optimism through the positive power of a smile. While embarking on life's significant new journeys when we feel overwhelmed or unsure, it is our smile that boosts our courage and nudges us to better places. The campaign was

introduced through two new TV commercials, on one of the biggest sporting events in India, the IPL.

Stepping Up the Game

In order to enhance our equity with the 'Profession,' we continue to create relevant opportunities for scientific engagements. We recently organized a lecture series by Dental Experts on Product Technologies, across 40 cities in India, which was much appreciated by the dentist community.

In e-commerce, our focus on understanding shopper trends and catering to their requirements effectively, has tripled our growth in the last year.

And, in traditional trade platforms, our successful implementation of Mission Vistaar has led to a considerable increase in our direct distribution, across the country.

Our Commitment to Social Action

Caring for the health and safety of our environment, people and communities, is an integral part of Colgate. It gives me great pleasure to share with you that Colgate is the first Company in India to be recognized by the Green Business Certification Inc. (GBCI) with TRUE Zero Waste Platinum certification for all four of our manufacturing sites. The principles of 'Reduce -Reuse- Recycle' have become a way of life for all of us at Colgate.

For over eighty years we have been committed to Keep India Smiling through several community programs that aim to create a significant positive impact in the lives of people.

Our long running, pan-India flagship program Bright Smiles, Bright Futures™ (BSBF), which has been providing foundational oral health education, since 1976, to school children across urban and rural India has reached over 162 million children so far.

Oral Health Month (OHM), an annual initiative that we started in 2004 to offer free dental consultation and check-ups to people across the country, has benefitted about 40 million people so far.

Seva Mandir, an Udaipur based NGO, partnered with Colgate in 2013. Together, we have supported the cause of education for underprivileged children from tribal areas of Rajasthan. As part of this association, in 2016, we launched the 'Colgate Seva Mandir Education Scholarship Program' which supports children with overall grooming and quality education at the Vidya Mandir school. Additionally, Colgate also helps to enhance Vidya Mandir's learning facilities and infrastructure.

Taking this partnership with Seva Mandir further, recently, we also started a livelihood-based women-empowerment program in nine tribal villages of Udaipur. For the beneficiaries, the income from this

program is not only a means to build their self-reliance, but also to improve their quality of life and of those around them.

Saksham, our employability-linked skill development program to empower the underprivileged and marginalised youth, has trained more than 900 candidates across the states of Uttar Pradesh, Bihar and West Bengal, since 2016.

Colgate has partnered with NGO, ActionAid to support children, primarily girls, from marginalised communities in villages around Baddi in Himachal Pradesh. The program focuses on building their computer and language skills and helps with their personality grooming. More than 500 children have been enrolled in FY.2018-19 in mixed-model schools run together by the government and community.

'Save Water' is the cornerstone of Colgate's sustainability mission. We realise that people in regions without water, struggle with their basic daily existence. Through our partnership with NGO, Water for People - India Trust, water availability has been enabled in regions of Bihar, West Bengal, and most recently, in Amravati district of Maharashtra. Additionally, Colgate's water augmentation program with NGO Seva Mandir, ensures water accessibility to tribal villages of Udaipur, Rajasthan.

We will continue to grow and develop our community programs with the objective of building strong foundations to create a meaningful difference in people's lives.

Outlook

We remain focused on maximizing growth and productivity. Guided by our ethics and core values of Caring, Teamwork, and Continuous Improvement, we continue to draw upon our foundational strategies of investing in our brands and delivering innovative products. With our pragmatic and committed teams, we are confident that we will continue to create value for our shareholders over the long-term.

I wish to thank all Colgate people for their unstinted efforts, year on year, towards attaining our goals. I would also like to express my sincere appreciation for the trust and support that we receive from our customers, suppliers, shareholders and directors which enables us to continue striving to Keep India Smiling.



Issam Bachaalani

Managing Director

Colgate-Palmolive (India) Limited

DIN: 06975320

* Prior period numbers restated for GST impact, for comparison purposes.

Committees

Management Committee

I. Bachaalani	Managing Director
M. S. Jacob	Finance
M. Chandrasekar	Customer Development
S. Sharma	Legal
A. Chintamani	Marketing
V. Ganesh	Customer Service & Logistics
M. K. Ajay	Human Resources
A. Lara	Supply Chain (Toothpaste)
M. Kumar	Supply Chain (Toothbrush)
E. Ambundo	Technology

Company Secretary

K. Randhir Singh	Company Secretary & Compliance Officer
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Board Committees

I. Audit Committee

R. A. Shah	Chairperson
P. K. Ghosh	Member
V. S. Mehta	Member
Dr. I. Shahani (Ms.)	Member
S. Gopinath (Ms.)	Member
S. Kripalu	Member
K. Randhir Singh	Secretary

II. Stakeholders' Relationship Committee

S. Gopinath (Ms.)	Chairperson
P. K. Ghosh	Member
I. Bachaalani	Member
M. S. Jacob	Member

III. Corporate Social Responsibility Committee

Dr. I. Shahani (Ms.)	Chairperson
I. Bachaalani	Member
M. Chandrasekar	Member

IV. Nomination & Remuneration Committee

R. A. Shah	Chairperson
M. Deoras	Member
V. S. Mehta	Member

V. Risk Management Committee

P. K. Ghosh	Chairperson
V. S. Mehta	Member
S. Gopinath (Ms.)	Member
I. Bachaalani	Member
M. S. Jacob	Member
S. Sharma	Member
M. K. Ajay	Member