

Board of Directors

S. Peter Dam	Chairman
R. A. Shah	Vice-Chairman
P. K. Ghosh	Deputy Chairman
D. Samuel	Managing Director
M. A. Elias	Whole-time Director
K. V. Vaidyanathan	Whole-time Director
V. Kaushik	Whole-time Director
J. K. Setna	
T. C. T. Hsu	

Company Secretary

K. V. Vaidyanathan

Management Committee

A. Ganu	New Geographies
V. Hegde	Sales
R. Kohli	R & D
A. Pande	Information Technology
P. Richardson	Manufacturing
D. Roy	Human Resources

Solicitors

Crawford Bayley & Co.

Auditors

Arthur Andersen & Associates
Chartered Accountants

Registered Office

Colgate Research Centre
Main Street, Hiranandani Gardens
Powai, Mumbai 400 076

Factories

Sewri Fort Road, Mumbai 400 015
Waluj Industrial Area, MIDC, Aurangabad 431 133

Warehouses

Kolkata and Chennai

Registrars & Share Transfer Agents

Sharepro Services

Audit Committee

R. A. Shah	Chairperson
P. K. Ghosh	
J. K. Setna	
K.V.Vaidyanathan	Secretary

Shareholders'/Investors' Grievance Committee

P. K. Ghosh	Chairperson
D. Samuel	
V. Kaushik	
J. K. Setna	
K. V. Vaidyanathan	

TEN-YEAR HIGHLIGHTS

(Rs. Lacs)

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
A. Operating Results :										
Sales	420,92	494,70	601,97	681,46	850,11	960,60	1,019,73 #	998,22 #	1,089,58 #	1,176,88
Other Income	11,58	4,31	10,40	29,40	14,84	17,61	12,48 #	16,31 #	22,89 #	29,51
Total Income	432,50	499,01	612,37	710,86	864,95	978,21	1,032,21 #	1,014,53 #	1,112,47 #	1,206,39
Net Profit After Tax	41,05	48,36	58,80	71,79	76,30	78,92	80,07	45,67	51,79	62,50
Cash Profits	46,08	53,67	63,92	82,70	94,72	98,58	101,24	70,30	75,00	82,72
B. Financial Position :										
Fixed Assets (Net)	47,60	45,87	46,52	144,02	151,73	160,41	194,46	226,17	215,58	200,83
Current Assets (Net)	46,67	47,84	68,14	57,88	49,13	84,89	83,17	58,47	80,31	(3,75)
Others	2,38	21,95	81,66	30,69	43,68	16,89	20,51	14,23	11,08	55,08
TOTAL ASSETS	96,65	115,66	196,32	232,59	244,54	262,19	298,14	298,87	306,97	252,16
Share Capital	50,30	50,30	123,19	135,99	135,99	135,99	135,99	135,99	135,99	135,99
Reserves and Surplus	46,02	64,20	71,53	95,00	106,02	122,18	157,37	157,75	164,26	103,12
SHAREHOLDERS' FUNDS	96,32	114,50	194,72	230,99	242,01	258,17	293,36	293,74	300,25	239,11
Loan Funds	33	1,16	1,60	1,60	2,53	4,02	4,78	5,13	6,72	13,05
TOTAL CAPITAL EMPLOYED	96,65	115,66	196,32	232,59	244,54	262,19	298,14	298,87	306,97	252,16
C. Equity Share Data :										
Earnings Per Share (Rs.)*	3.02	3.56	4.32	5.28	5.61	5.80	5.89	3.36	3.81	4.60
Dividend Per Share (Rs.)*	1.57	2.22	3.41	4.49	4.80	4.50	3.00	3.00	3.00	8.25**
Number of Shares (in lacs)	5,03	5,03	12,32	13,60	13,60	13,60	13,60	13,60	13,60	13,60
Number of Shareholders (in '000s)	88	106	132	195	229	235	238	241	230	222

Restated

* Adjusted for Bonus/Rights issues

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

Notice

NOTICE is hereby given that the Sixtieth Annual General Meeting of COLGATE-PALMOLIVE (INDIA) LIMITED will be held at Shri Bhaidas Maganlal Sabhagriha, Swami Bhaktivedanta Marg (U-1, Juhu Development Scheme), Vile Parle (West), Mumbai 400 056 on Wednesday, August 29, 2001 at 3.30 p.m. to transact the following business:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2001 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. R. A. Shah who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. K. Ghosh 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

July 18, 2001

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 AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 9, 2001 to Wednesday, August 29, 2001 (both days inclusive).
3. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company, Messrs. Sharepro Services, 912, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai 400 021.
4. Members are requested to notify immediately any change in their addresses to the Registrars and Share Transfer Agents of the Company at the above address.
5. Members holding shares in electronic form may please note that their bank account details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of/change in such bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank account details in which they wish to receive dividend, directly to their Depository Participants.
6. 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. Members who have not encashed the dividend warrants upto the said period are requested to claim the amount from the Registrar of Companies, Hakoba Compound, Second Floor, Dattaram Lad Marg, Kala Chowkie, Mumbai 400 033.
7. At the ensuing Annual General Meeting, Mr. R. A. Shah and Mr. P. K. Ghosh retire by rotation and, being eligible, offer themselves for re-appointment. Pursuant to Clause 49 of the Listing Agreement, the particulars of the aforesaid Directors are given below :

Mr. R. A. Shah

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. Presently he is the Chairman/Director and Chairman/Member of audit committees of the following public limited companies :

Name of Company	Designation	Chairmanship/Membership of Audit Committee of Board
Abbot Laboratories (India) Ltd.	Chairman & Alternate Director	—
Cynamid Agro Ltd.	Chairman & Alternate Director	—
Fulford India Ltd.	Chairman & Alternate Director	—
Indian Gum Industries Ltd.	Chairman & Alternate Director	—
Godfrey Phillips India Ltd.	Chairman	—
Pfizer Ltd.	Chairman	Chairman
SmithKline Beecham Pharmaceuticals (India) Ltd.	Chairman	—
Colgate-Palmolive (India) Ltd.	Vice-Chairman	Chairman
Asian Paints (India) Ltd.	Director	—
Atul Ltd.	Director	—
The Bombay Dyeing & Mfg. Co. Ltd.	Director	Chairman
BASF India Ltd.	Director	Member
Colour Chem Ltd.	Director	Member
Deepak Fertilizers & Petrochemicals Corpn. Ltd.	Director	—
Knoll Pharmaceuticals Ltd.	Director	Member
Procter & Gamble Hygiene and Healthcare Ltd.	Director	Member
Nicholas Piramal India Ltd.	Director	Chairman
Philips India Ltd.	Director	—
Prudential ICICI Trust Ltd.	Director	—
Century Enka Ltd.	Alternate Director	Member
Wockhardt Ltd.	Alternate Director	Member

Mr. P. K. Ghosh

Mr. P.K. Ghosh is a Fellow of 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 this 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. Mr. Ghosh is Chairman of the Local Advisory Board of American Express Bank. He does not hold any other directorship.

8. The Board recommended a dividend of Rs. 8.25 per share, including a one-time special dividend of Rs. 4.75 per share out of undistributed profits of previous financial years. The dividend, if declared at the Annual General Meeting, will be payable on or about September 3, 2001 to those shareholders whose names are registered in the Register of Members of the Company as on August 29, 2001.
9. Members desirous of asking any question 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.

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, 2001.

Financial Results

	(Rs. in Crores)	
	2000-01	1999-00
Total Revenue	1,206.39	1,112.47
Sales (incl. Excise Duty)	1,176.88	1,089.58
Other Income	29.51	22.89
Profit before Taxation	105.80	89.90
Provision for Taxation	43.30	38.11
Profit after Taxation	62.50	51.79
Balance Brought Forward	69.34	68.02
Profit Available for Appropriation	131.84	119.81
Appropriation :		
Dividend (incl. one-time special)	112.19	40.80
Dividend Tax	11.44	4.48
General Reserve	6.25	5.19
Balance Carried Forward	1.96	69.34
	131.84	119.81

Business Performance

The year saw an overall economic slowdown in general and sluggishness in agricultural growth in particular. This has impacted the purchasing power of consumers in rural areas which has taken a toll on the growth of consumer demand. Whilst there is a slowdown in the economy, competition has intensified. In this context, your Company recorded a growth in sales of 8 per cent to Rs. 1,176.88 crores and a 21 per cent increase in net profit to Rs. 62.50 crores (including profit of Rs. 5.5 crores on sale of real estate) for the year 2000-01. Your Company's overall sales and profit progression during 2000-01 can be considered satisfactory and in line with expectations.

Your Company was able to achieve satisfactory results for the year because of its management's clear strategic vision being in place. They focussed on following key strategic initiatives :

Driving Growth through well thought out initiatives, the Company has launched several consumer-driven innovative products.

Funding Growth is critical to the Company's ongoing success. By steadily improving supply chain initiatives and cutting costs, the Company has reinvested in further growth to generate a good return for shareholders both today and for tomorrow.

Becoming the Best Place to Work is fundamental to our philosophy. Colgate people are motivated, trained and developed every day. Creating this positive motivation enables Colgate people to perform at their best.

A series of steps has been taken towards these strategic initiatives during the year. Some of them are :

Driving Growth : Growth can be achieved through the launch of new products, product revitalization and other marketing and sales initiatives to drive sales and fuel growth. Some of the initiatives taken during the year include :

Colgate Dental Cream Revitalization : The Company contemporarised its flagship brand, Colgate Dental Cream, for "strong teeth". This enabled consumers to use their No.1 Toothpaste with renewed confidence.

Colgate Herbal Toothpaste : A herbal toothpaste with a combination of traditional Indian herbs and specially developed with Colgate's successful international technology to suit consumer preferences for natural ingredients was launched. This has been well received in the market.

Economy Toothpaste : Colgate-Cibaca Top Toothpaste was launched in the economy segment. This major initiative was taken with a view to expanding the market and accelerating the process of transitioning consumers to more advanced oral care products.

Colgate Zig Zag Toothbrush : A clinically proven superior cleaning toothbrush was launched to further strengthen the Company's market leadership in the toothbrush segment.

Colgate Navigator Toothbrush : A super premium toothbrush with a flexible head, the first of its kind in India, was launched. The head flexes in and out and allows the bristles to gently adjust to the contours of the teeth giving them a thorough and gentle clean.

Transparent Skin Care Soap : The Company launched its unique, ultra modern line of transparent Palmolive Naturals premium soap packed in a see-through wrapper - the first in India. This premium soap is enriched with essential oils, natural herbs and flowers and offers a mood-evoking bathing experience while nourishing and caring for the skin.

Mega Consumer Promotion : The Company came out with a mega promotion, "Colgate ke andar kya hai", which was one of the key drivers in strengthening the consumer bond with the Company's oral care and personal care brands.

Marketing and Sales Initiatives : A series of steps was taken by marketing and sales to strengthen the wholesale business and motivate stockists' sales force besides effectively using "360 degree" marketing techniques in certain markets to retain market leadership.

All these initiatives resulted in growing market share and market leadership in both toothpaste and toothpowder.

Funding Growth : Your Company generated a record cash flow of Rs. 118.09 crores in 2000-01, up 110 per cent from the last year. The excellent working capital management supplemented by supply chain initiatives and improved efficiencies helped fund a 10 per cent increase in advertising and growth-building activities.

Becoming the Best Place to Work : This is one of the three key strategic initiatives pursued by the management of your Company. We have outstanding people. We provide good opportunities for a global career, a motivating environment based on our values of managing with respect, a chance to share in our financial success through pay for performance and consistent support for personal growth through training. We believe these key elements will help us build leaders so critical for our business success.

The management of your Company is committed to pursue these strategic initiatives to drive and fund growth and to make Colgate the best place to work so as to generate a good return for shareholders today and beyond.

Responsibility Statement

The Directors 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 selected such accounting policies and 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 or Loss 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.

Dividend

Your Board has recommended a dividend of Rs. 8.25 per share, including a one-time special dividend of Rs. 4.75 per share out of undistributed profits of previous financial years, subject to the same being approved by shareholders at the forthcoming Annual General Meeting. If approved, the dividend will be payable on or about September 3, 2001 to those shareholders whose names are registered in the Register of Members of the Company as on August 29, 2001.

Information Technology

Your Company has continued to make investments in Information Technology. Financial systems have been enhanced to significantly improve speed and quality of information. Several IT initiatives have been taken to improve operational efficiency in supply chain, distribution and human resource management.

Your Company's website will be launched soon. The website will provide information on the Company, including corporate profile, quarterly financial results, press releases and other relevant information.

Your Company will continue to invest in IT to take full advantage of benefits in decision-making process, simplification of internal process and to establish a close link with its business partners so as to further improve operational efficiency.

Corporate Governance

A separate report on Corporate Governance along with 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. A long-term settlement was signed with the Aurangabad Factory Union on June 26, 2001. The agreement is effective December 1, 2000 and is valid for a period of three and a half years.

Information as per Section 217(2A) of the Companies Act, 1956 ('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 of 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 Deputy Company Secretary at the Registered Office of the Company.

Trade Relations

The Company continued to receive unstinted support and co-operation from its retailers, stockists, suppliers of goods/services, clearing and forwarding agents and all others associated with the Company. Your Board wishes to record its appreciation and your Company would 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 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

Under Article 124 of the Company's Articles of Association, Mr. R. A. Shah and Mr. P. K. Ghosh retire by rotation at the 60th Annual General Meeting and, being eligible, offer themselves for re-appointment.

Auditors

Messrs. Arthur Andersen & Associates, Chartered Accountants, retire and are eligible for re-appointment as Auditors.

Acknowledgements

The Directors sincerely appreciate the high degree of professionalism, enthusiasm and hard work displayed by all employees during the year. The Directors also place on record their gratitude to the Members for their continued support.

On behalf of the Board

Mumbai, July 18, 2001

Managing Director
Director

D. Samuel
J. K. Setna

Corporate Governance Report

The Board of Directors of the Company supports the broad principles of Corporate Governance. Your Company has been practising the principles of good Corporate Governance over the years. Given below is a report on Corporate Governance :

1. Company's Philosophy on Code of Governance

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. All employees are guided by a Code of Conduct which sets forth Company's policies on important issues, including our relationship with consumers, shareholders and Government.

2. Composition of Board

The Board of Directors has a mix of Executive and Non-executive Directors. The Board comprises of four Whole-time Directors - the Managing Director and three Executive Directors, and five Non-executive Directors including the Chairman of the Board. Three of the five Non-executive Directors are independent Directors. Accordingly, the composition of the Board is in conformity with the listing agreement.

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

The composition of the Board and other relevant details relating to Directors are given below :

<u>Name of Director</u>	<u>Category</u>	<u>No. of other Directorships</u>	<u>No. of memberships of Board Committees</u>	<u>No. of Board Committees of which the Director is a Chairperson</u>
Mr. S. Peter Dam	Non-executive	16	–	–
Mr. R. A. Shah	Non-executive	35 *	10	4
Mr. P. K. Ghosh	Non-executive	–	2	1
Mr. D. Samuel	Executive	1	1	–
Mr. M. A. Elias	Executive	1	–	–
Mr. K. V. Vaidyanathan	Executive	4	1	–
Mr. V. Kaushik	Executive	–	1	–
Mr. J. K. Setna	Non-executive	14 *	9	1
Mr. T. C. T. Hsu	Non-executive	13	–	–

* including Private Limited Companies.

Attendance of each Director at Board Meetings and last Annual General Meeting :

During the year 2000-01, eight Board Meetings were held on April 28, May 30, June 15, July 31, August 10, October 21, October 24, 2000 and January 24, 2001. The last Annual General Meeting of the Company was held on August 10, 2000.

<u>Name of the Director</u>	<u>No. of Board Meetings attended</u>	<u>Attendance at last AGM</u>
Mr. S. Peter Dam	2	Present
Mr. R. A. Shah	6	Present
Mr. P. K. Ghosh	5	Absent
Mr. D. Samuel	7	Present
Mr. M. A. Elias	7	Present
Mr. K. V. Vaidyanathan	8	Present
Mr. V. Kaushik	5	Present
Mr. J. K. Setna	6	Absent
Mr. T. C. T. Hsu	1	Absent

3. Audit Committee

An Audit Committee was constituted in April, 2000 which consists of three independent Non-executive Directors. The Members of the Committee are well versed in finance matters, accounts, company law and general business practices.

The composition of the Audit Committee is as under :

- A) Mr. R. A. Shah, Chairperson
- B) Mr. P. K. Ghosh
- C) Mr. J. K. Setna

The terms of reference of the Audit Committee include :

- a) To review financial statements and pre-publication announcements before submission to the Board.
- b) To ensure compliance of internal control systems and action taken on internal audit reports.
- c) To apprise the Board on the impact of accounting policies, auditing standards and legislation.
- d) To hold periodical discussions with statutory auditors on the scope and content of the audit.
- e) To review the Company's financial and risk management policies.

During the financial year 2000-01, three Audit Committee Meetings were held on July 22, November 25, 2000 and March 21, 2001. All the members of the Committee attended the meetings except Mr. P. K. Ghosh who could not attend the last Audit Committee Meeting.

4. Remuneration of Directors

The Company has no pecuniary relationship or transaction with its non-executive directors other than payment of sitting fees to them for attending Board and Committee meetings. The Company pays fees for professional services rendered by a firm of Solicitors and Advocates of which a non-executive director is a partner.

The remuneration policy is directed towards rewarding performance. It is aimed at attracting and retaining high calibre talent. The Company does have an incentive plan which is linked to performance and achievement of the Company's objectives. The Company has no stock option scheme. The Company has not constituted a Remuneration Committee.

Details of remuneration paid to Directors of the Company during the year ended March 31, 2001 are given below :

	Rs. Lacs
a) Salary	1,26.76
b) Benefits including bonus	27.46
c) Performance Linked Incentive/Commission	80.81
d) Sitting fees to non-executive Directors	2.91
Total	<u>2,37.94</u>

5. Shareholders'/Investors' Grievance Committee

The Board constituted a Shareholders'/Investors' Grievance Committee in April, 2000. This consists of five Directors. Mr. P. K. Ghosh, Deputy Chairman and a Non-executive Director heads this Committee. The Committee meets at frequent intervals to consider, inter alia, share transfers, shareholders' complaints, etc.

Mr. K.V. Vaidyanathan, Company Secretary and Whole-time Director, has been designated as Compliance Officer.

During the year 2000-01, 18 complaints were received from shareholders/investors. All complaints have generally been solved to the satisfaction of the complainants except for dispute cases and sub-judice matters, which would be solved on final disposal by the Courts.

All valid share transfers received during the year 2000-01 have been acted upon by the Company and the number of pending share transfers as on March 31, 2001 were 344. These have since been acted upon.

6. General Body Meetings

Location and time where last three Annual General Meetings were held are given below :

<u>Financial Year</u>	<u>Date</u>	<u>Location of the Meeting</u>	<u>Time</u>
1997-98	Sept. 16, 1998	Birla Matushri Sabhagar, Marine Lines, Mumbai	3.30 p.m.
1998-99	Sept. 23, 1999	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.
1999-00	Aug. 10, 2000	Shri Bhaidas Maganlal Sabhagriha, Mumbai	3.30 p.m.

No special resolution was put through postal ballot at the last Annual General Meeting.

7. Disclosures

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

The Company did not have any related party transactions which may have potential conflict with the interests of Company at large.

- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.

8. Means of Communication

- a) The Company does not send its half-yearly report to each household of shareholders. The half-yearly results are published in newspapers. This will also be put on the Company's website.
- b) The quarterly, half-yearly and full year results are published in Free Press Journal and Navshakti.
- c) These results together with the Company's official statement will also be put on the Company's website.
- d) Presentations are also made from time to time to analysts and institutional investors.

9. Management Discussion and Analysis Report

(within the limits set by the Company's competitive position)

The Company is engaged in oral care and personal care business. Substantial revenue comes from oral care business. Like other fast-moving consumer goods, the growth of toothpaste and toothpowder market almost remained flat during the year. About half of the population does not have access to modern dental care. The per capita consumption of toothpaste is about 80 gms., one of the lowest in the world. Further, there is a critically low dentist population ratio (1:35000) which results in low oral hygiene consciousness and widespread dental and periodontal diseases. This provides good opportunity to expand the market and encourage people to use modern dentifrices to improve oral hygiene. With a view to achieving this objective, the Company launched Colgate-Cibaca Top Toothpaste in the economy-segment during the year. The Company has also taken a series of steps jointly with the Indian Dental Association to educate people on the importance of oral hygiene.

Though the Company initiated several actions to expand the market and to educate people on the importance of oral hygiene, we seek Government's support to exempt both toothpaste and toothbrush from excise duty as was done in the case of toothpowder. Being a mass consumption hygiene product, we hope the Government will also dereserve these products so that the same can be produced in large scale by employing latest technology and making the same available to consumers at an affordable price.

The outlook for the industry is positive given the size of the opportunity. We are hopeful that through the combination of market development and expansion activity, there will be healthy market growth over the next few years.

The Company has good internal control systems, the adequacy of which has been reported by its auditors in their report as required under the Manufacturing & Other Companies (Auditor's Report) Order, 1988. The discussion on financial performance of the Company is covered in the Directors' Report. The segment-wise performance is available in Schedule 17 to the Audited Accounts of the Company. There has been no material development on the Human Resource/Industrial Relations front during the year. The number of people employed as on March 31, 2001 was 1259.

10. General Shareholder Information

Annual General Meeting

Date and Time	:	August 29, 2001 at 3.30 p.m.
Venue	:	Shri Bhaidas Maganlal Sabhagriha Swami Bhaktivedanta Marg, (U-1, Juhu Development Scheme) Vile Parle (West), Mumbai 400 056

Financial Calendar

The Company follows April-March as its financial year. The results for every quarter beginning from April is declared in the month following the quarter except for the last quarter, for which the results were declared in June, 2001 as permitted under the listing agreement.

Date of Book Closure

August 9, 2001 to August 29, 2001 [both days inclusive]

Dividend Payment Date

On or about September 3, 2001



Listing on Stock Exchanges

The Company's shares are listed on the Mumbai Stock Exchange.

Stock Code

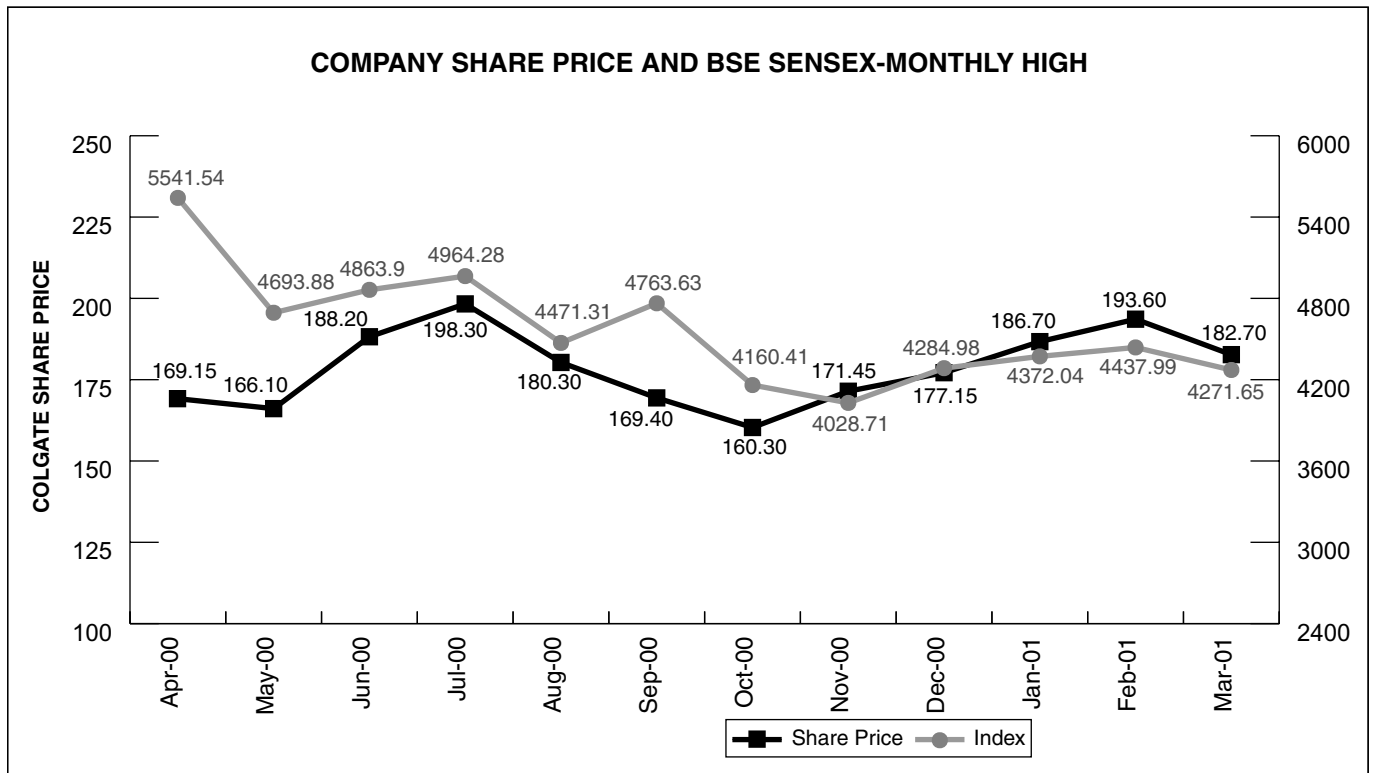
The Stock Exchange, Mumbai (physical) - Code : 830
 The Stock Exchange, Mumbai (demat) - Code : 244

Market Price Data

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

Month	Mumbai Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2000	169.15	142.20	178.00	142.00
May, 2000	166.10	136.25	176.60	135.00
June, 2000	188.20	161.00	192.00	157.00
July, 2000	198.30	178.90	200.80	171.50
August, 2000	180.30	161.70	192.00	157.00
September, 2000	169.40	154.65	174.90	150.25
October, 2000	160.30	146.40	161.80	143.00
November, 2000	171.45	150.25	173.90	148.00
December, 2000	177.15	161.10	184.80	160.00
January, 2001	186.70	168.45	189.50	165.00
February, 2001	193.60	178.50	195.00	175.00
March, 2001	182.70	154.50	190.00	154.00

Performance in comparison to BSE Sensex



Registrar and Share Transfer Agents

Sharepro Services
 912, Raheja Centre
 Free Press Journal Marg
 Nariman Point, Mumbai 400 021
 Tele : 022-282 8043
 Fax : 022-282 5484

Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. The Board Committee attends to share transfer formalities now at least once in 15 days.

Shares held in the dematerialised form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants etc.

Physical shares received for dematerialisation are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

Distribution of Shareholding (as at March 31, 2001)

<u>Category</u>	<u>Number of shares</u>	<u>%</u>
Foreign Collaborators	69356336	51.00
Resident Individuals	51646417	37.98
Foreign Institutional Investors	3837684	2.82
NRI/OCBs	272910	0.20
Domestic Companies	1681930	1.24
Non-domestic Companies	57980	0.04
Banks and Mutual Funds	2340231	1.72
Financial Institutions	6799329	5.00
Total	135992817	100.00

Dematerialisation of shares and liquidity

About 29.65% of the shares have been dematerialised as on March 31, 2001. The equity shares of the Company are very actively traded in the Stock Exchange, Mumbai and the National Stock Exchange.

The equity shares of the Company are permitted to be traded only in dematerialised form with effect from April 5, 1999.

Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as at end March, 2001.

Plant Locations

The Company's plants are located at :

Mumbai :

Sewri Fort Road

Mumbai - 400 015

Aurangabad :

Plot No. B 14/10 MIDC

Waluj Industrial Area

Aurangabad 431 131

Address for investor correspondence

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

Sharepro Services

912, Raheja Centre

Free Press Journal Marg

Nariman Point, Mumbai 400 021

Tele : 022-282 8043

Fax : 022-282 5484

Auditors' Report on Corporate Governance - March 31, 2001

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

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Colgate-Palmolive (India) Limited ('the Company'), for the year ended March 31, 2001, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner described in the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Arthur Andersen & Associates
Chartered Accountants

Farokh T. Balsara
Partner

Mumbai, July 18, 2001

Information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.
A. Conservation of Energy :

The Company continues its endeavour to improve energy conservation and utilisation.

B. Technology Absorption, Research & Development (R&D) :

1. Specific areas in which R&D carried out by the Company :

- Development of new products to expand market and increase consumption.
- All aspects of supply chain to reduce the cost of materials and to effect import substitution.
- Quality improvements
- Claim substantiation

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

New consumer preferred products to drive growth and continuous product optimisation for funding growth with an absolute focus on quality.

3. Future plan of action :

The Company continues to focus on developing high quality products to drive growth and a relentless focus on reducing cost to fund growth.

4. Expenditure on R&D :

	2000-01 (Rs. Lacs)
(a) Capital	33.16
(b) Recurring	4,09.75
(c) Total	4,42.91
(d) Total R&D expenditure as a percentage of total turnover	0.4

Technology absorption, adaptation and innovation :

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

The Company has developed sachet and nozzle capability at its Sewri Plant in Mumbai.

2. Benefits derived as a result of the above efforts :

Introduction of the new product to expand market size and consumption.

3. Imported Technology :

The Company has entered into a Technical Know-how Agreement with Colgate-Palmolive Company, U.S.A., in July, 2000 for use of their technology and upgradation thereof for manufacture of toilet soap. The technology licensed to the Company is being absorbed and adapted to the demands of the local market.

C. Foreign Exchange Earnings and Outgo :

During the year, the Company was able to generate export earnings of Rs. 14,61.38 lacs. The particulars of foreign exchange earned/utilised during the year are given in Schedule 17 to the Accounts.

Auditors' Report to the Shareholders

We have examined the accompanying Balance Sheet of COLGATE-PALMOLIVE (INDIA) LIMITED at March 31, 2001 and the related statement of Profit and Loss Account and cash flows for the year then ended. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our examination.

In our opinion, the accompanying financial statements referred to above give a true and fair view of the state of affairs of COLGATE-PALMOLIVE (INDIA) LIMITED at March 31, 2001 and of its profit and cash flows for the year then ended, and have been prepared in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 ('the Act'). The Balance Sheet and the related statement of Profit and Loss are in agreement with the books of account and are presented in the manner required by the Act. Further, in our opinion, the Company has maintained proper books of account as required by law insofar as appears from our examination of those books.

On the basis of information and explanations given to us, and representations obtained by the Company, there are no Directors of the Company who, as at March 31, 2001, are disqualified under Section 274(1)(g) of the Act, from being appointed as Directors.

We have also examined the matters specified in paragraphs 4 and 5 of the Manufacturing and Other Companies (Auditor's Report) Order, 1988 for the year ended March 31, 2001 as they relate to the Company. Our report thereon is annexed.

Arthur Andersen & Associates
Chartered Accountants

Farokh T. Balsara
Partner

Mumbai, July 18, 2001

Annexure to Auditors' Report

1. The Company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets. The Company has a policy of verifying its fixed assets over a period of 3 years, which in our opinion, is reasonable in relation to the size of the Company and the nature of its business. Further, we are informed that no material discrepancies were noted during such verification.
2. The fixed assets of the Company have not been revalued during the year.
3. The inventories of finished goods, raw and packing materials, stores and spare parts (excluding goods-in-transit) of the Company have been physically verified by management during the year. In our opinion, the frequency of verification is reasonable.
4. In our opinion, the procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies between the physical and book inventories were not material and the same have been properly dealt with in the books of account.
6. In our opinion, the valuation of inventories is fair and proper, in accordance with generally accepted accounting principles and is on a basis consistent with the prior year.
7. We are informed that the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Act and/or from companies under the same management as defined under Section 370(1B) of the Act.
8. The Company has granted unsecured loans to a company listed in register maintained under Section 301 of the Act and to a company under the same management as defined under Section 370(1B) of the Act. In our opinion, the rates of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.

9. Loans or advances in the nature of loans have been given to employees and other parties, who are repaying the principal and interest amounts as stipulated except in case of an interest-free loan given to a subsidiary for which, no repayment terms have been stipulated.
10. In our opinion, the internal control procedures of the Company relating to purchase of stores, raw materials, plant and machinery, equipment and other similar assets, and for the sale of goods, are adequate and commensurate with the size of the Company and the nature of its business.
11. In our opinion and, according to the explanations given to us, the transactions for purchase of goods and materials, and sale of goods, materials and services made in pursuance of contracts or arrangements listed in the register maintained under Section 301 of the Act, and aggregating during the year to Rs. 50,000 or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials and services or prices at which transaction for similar goods, materials or services have been made with other parties.
12. We are informed that the Company has a reasonable system to determine unserviceable or damaged stores, raw materials and finished goods. In our opinion, adequate provision has been made in the books of account for the loss arising on account of unserviceable or damaged stores, raw materials and finished goods.
13. The Company has not accepted any deposits from the public to which the provisions of Section 58A of the Act and the rules framed thereunder apply.
14. In our opinion, based on the information and explanations provided to us by the Company, reasonable records have been maintained for sale and disposal of scrap. We are informed that the Company does not have any realisable by-products.
15. In our opinion, the Company's internal audit system is commensurate with its size and nature of its business, but its coverage needs to be enhanced.
16. We have broadly reviewed the books of account maintained by the Company in respect of the products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under Section 209(1)(d) of the Act. In our opinion, based on the information and explanations given to us, the prescribed accounts and records have been made and maintained by the Company. However, we have not made a detailed examination of the cost records to determine whether they are accurate or complete.
17. On the basis of our examination of the books of account, during the year, the Company has been regular in depositing the Provident Fund and Employees' State Insurance dues with the appropriate authorities.
18. According to the records of the Company, there were no amounts due at March 31, 2001 in respect of undisputed income-tax, wealth-tax, sales-tax, customs duty and excise duty which were outstanding for a period of more than six months from the date they became payable.
19. On the basis of our examination of the books of account, and according to the information and explanations given to us, no personal expenses have been charged to the Profit and Loss Account for the year ended March 31, 2001.
20. The Company is not a sick industrial company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. We are informed that the Company has a reasonable system of determining damaged goods in respect of its trading activities. In our opinion, adequate provision has been made in the books of account for the loss arising in respect of such items.

Arthur Andersen & Associates
Chartered Accountants

Farokh T. Balsara
Partner

Mumbai, July 18, 2001

Balance Sheet as at March 31, 2001

	Schedule	Rs. Lacs	Rs. Lacs	As at March 31, 2000 Rs. Lacs
Sources of Funds				
Shareholders' Funds				
Share Capital	1	135,99.28		135,99.28
Reserves and Surplus	2	103,12.00		164,25.50
			239,11.28	300,24.78
Loan Funds				
Unsecured Loans	3		13,05.00	6,72.28
Total			252,16.28	306,97.06
Application of Funds				
Fixed Assets				
Gross Block	4	305,52.43		305,87.25
Less : Depreciation/Amortisation		110,26.90		98,01.06
Net Block		195,25.53		207,86.19
Capital Work-in-Progress and Advances		5,57.76		7,71.91
			200,83.29	215,58.10
Investments	5		55,08.46	11,08.45
Current Assets, Loans and Advances				
Interest Accrued		4,36.04		2,90.50
Inventories	6	86,44.10		74,31.68
Sundry Debtors	7	45,25.71		43,65.23
Cash and Bank Balances	8	75,05.63		76,63.20
Loans and Advances	9	153,77.20		116,20.83
		364,88.68		313,71.44
<i>Less :</i>				
Current Liabilities and Provisions				
Liabilities	10	202,20.86		144,74.17
Provisions	11	166,43.29		88,66.76
		368,64.15		233,40.93
Net Current Assets			(3,75.47)	80,30.51
Total			252,16.28	306,97.06

The accompanying Schedules (1 to 17) and Accounting Policies form an integral part of the financial statements.

For Arthur Andersen & Associates
Chartered Accountants

Farokh T. Balsara
Partner

Mumbai, July 18, 2001

Managing Director
Director

Whole-time Director
Whole-time Director
Whole-time Director &
Company Secretary

D. Samuel
J. K. Setna
M. A. Elias
V. Kaushik
K. V. Vaidyanathan

Profit and Loss Account for the year ended March 31, 2001

	Schedule	Rs. Lacs	Rs. Lacs	Previous Year Rs. Lacs
Income				
Sales		1,176,88.26		1,089,57.59
Other Income	12	<u>29,51.41</u>		<u>22,89.18</u>
			1,206,39.67	1,112,46.77
Expenditure				
Cost of Goods Sold	13	644,25.78		609,90.01
Employee Costs	14	53,94.49		46,05.85
Excise Duty		54,23.24		47,52.04
Other Expenses	15	327,94.18		299,02.05
Depreciation/Amortisation		<u>20,21.69</u>		<u>20,06.66</u>
			1,100,59.38	1,022,56.61
Profit before Taxation				
			105,80.29	89,90.16
Current Year Taxation		43,99.44		37,17.03
Deferred Tax		<u>(69.44)</u>		<u>94.05</u>
			43,30.00	38,11.08
Profit after Taxation				
			62,50.29	51,79.08
Balance Brought Forward			69,34.07	<u>68,01.89</u>
Profit Available for Appropriation				
			131,84.36	<u>119,80.97</u>
Appropriation :				
Interim Dividend – Proposed			—	40,79.78
Proposed Dividend (incl. one-time special)			112,19.41	—
Dividend Tax			11,44.38	4,48.78
Transfer to General Reserve			6,25.03	5,18.34
Balance Carried Forward			1,95.54	<u>69,34.07</u>
			131,84.36	<u>119,80.97</u>

The accompanying Schedules (1 to 17) and Accounting Policies form an integral part of the financial statements.

For Arthur Andersen & Associates
Chartered Accountants

Farokh T. Balsara
Partner

Mumbai, July 18, 2001

Managing Director
Director

Whole-time Director

Whole-time Director

Whole-time Director &
Company Secretary

D. Samuel

J. K. Setna

M. A. Elias

V. Kaushik

K. V. Vaidyanathan

Cash Flow Statement for the year ended March 31, 2001

	2000-01 Rs. Lacs	Previous Year Rs. Lacs
Cash Flow from Operating Activities:		
Net Profit before Tax	105,80.29	89,90.16
Adjustments for :		
Foreign exchange gain	(81.98)	(0.54)
Depreciation and Amortisation	20,21.69	20,06.66
Interest expense	28.26	21.16
Deferred revenue expenses	-	3,14.50
(Gain)/Loss on retirement of fixed assets (Net)	(3,44.18)	1,64.42
Dividend income	(3,87.81)	-
Interest income	(10,90.84)	(8,52.50)
Operating Profit before Working Capital Changes	107,25.43	106,43.86
Adjustments for :		
Inventories	(12,12.42)	4,82.60
Sundry Debtors	(1,60.48)	8,22.28
Interest Accrued	-	(2,03.88)
Loans and Advances	11,16.76	5,43.49
Current Liabilities and Provisions	57,58.83	(32,62.16)
Cash Generated from Operations	162,28.12	90,26.19
Income taxes paid	(44,18.77)	(34,02.34)
Net Cash from Operating Activities	118,09.35	56,23.85
Cash Flow from Investing Activities :		
Purchase of fixed assets	(13,92.78)	(13,54.32)
Sale of fixed assets	11,90.08	2,41.65
Purchase of investments	(44,00.01)	-
Inter-Corporate deposits	(50,70.00)	(1,75.00)
Sale of Commercial Papers of Corporations	1,96.87	3,00.34
Interest Received	9,45.30	8,49.86
Dividend Income	3,87.81	-
Net Cash used in Investing Activities	(81,42.73)	(1,37.47)
Cash Flow from Financing Activities :		
Dividend paid	(40,61.98)	(40,39.09)
Dividend tax paid	(4,48.78)	(4,48.78)
Proceeds from long term loans	6,32.72	1,59.84
Interest paid	(28.13)	(21.16)
Net Cash used in Financing Activities	(39,06.17)	(43,49.19)
Net Increase in Cash & Cash Equivalents	(2,39.55)	11,37.19
Cash & Cash Equivalents, beginning of the year	76,63.20	65,25.47
	74,23.65	76,62.66
Foreign exchange gain	81.98	0.54
Cash & Cash Equivalents, end of the year	75,05.63	76,63.20

The accompanying Schedules (1 to 17) and Accounting Policies form an integral part of the financial statements.

For Arthur Andersen & Associates
Chartered Accountants

Farokh T. Balsara
Partner

Mumbai, July 18, 2001

Managing Director
Director

Whole-time Director
Whole-time Director
Whole-time Director &
Company Secretary

D. Samuel
J. K. Setna

M. A. Elias
V. Kaushik

K. V. Vaidyanathan

Summary of Significant Accounting Policies

The financial statements are prepared under the historical cost convention, on accrual basis of accounting, and in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and referred to in Section 211(3C) of the Companies Act, 1956. The significant accounting policies are as follows :

Revenue Recognition

Sales are recognised on despatch to customers and are recorded net of trade discounts, rebates and sales taxes, but including excise duty.

Fixed Assets

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

Depreciation and Amortisation

Depreciation is provided, pro-rata to the period of use, on straight-line method, at the higher of the rates, based on estimated useful lives of the assets or those stipulated in Schedule XIV to the Companies Act, 1956 as follows :

Buildings	1.63%	Dies and Moulds	33.33%
Factory Building	3.34%	Furniture & Office Equipment	6.67%
Plant and Machinery		Computers	20.00%
– Single shift	4.75%	Vehicles	20.00%
– Triple shift	10.34%		

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

Leasehold land is amortised over the period of lease. Goodwill and Trademarks are amortised over a period of 40 years. Copyrights and Design are amortised over a period of 14 years. Technical Know-how is amortised over a period of 21 years.

Investments

Long term investments are valued at cost. Current investments are valued at lower of cost or fair value as on the date of the Balance Sheet. The Company provides for diminution in value of investments, other than temporary in nature, in the financial statements.

Deferred Revenue Expenditure

Deferred revenue expenditure is written off on a straight-line basis over a period of five years.

Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined using standard cost method that approximates actual cost. The Company accrues for Customs Duty liability in respect of stocks of raw material lying in bond.

Research and Development

Revenue expenditure on research and development is charged to the Profit and Loss Account in the year in which it is incurred. Capital expenditure on research and development is reflected as additions to Fixed Assets.

Retirement Benefits

Retirement benefits to employees comprise payments to gratuity fund, provident fund and superannuation fund. Annual contributions to the provident and superannuation funds are charged to the Profit and Loss Account as incurred. Liabilities in respect of gratuity and leave encashment are provided for on the basis of an independent actuarial valuation.

Foreign Currency Transactions

Foreign currency transactions are accounted at exchange rates prevailing on the date of the transaction. All foreign currency assets and liabilities, if any, as at the Balance Sheet date are restated at the applicable exchange rates prevailing at that date. All exchange differences are dealt with in the Profit and Loss Account, except those relating to acquisition of fixed assets, which are adjusted in the cost of the assets.

Taxation

Provision for taxes is made based on the current applicable tax rates. The Company provides for deferred tax using the liability method, based on the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current income tax provision.

Schedules to the Accounts

	Rs. Lacs	As at March 31, 2001 Rs. Lacs	As at March 31, 2000 Rs. Lacs
Schedule 1 : Share Capital			
Authorised			
13,70,00,000 Equity Shares of Rs.10 each		<u>137,00.00</u>	<u>137,00.00</u>
Issued, Subscribed and Paid-up			
13,59,92,817 Equity Shares of Rs. 10 each fully paid		<u>135,99.28</u>	<u>135,99.28</u>
Of the above:			
(i) 6,93,56,336 Shares are held by Colgate-Palmolive Company, U.S.A., the Holding Company.			
(ii) 11,18,85,735 Shares of Rs.10 each were allotted as fully paid Bonus Shares by capitalisation of General Reserves and Share Premium.			
Schedule 2 : Reserves and Surplus			
Capital Reserve			
Consideration for vacating rented godown	6.50		6.50
Special Capital Incentive from State Government	<u>20.00</u>		<u>20.00</u>
		26.50	26.50
Share Premium Account		12,79.93	12,79.93
General Reserve			
Balance, beginning of the year	81,85.00		76,66.66
Add : Transfer from Profit and Loss Account	<u>6,25.03</u>		<u>5,18.34</u>
		88,10.03	81,85.00
Profit and Loss Account Balance		1,95.54	69,34.07
		<u>103,12.00</u>	<u>164,25.50</u>
Schedule 3 : Unsecured Loans			
Loans		6,12.15	85.00
Sales Tax Deferral		6,92.85	5,87.28
		<u>13,05.00</u>	<u>6,72.28</u>

Schedule 4 : Fixed Assets

	Gross Block				Depreciation/Amortisation		Net Block	
	As at March 31, 2000	Additions/ Transfers	Deductions/ Transfers	As at March 31, 2001	For the Year	As at March 31, 2001	As at March 31, 2001	As at March 31, 2000
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Goodwill & Trademarks	27,29.81	–	–	27,29.81	68.25	4,43.59	22,86.22	23,54.46
Copyrights & Design	13,52.90	–	–	13,52.90	96.64	6,28.13	7,24.77	8,21.40
Technical know-how	49,83.70	–	–	49,83.70	2,37.32	15,42.57	34,41.13	36,78.45
Land- Leasehold	86.08	–	–	86.08	0.91	9.38	76.70	77.61
Buildings	69,72.08	15.17	69.81	69,17.44	1,33.12	6,55.91	62,61.53	64,30.59
Plant & Machinery	106,97.21	13,66.41	10,45.55	110,18.07	10,77.61	63,57.01	46,61.06	48,44.08
Furniture & Equipment	34,57.40	2,25.19	4,80.04	32,02.55	3,43.81	12,33.32	19,69.23	24,02.71
Vehicles	3,08.07	0.16	46.35	2,61.88	64.03	1,56.99	1,04.89	1,76.89
Total	305,87.25	16,06.93	16,41.75	305,52.43	20,21.69	110,26.90	195,25.53	
Total Previous Year	305,14.19	11,57.80	10,84.74	305,87.25	20,06.66	98,01.06		207,86.19
Capital Work-in-Progress and Advances							5,57.76	7,71.91
Total							200,83.29	215,58.10

- Notes :**
- (i) "Land - Leasehold" comprises of lease rights in respect of the land at Waluj and Aurangabad in the possession of the Company under Lease/Agreements to Lease with the Maharashtra Industrial Development Corporation and City & Industrial Development Corporation of Maharashtra Limited respectively.
- (ii) "Buildings" comprise of : (a) Cost of Premises, including shares and loan stock bonds in a Co-operative Society, (b) Factory Building at Sewri and leasehold rights in the land on which the building stands. While the ownership of the factory building is in the name of the Company, Mumbai Port Trust (MPT) has not yet effected in favour of the Company, formal transfer of lease rights in the said land. As regards the plot of land adjoining the factory building, MPT has revoked its offer of assignment. The Company has made a representation to MPT in this respect and the matter is pending. The amount of stamp duty and legal costs for such transfer will be capitalised when paid, (c) Factory buildings at Waluj, (d) a residential building at Aurangabad and (e) Research Centre at Powai, Mumbai.

As at March 31, 2001 Rs. Lacs	As at March 31, 2000 Rs. Lacs
--	--

Schedule 5 : Investments (Unquoted, unless otherwise stated)
A. In Government Securities - Short Term

11.55% Government of India Stock of the face value of Rs. 500 lacs (Previous Year : Nil)	5,04.35	—
10.85% Government of India Stock of the face value of Rs. 500 lacs (Previous Year : Nil)	5,02.73	—
12.08% Government of India Stock of the face value of Rs. 500 lacs (Previous Year : Nil)	5,05.50	—
Treasury Bills of the face value of Rs. 1,000 lacs (Previous Year : Nil)	9,44.25	—
	24,56.83	—

	As at March 31, 2001 Rs. Lacs	As at March 31, 2000 Rs. Lacs
B. In Subsidiary Companies at Cost - Long Term		
4,50,000 (Previous Year : 4,50,000) Equity Shares of Rs. 10 each fully paid in Camelot Investments Company Limited	45.00	45.00
3,500 (Previous Year : 3,500) Equity Shares of Rs. 10 each fully paid in Multimint Leasing & Finance Limited	0.35	0.35
3,020 (Previous Year : 3,020) Equity Shares of Rs. 10 each fully paid in Jigs Investments Limited	0.30	0.30
302 (Previous Year : 302) Equity Shares of Rs. 100 each fully paid in Passion Trading & Investment Company Limited	0.30	0.30
17,00,000 (Previous Year : 17,00,000) Equity Shares of Nepalese Rs. 100 each fully paid in Colgate-Palmolive (Nepal) Private Limited	10,62.50	10,62.50
	<u>11,08.45</u>	<u>11,08.45</u>
C. Other Investments at Cost - Long Term		
9% (Tax-Free) Secured, Redeemable, Non-Convertible Bonds of Indian Railway Finance Corporation Ltd. [Railway Bonds - Sixth 'B' Series] of the face value of Rs. 300 lacs (Previous Year : Nil)	3,00.95	—
8.75% (Tax-Free) Secured, Redeemable, Non-Cumulative, Non-Convertible Bonds of Konkan Railway Corporation Ltd. [5A Series] of the face value of Rs. 500 lacs (listed but not quoted) (Previous Year : Nil)	5,00.00	—
Deep Discount, Secured, Rated, Taxable, Redeemable, Non-Convertible Debentures of GE Capital Services India [Debentures Series G-5] of face value of Rs. 1,300 lacs (listed but not quoted) (Previous Year : Nil)	11,42.23	—
	<u>19,43.18</u>	—
Total	<u>55,08.46</u>	<u>11,08.45</u>
Aggregate book value of Investments :		
Unquoted	38,66.23	11,08.45
Listed but not quoted	16,42.23	—
Schedule 6 : Inventories (At lower of cost or net realisable value)		
Stores and Spares	2,33.06	2,27.73
Raw and Packing Materials	15,65.07	19,71.86
Work-in-Process	1,66.75	2,66.10
Finished Goods	66,79.22	49,65.99
	<u>86,44.10</u>	<u>74,31.68</u>
Schedule 7 : Sundry Debtors		
Unsecured : Considered good		
Over Six Months	5,75.78	2,72.83
Others	39,49.93	40,92.40
	<u>45,25.71</u>	<u>43,65.23</u>

	As at March 31, 2001 Rs. Lacs	As at March 31, 2000 Rs. Lacs
Schedule 8 : Cash and Bank Balances		
Cash on hand	12.81	6.15
Balances with Scheduled Banks		
On Current Accounts	50,99.39	46,67.98
On Deposit Accounts	22,05.02	28,18.46
On Unpaid Dividend Accounts	1,88.41	1,70.61
	<u>75,05.63</u>	<u>76,63.20</u>
Schedule 9 : Loans and Advances		
Secured :		
Loans to Employees [include amounts due from an Officer of the Company Rs. 33.42 lacs ; (Previous Year : Rs. 34.86 lacs) – maximum amounts due during the year : Rs. 34.86 lacs (Previous Year : Rs. 2,28.30 lacs)]	2,58.11	2,75.39
Unsecured : Considered good		
Loans to Wholly-owned Subsidiaries	18,79.53	22,18.78
Inter-Corporate Deposits	91,70.00	41,00.00
Commercial Papers of Corporations	—	1,96.87
Advances recoverable in cash or in kind or for value to be received [include amount due from a subsidiary : Rs. 56.78 lacs (Previous Year : Rs. 9,50.00 lacs)]	17,50.07	24,83.40
Balances with Customs, Excise, etc.	1,52.77	1,05.28
Deposits – Others	21,66.72	22,41.11
	<u>153,77.20</u>	<u>116,20.83</u>
Schedule 10 : Liabilities		
Sundry Creditors [Schedule 17 (10)]	200,32.32	143,03.56
[include amounts due to subsidiaries : Rs. 9.35 lacs (Previous Year : Rs. 3,05.50 lacs)]		
Unclaimed Dividends	1,88.41	1,70.61
Interest accrued but not due	0.13	—
	<u>202,20.86</u>	<u>144,74.17</u>

	Rs. Lacs	As at March 31, 2001 Rs. Lacs	As at March 31, 2000 Rs. Lacs
Schedule 11 : Provisions			
Taxation (net of advance payments)		25,38.15	25,57.48
Deferred Tax		13,27.78	13,97.22
Interim Dividend – Proposed		—	40,79.78
Proposed Dividend (incl. one-time special)		112,19.41	—
Dividend Tax		11,44.38	4,48.78
Others		4,13.57	3,83.50
		<u>166,43.29</u>	<u>88,66.76</u>
		2000-01 Rs. Lacs	Previous Year Rs. Lacs
Schedule 12 : Other Income			
Interest			
On Bank Deposits [TDS Rs. 30.70 lacs (Previous Year : Rs . 28.49 lacs)]		1,58.42	1,56.35
From Others [TDS Rs. 2,06.27 lacs (Previous Year : Rs.1,35.11 lacs)]		9,32.42	9,09.65
Cash Discount		86.97	2,32.75
Profit on sale of Assets (Net)		3,44.18	—
Income from wholly-owned subsidiary		3,87.81	—
Miscellaneous Income [TDS Rs. 0.79 lacs (Previous Year : Rs. 0.89 lacs)]		10,41.61	9,90.43
		<u>29,51.41</u>	<u>22,89.18</u>
Schedule 13 : Cost of Goods Sold			
Opening Stock			
Work-in-Process	2,66.10		3,13.73
Finished Goods	49,65.99		52,35.21
		<u>52,32.09</u>	55,48.94
Raw and Packing Materials Consumed			
Opening Stock	19,71.86		22,81.13
Add : Purchases	206,05.33		194,08.20
	<u>225,77.19</u>		216,89.33
Less : Closing Stock	15,65.07		19,71.86
	<u>210,12.12</u>		197,17.47
Less : Sale of Materials	22,23.46		23,90.13
		<u>187,88.66</u>	173,27.34
Purchased Finished Goods		240,20.75	228,76.28
Less : Closing Stock		472,51.00	433,45.82
Work-in-Process	1,66.75		2,66.10
Finished Goods	66,79.22		49,65.99
		<u>68,45.97</u>	52,32.09
		<u>644,25.78</u>	<u>609,90.01</u>

	Rs. Lacs	2000-01 Rs. Lacs	Previous Year Rs. Lacs
Schedule 14 : Employee Costs			
Salaries, Wages and Bonus		24,13.74	22,12.75
Contribution to Provident, Gratuity and other Funds		5,42.18	4,83.54
Staff Welfare Expenses		24,38.57	19,09.56
		<u>53,94.49</u>	<u>46,05.85</u>
Schedule 15 : Other Expenses			
Consumption of Stores and Spares		2,53.36	2,11.23
Processing Charges		2,11.22	3,70.35
Power and Fuel		6,57.99	6,04.69
Freight and Forwarding Charges		22,10.31	20,15.69
Rent		3,07.98	4,01.21
Rates and Taxes		61.27	41.46
Insurance		1,31.12	1,44.45
Interest [includes Rs. 28.26 lacs (Previous Year : Rs. 10.70 lacs) on long term loans]		28.26	21.16
Repairs			
Plant and Machinery	5,68.25		3,83.69
Buildings	31.31		41.40
Others	69.70		61.95
		<u>6,69.26</u>	<u>4,87.04</u>
Advertising		213,95.14	193,98.32
Directors' Fees		2.91	1.16
Payment to Auditors			
Audit Fees	20.00		20.00
Tax Audit Fees	3.00		3.00
Other Services	7.31		10.75
Service Tax	1.52		1.69
Out-of-Pocket Expenses	2.59		0.14
		<u>34.42</u>	<u>35.58</u>
Sales Taxes Absorbed		7,04.17	10,46.00
Royalty		2,67.26	2,04.22
Deferred Revenue Expenses		—	3,14.50
Bad Debts Written Off		1,54.59	1,09.64
Loss on Sale of Fixed Assets (Net)		—	1,64.42
Miscellaneous Expenses		57,04.92	43,30.93
		<u>327,94.18</u>	<u>299,02.05</u>

Schedule 16 : Contingencies & Commitments

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) **Rs. 77.62 lacs** (Previous Year : Rs. 1,87.37 lacs).
2. Contingent liabilities not provided for in respect of :
 - (i) Guarantees given by the Company **Rs. 10,84.06 lacs** (Previous Year : Rs. 17,69.06 lacs)
 - (ii) Counter Guarantees given to the Bankers **Rs. 1,34.86 lacs** (Previous Year : Rs. 71.68 lacs)
 - (iii) Cheques Discounted by Bankers **Rs.13,24.25 lacs** (Previous Year : Rs. 7,84.48 lacs)
 - (iv) Guarantees given for five expatriate executives in respect of their income-tax liabilities pending completion of assessments where the amounts are not ascertainable.

Schedule 17 : Supplementary Information

1. Details of Raw and Packing Materials consumed :

	Unit	2000-01		Previous Year	
		Quantity	Value Rs. Lacs	Quantity	Value Rs. Lacs
Chemicals	M.T.	26,000	83,33.00	25,034	76,40.90
Tubes and Containers	Gross	14,75,753	46,60.82	16,36,080	44,09.34
Oils	M.T.	7,126	47,43.00	7,805	51,54.88
Cartons	Gross	10,57,002	10,21.44	9,24,810	10,25.01
Caps	Gross	6,08,956	1,33.00	17,98,322	3,85.20
Others			21,20.86		11,02.14
Total			210,12.12		197,17.47

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

	2000-01		Previous Year	
	Value Rs. Lacs	% to Total Consumption	Value Rs. Lacs	% to Total Consumption
Raw and Packing Materials :				
Imported at landed cost	25,23.45	12	19,46.48	10
Indigenously obtained	184,88.67	88	177,70.99	90
Total	210,12.12	100	197,17.47	100
Stores and Spare Parts :				
Imported at landed cost	90.69	36	3.47	2
Indigenously obtained	1,62.67	64	2,07.76	98
Total	2,53.36	100	2,11.23	100

Schedule 17 : Supplementary Information (Contd.)

3. Value of imports calculated on C.I.F. basis :	2000-01	Previous Year
	Rs. Lacs	Rs. Lacs
Raw Materials	14,12.57	11,88.94
Finished Goods	79.40	64.64
Capital Goods	3,42.02	2,42.23
Spares	1,05.86	52.10
4. Expenditure in foreign currency (on cash basis) :		
Travelling	78.13	62.20
Royalty (Net of tax)	2,38.72	1,33.57
Others (Net)	7,63.27	13,72.49
5. Earnings in foreign currency :		
Exports at F.O.B. Value	14,61.38	12,99.05
Interest on EEFC Account	26.35	28.65
Others	81.43	95.72
6. Net Dividends remitted in foreign currency to one non-resident shareholder – Colgate-Palmolive Company, U.S.A. :		
	Nature of Dividend	No. of Equity Shares
<u>For</u>	<u>Nature of Dividend</u>	<u>No. of Equity Shares</u>
1998-99	Final	6,93,56,336
1999-00	Interim	6,93,56,336
		—
		20,80.69
		20,80.69
		20,80.69

7. Information for each class of goods manufactured :
(a) Licensed Capacity, Installed Capacity and Actual Production :

		Unit	Annual capacity on three-shift basis		Actual Production
			Licensed	Installed	
Cosmetics and Toilet Preparations	2000-01	M.T.	See Note (i) below	23,265	22,071
	1999-00	M.T.	"	23,265	22,433
Distilled Fatty Acid	2000-01	M.T.	24,000	24,000	5,374
	1999-00	M.T.	24,000	24,000	5,097
Toilet Soap	2000-01	M.T.	Not Applicable	20,000	8,515
	1999-00	M.T.	See Note (ii) below	"	20,000
Glycerine	2000-01	M.T.	Not Applicable	3,000	430
	1999-00	M.T.	See Note (ii) below	"	3,000
Toothbrushes and Shave Brushes	2000-01	Doz.	Not Applicable	Not Applicable	1,35,469
	1999-00	Doz.	See Note (iii) below	"	"
Dicalcium Phosphate	2000-01	M.T.	Not Applicable	4,000	3,102
	1999-00	M.T.	See Note (iv) below	"	4,000
	1999-00	M.T.	"	4,000	2,563

Schedule 17 : Supplementary Information (Contd.)

- Notes : (i) The industrial undertaking was established prior to the enactment of the Industries (Development & Regulation) Act, 1951 ("The Industries Act"). The Company, therefore, did not require any industrial license at the time of establishment of its undertaking, but required registration under the Industries Act which was obtained in 1954. In 1957, the Company was granted a license for substantial expansion for manufacture of toothpaste, face cream and snow, talcum and face powders, oils and shampoos and other requirements. In 1966, Government recognised Company's toothpaste mixing capacity as 1,550 tonnes per annum based on actual production at that time and advised the Company that its industrial undertaking was exempt from the provisions of the Industries Act. The Company applied for endorsement of its productive capacity on its Registration Certificate in pursuance of Government Notification dated July 5, 1975. In February 1979, Government endorsed annual productive capacity of 771 tonnes in respect of tooth powder and advised the Company that the productive capacities of other items shall be as specified in the industrial license granted in 1957. The installed capacity was last assessed by the Company in 1980 at 4,500 tonnes for tooth powder and 11,000 tonnes for toothpaste. The Company has filed a writ petition in the High Court for a declaration that it has not effected any unauthorised "substantial expansion" as contemplated in Section 13(1)(d) of the Industries Act. The petition has been admitted by the High Court which has passed an order restraining the Government (pending the hearing and final disposal of the petition) from adopting any proceeding against the Company for alleged contravention of the provisions of the Industries Act.
- (ii) Since the manufacture of toilet soap and glycerine are delicensed, the Company has obtained registrations from the Government of India for an annual capacity of 30,000 tonnes in respect of toilet soap and 3,000 tonnes in respect of glycerine. Distilled fatty acid and glycerine are used for captive consumption except to the extent sold.
- (iii) The bristling operations for toothbrushes and shave brushes are carried out under manufacturing arrangements with third parties.
- (iv) Dicalcium Phosphate, which is a delicensed item, is used for captive consumption, except to the extent sold.
- (v) The installed capacity as shown above has been certified by the Executive Vice-President (Manufacturing) and not verified by the Auditors, being a technical matter.

(b) Opening and Closing Stocks of Finished Goods :

	2000-01				Previous Year			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	Doz.	Rs. Lacs	Doz.	Rs. Lacs	Doz.	Rs. Lacs	Doz.	Rs. Lacs
Soaps, Cosmetics and Toilet Preparations	41,54,732	35,73.52	60,02,660	53,41.44	45,41,025	38,62.91	41,54,732	35,73.52
Toothbrushes and Shave Brushes	21,03,210	10,85.90	23,87,280	10,45.17	27,65,803	12,35.31	21,03,210	10,85.90
Others		3,06.57		2,92.61		1,36.99		3,06.57
Total		49,65.99		66,79.22		52,35.21		49,65.99

Schedule 17 : Supplementary Information (Contd.)
(c) Sale by Class of Goods :

	Unit	2000-01		Previous Year	
		Quantity	Value	Quantity	Value
			Rs. Lacs		Rs. Lacs
Soaps, Cosmetics and Toilet Preparations	Doz.	7,07,81,516	1,098,77.00	6,54,63,124	988,65.89
Toothbrushes and Shave Brushes	Doz.	96,64,010	76,16.00	1,38,26,067	94,09.86
Others			1,95.26		6,81.84
Total			1,176,88.26		1,089,57.59

(d) Purchase of Finished Goods :

	2000-01		Previous Year	
	Quantity	Value	Quantity	Value
	Doz.	Rs. Lacs	Doz.	Rs. Lacs
Cosmetics and Toilet Preparations	4,27,27,080	412,52.63	4,11,25,109	373,18.53
Toothbrushes and Shave Brushes	1,24,66,277	59,09.56	1,13,17,207	59,15.59
Others	1,14,669	88.81	1,44,215	1,11.70
Total		472,51.00		433,45.82

8. During the year, the Company revised the estimated useful life of dies and moulds to 3 years and furniture and equipment to 15 years. Earlier, these assets were depreciated at the rates specified in Schedule XIV to the Companies Act, 1956. Consequently, the depreciation charged to Profit and Loss Account in the current year is higher by Rs. 2,59.99 lacs and Rs. 75.01 lacs respectively, with corresponding reduction in the networth as at March 31, 2001 and Profits for the year.

9. Miscellaneous Expenditure :

This represents deferred revenue expenditure (to the extent not written off or adjusted) incurred in connection with the non-compete agreement pertaining to acquisition of Oral Hygiene business of Hindustan Ciba-Geigy Limited during 1994-95.

10. To the best of knowledge and as per the information available with the Management :

(a) Sundry Creditors include an amount of **Rs. 9,68.09 lacs** (Previous Year : Rs. 4,31.76 lacs) due to small scale industrial undertakings.

(b) There are no dues to small scale industrial undertakings in excess of Rs. 1 lac outstanding for more than 30 days.

Schedule 17 : Supplementary Information (Contd.)

	2000-01	Previous Year
	Rs. Lacs	Rs. Lacs
11. (a) Remuneration to the Directors :		
Salaries	1,26.76	1,15.97
Commission/Bonus	80.81	68.28
Contribution to Provident and other Funds	7.47	11.36
Other Perquisites	19.99	15.13
Total	2,35.03	2,10.74

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

	2000-01	
	Rs. Lacs	Rs. Lacs
Profit before Taxation		105,80.29
Add : (i) Remuneration paid to the Directors	2,35.03	
(ii) Directors' Fees	2.91	
		2,37.94
Net Profit for the purpose of Directors' Commission		108,18.23
Commission @ 1% of Net Profit		1,08.18
Restricted to		80.81

12. Revenue expenses amounting to **Rs. 4,09.75 lacs** (Previous year : Rs. 5,28.02 lacs) on Research and Development have been included under the respective heads of expense accounts.

13. The Board at its meeting held on June 18, 2001 recommended a dividend of Rs. 3.50 per share, subject to shareholders' approval, appropriated the profits available for distribution and approved the audited accounts for the financial year 2000-01. Considering the Company's long history of rewarding its loyal shareholders and given the available surplus accumulated from previous financial years and the healthy cash position of the Company, the Board at its meeting held on July 18, 2001 has recommended payment of a one-time special dividend of Rs. 4.75 per share out of undistributed profits of the previous financial years subject to shareholders' approval. The total dividend recommended by the Board for the financial year 2000-01 now, therefore, works out to Rs. 8.25 per share, including a one-time special dividend of Rs. 4.75 per share out of the undistributed profits of the previous financial years. Consequent upon recommendation of a one-time special dividend, in addition to the dividend recommended on June 18, 2001, the Board approved consequential amendment with regard to appropriation of profits available for distribution.

14. Previous year's figures have been reclassified to confirm with current year's presentation, where applicable.

Schedule 17 : Supplementary Information (Contd.)

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

Balance Sheet Abstract and Company's General Business Profile :
I. Registration Details :

Registration No.	2700
State code	11
Balance Sheet Date	31-03-2001

**II. Capital raised during the year
(Amount in Rs. Thousands) :**

Public Issue	—
Rights Issue	—
Bonus Issue	—
Private Placement	—

**III. Position of Mobilisation and Deployment of Funds
(Amount in Rs. Thousands) :**

Total Liabilities	6208043
Total Assets	6208043

Sources of Funds

Paid up Capital	1359928
Reserves and Surplus	1031200
Secured Loans	—
Unsecured Loans	130500

Application of Funds

Net Fixed Assets	2008329
Investments	550846
Net Current Assets	(37547)
Misc. Expenditure	—
Accumulated Losses	—

**IV. Performance of Company
(Amount in Rs. Thousands) :**

Turnover (Gross Revenue)	12063967
Total Expenditure	11005938
Profit Before Tax	1058029
Profit After Tax	625029
Earnings per Share in Rs.	4.60
Dividend % (incl. one-time special)	82.5

**V. Generic Names of Three Principal Products/
Services of the Company (as per Monetary Terms) :**

Item Code No. (ITC Code)	330610.02
Product Description	Toothpaste
Item Code No. (ITC Code)	330610.01
Product Description	Tooth Powder
Item Code No. (ITC Code)	960321.00
Product Description	Toothbrush

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies

The Company holds the entire equity share capital of Jigs Investments Limited, Passion Trading & Investment Company Limited, Multimint Leasing & Finance Limited, Camelot Investments Company Limited and Colgate-Palmolive (Nepal) Private Limited, consisting of 3,020 shares of Rs.10 each, 302 shares of Rs.100 each, 3,500 shares of Rs.10 each, 4,50,000 shares of Rs.10 each and 17,00,000 shares of Nepalese Rs.100 each, fully paid-up respectively. These Companies are, therefore, wholly-owned subsidiaries of the Company.

Jigs Investments Limited incurred expenditure of Rs. 800 for the year (Rs. 3,360 as on March 31, 2001), Passion Trading & Investment Company Limited, incurred expenditure of Rs. 400 for the year (Rs. 2,975 as on March 31, 2001), Multimint Leasing & Finance Limited, incurred expenditure of Rs. 800 for the year (Rs. 5,050 as on March 31, 2001) whereas Camelot Investments Company Limited made a profit of Rs. 15.91 lacs for the year (Rs. 39.49 lacs as on March 31, 2001). These have not been dealt with in the books of account of the Company. Colgate-Palmolive (Nepal) Private Limited, made a profit of Nepalese Rs. 620.67 lacs for the year (Nepalese Rs. 47.34 lacs as on July 15, 2000) out of which Nepalese Rs. 0.17 lacs has not been dealt with in the books of account.

Changes in Company's interest in Colgate-Palmolive (Nepal) Private Limited between July 16, 2000 and March 31, 2001 : **NIL**

Material changes between July 16, 2000 and March 31, 2001 in respect of fixed assets, investments, money lent and moneys borrowed (other than meeting current liabilities) by Colgate-Palmolive (Nepal) Private Limited : **NIL**

Mumbai, July 18, 2001

<i>Managing Director</i>	D. Samuel
<i>Director</i>	J. K. Setna
<i>Whole-time Director</i>	M. A. Elias
<i>Whole-time Director</i>	V. Kaushik
<i>Whole-time Director & Company Secretary</i>	K. V. Vaidyanathan

COLGATE-PALMOLIVE (NEPAL) PRIVATE LIMITED

Report of the Directors

The Members

Colgate-Palmolive (Nepal) Private Limited

Your Directors have pleasure in presenting their Report and Audited Accounts of the Company for the year ended Ashad 2056-57 (July 15, 2000).

Financial Results

	<i>Nepalese Rs. in Lacs</i>	
	<u>2056-57</u>	<u>2055-56</u>
Total Revenue	143,68.83	61,20.33
Sales	143,09.68	60,98.30
Other Income	59.15	22.04
Profit before Taxation	6,20.67	47.17
Provision for Taxation	—	—
Profit after Taxation	6,20.67	47.17
Balance brought forward	47.17	—
Profit available for Appropriation	6,67.84	47.17
Appropriation :		
Proposed Dividend	6,20.50	—
Balance carried forward	47.34	—
	6,67.84	47.17

Business Performance

In the second year of operations, your Company recorded an impressive growth in sales of 135% to Rs. 143,10 Lacs over Rs. 60,98 Lacs in the previous year. In line with the sales growth and as a result of cost effective measures taken across the Company, the net profit during the year registered a substantial growth to Rs. 6,21 Lacs over Rs. 47 Lacs in the previous year. Your Company was able to achieve these improved results despite difficult trading conditions in the export market.

The Directors are pleased to inform you that during the year your Company commenced production of toothpaste and toothpowder to cater to the demand of the local market. Action has also been initiated to develop the domestic business and establish a cost effective and efficient distribution network to ensure availability of the Company's products across the country.

Safety & Environmental Considerations

The Company has been striving for continuous improvement in safety performance by establishing various safety measures prescribed by Colgate-Palmolive Company. The unit situated at Hetauda is equipped with a state-of-the-art effluent treatment plant which recycles effluent generated within the unit without discharging the same to external environment.

Hetauda Plant - Blast

The Board regrets to state that on June 15, 2000 a small armed group forcibly entered the Plant and detonated explosive devices. This has completely damaged one of the finishing lines of the Company's toothpaste plant. Fortunately, there was no casualty. The Insurance Company has paid a sum of Rs. 2,27.94 Lacs against the claim preferred by the Company.

We took up this issue with various authorities in the Nepal Government to beef up security protection for the industrial units established at Hetauda. Representations have also been made through the Apex Chamber of Commerce, Indian and US Embassies and representatives of various companies which have established their manufacturing units at Hetauda. As a result, the Nepalese Government has reinforced police patrolling in the industrial estate.

We have also taken a series of steps to beef up security protection within the plant. Your Directors directly and through various institutions will continue to exert pressure on the Nepalese Government to provide adequate security protection to the units established at Nepal.

The Board wishes to thank the Apex Chamber of Commerce and both the Indian and US Embassies and representatives of various companies for promptly taking up this issue with the Nepalese Government.

Future Outlook

The Board is optimistic about the Company's future. We have already replaced the finishing line in the toothpaste plant which was completely damaged in the unfortunate blast that took place in June, 2000. The Nepalese Government has given permission to install another finishing line in the toothpaste plant to augment production.

Customs Duty Exemption

Your Company established the manufacturing facility at Hetauda based on the representations that the customs duty payable on imported inputs used in the

manufacture of export production would be completely exempted from duty. However, in the recent fiscal budget, the Government has made it mandatory to clear such inputs against payment of entire customs duty and claim refund of the same from the Government. This not only increases the cost of the end products but also causes enormous administrative inconvenience in claiming such refund from the Government which is inordinately delayed. Your Company has taken up this issue with the Government through Apex Chamber of Commerce and we hope that the Government will soon resolve this vexed issue affecting the industry as a whole.

Dividend

The Directors recommend the declaration of a dividend for the year ended July 15, 2000 of Rs. 36.50 per share amounting to Rs. 6,20.50 Lacs. If approved, the dividend will be paid to the shareholder registered in the books of the Company as on the date of the Annual General Meeting.

Personnel

The Board wishes to place on record its appreciation of the contribution made by employees at all levels within the Company in achieving the high levels of performance and growth during the year. Your Company continues to focus on training and human resource development to attract and develop high quality human resources who can be employed not only in Nepal but also elsewhere.

Directors

Mr. N. Jayaraman resigned as director of the Company with effect from December 31, 1999 consequent upon his transfer to Colgate-Palmolive Company, USA. Mr. Derrick Samuel has been appointed a Director of the Company effective April 1, 2000.

Your Company wishes to place on record its deep appreciation of the valuable contribution made by Mr. N. Jayaraman during his tenure as Director of the Company.

Auditors

The Auditors, M/s. T.R. Upadhyaya & Co., Chartered Accountants, retire from the office and are eligible for re-appointment.

Acknowledgements

The Board wishes to express its gratitude to the various agencies of Nepal Government, Bankers and the Company's business associates for their continued support.

On Behalf of the Board

Directors { **D. Samuel**
M. A. Elias
K. V. Vaidyanathan

Kathmandu, December 21, 2000

Auditors' Report to the Shareholders of Colgate-Palmolive (Nepal) Private Limited

We have audited the attached Balance Sheet of Colgate-Palmolive (Nepal) Private Limited as at July 15, 2000 (Corresponding to Ashad 31, 2057), the Profit and Loss Account and the Cash Flow Statement for the year from July 17, 1999 to July 15, 2000 (Corresponding to Shrawan 1, 2056 to Ashad 31, 2057) and report that :

- a) we have obtained prompt replies to our queries and explanations asked for;
- b) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement are in compliance with the provisions of the Company Act, 2053 and are in agreement with the books of account maintained by the Company;
- c) in our opinion, the accounts and records of the Company have been accurately maintained in accordance with the law;
- d) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the notes appearing thereon, give a true and fair view :
 - i) in case of Balance Sheet, of the state of affairs of the Company as at July 15, 2000;
 - ii) in case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in case of the Cash Flow Statement, the cash flows for the year ended on that date.
- e) in our opinion and to the best of our information and according to the explanations given to us, the Board of Directors or any employees of the Company have not acted contrary to legal provisions relating to accounts, nor committed any misappropriation or caused loss or damage to the Company.

For **T. R. Upadhyaya & Co.**
Chartered Accountants
T. R. Upadhyaya
Partner

Kathmandu, December 21, 2000

COLGATE-PALMOLIVE (NEPAL) PRIVATE LIMITED
Balance Sheet
as at July 15, 2000 (Ashad 31, 2057)

	Schedule	As at July 15, 2000 N Rs. Lacs	As at July 15, 2000 I Rs. Lacs	As at July 16, 1999 N Rs. Lacs	As at July 16, 1999 I Rs. Lacs
Sources of Funds					
Shareholders' Funds					
Share Capital	1	17,00.00	10,62.50	17,00.00	10,62.50
Reserves and Surplus	2	47.34	29.59	47.17	29.48
Loan Funds					
Secured Loans	3	7,03.47	4,39.67	10,81.49	6,75.93
Unsecured Loans	4	17,15.92	10,72.45	22,40.00	14,00.00
Total		41,66.73	26,04.21	50,68.66	31,67.91
Application of Funds					
Fixed Assets					
Gross Block	5	44,76.98	27,98.11	45,62.30	28,51.44
Less : Depreciation/Amortisation		11,64.00	7,27.50	2,24.87	1,40.54
Net Block		33,12.98	20,70.61	43,37.43	27,10.90
Capital Work-in-Progress		7.92	4.95	73.91	46.19
		33,20.90	20,75.56	44,11.34	27,57.09
Current Assets, Loans and Advances					
Inventories	6	15,24.58	9,52.86	16,79.60	10,49.76
Cash and Bank Balance	7	11.72	7.33	40.57	25.36
Loans and Advances	8	26,00.75	16,25.46	11,78.35	7,36.46
		41,37.05	25,85.65	28,98.52	18,11.58
<i>Less :</i>					
Current Liabilities and Provisions					
Liabilities	9	25,69.93	16,06.20	22,33.75	13,96.10
Provisions	10	7,21.29	4,50.80	7.45	4.66
		32,91.22	20,57.00	22,41.20	14,00.76
Net Current Assets		8,45.83	5,28.65	6,57.32	4,10.82
Total		41,66.73	26,04.21	50,68.66	31,67.91
Notes to the Accounts	14				

Per our report attached

For T. R. Upadhyay & Co.
Chartered Accountants

T. R. Upadhyay
Partner

Kathmandu, December 21, 2000

Directors { **D. Samuel**
M. A. Elias
K.V. Vaidyanathan

COLGATE-PALMOLIVE (NEPAL) PRIVATE LIMITED
**Profit & Loss Account
for the year ended July 15, 2000 (Ashad 31, 2057)**

	Schedule	1999-2000 N Rs. Lacs	1999-2000 I Rs. Lacs	1998-99 N Rs. Lacs	1998-99 I Rs. Lacs
Income					
Sales - Exports		142,74.22	89,21.39	60,98.30	38,11.44
- Local		35.46	22.16	-	-
Other Income		59.15	36.97	22.03	13.77
		<u>143,68.83</u>	<u>89,80.52</u>	<u>61,20.33</u>	<u>38,25.21</u>
Expenditure					
Materials Cost	11	98,16.97	61,35.62	49,94.00	31,21.25
Employee Costs	12	1,82.65	1,14.16	1,13.59	71.00
Other Expenses	13	26,04.15	16,27.58	7,33.25	4,58.28
Depreciation/Amortisation		10,46.39	6,53.99	2,24.87	1,40.54
Allocation for Employee Housing		35.93	22.46	2.73	1.71
Provision for Bonus		62.07	38.79	4.72	2.95
		<u>137,48.16</u>	<u>85,92.60</u>	<u>60,73.16</u>	<u>37,95.73</u>
Profit before Taxation		<u>6,20.67</u>	<u>3,87.92</u>	<u>47.17</u>	<u>29.48</u>
Current Year Taxation		-	-	-	-
Profit after Taxation		<u>6,20.67</u>	<u>3,87.92</u>	<u>47.17</u>	<u>29.48</u>
Balance Brought Forward		47.17	29.48	-	-
Profit available for Appropriation		<u>6,67.84</u>	<u>4,17.40</u>	<u>47.17</u>	<u>29.48</u>
Appropriation					
Dividend - Proposed		6,20.50	3,87.81	-	-
Balance Carried Forward		47.34	29.59	47.17	29.48
		<u>6,67.84</u>	<u>4,17.40</u>	<u>47.17</u>	<u>29.48</u>
Notes to the Accounts	14				

Per our report attached

For T. R. Upadhyay & Co.
Chartered Accountants

T. R. Upadhyay
Partner

Kathmandu, December 21, 2000

Directors { **D. Samuel**
M. A. Elias
K.V. Vaidyanathan

COLGATE-PALMOLIVE (NEPAL) PRIVATE LIMITED
Cash Flow Statement
for the year ended July 15, 2000 (Ashad 31, 2057)

	1999-2000		1998-99	
	N Rs. Lacs	I Rs. Lacs	N Rs. Lacs	I Rs. Lacs
Cash Flows from Operating Activities				
Net Profit before Tax	6,20.67	3,87.92	47.17	29.48
Add Adjustment for :				
Depreciation	9,39.14	5,86.96	2,24.87	1,40.54
Employee Housing	35.93	22.46	2.73	1.71
Bonus	57.40	35.88	4.72	2.95
Increase/(Decrease) in Inventories	1,55.01	96.89	(14,09.31)	(8,80.82)
Increase in Loans and Advances	(14,22.39)	(8,89.00)	(10,32.15)	(6,45.09)
Increase in Current Liabilities	3,36.18	2,10.11	17,92.38	11,20.24
Net Cash from Operating Activities	7,21.94	4,51.22	(3,69.59)	(2,30.99)
Cash Flows from Investing Activities				
(Increase)/Decrease in Capital Work-in-Progress	65.99	41.24	35,86.62	22,41.64
Addition to Fixed Assets	85.32	53.33	(45,62.30)	(28,51.44)
Net Cash from Investing Activities	1,51.31	94.57	(9,75.68)	(6,09.80)
Cash Flows from Financing Activities				
Proceeds from borrowings from banks	(3,78.02)	(2,36.26)	(8,61.31)	(5,38.32)
Loan from Colgate-Palmolive (India) Ltd	(5,24.08)	(3,27.56)	22,40.00	14,00.00
Net Cash from Financing Activities	(9,02.10)	(5,63.82)	13,78.69	8,61.68
Net Increase in Cash	(28.85)	(18.03)	33.42	20.89
Cash at the beginning of the year	40.57	25.36	7.15	4.47
Cash at the end of the year	11.72	7.33	40.57	25.36

Note : Cash comprises cash and bank balances

Per our report attached

For T. R. Upadhyay & Co.
Chartered Accountants

T. R. Upadhyay
Partner

Kathmandu, December 21, 2000

Directors { **D. Samuel**
M. A. Elias
K.V. Vaidyanathan

COLGATE-PALMOLIVE (NEPAL) PRIVATE LIMITED
Schedule to the Accounts

	As at July 15, 2000 N Rs. Lacs	As at July 15, 2000 I Rs. Lacs	As at July 16, 1999 N Rs. Lacs	As at July 16, 1999 I Rs. Lacs
Schedule 1 : Share Capital				
Authorised Capital (60,00,000 Ordinary Shares of N Rs. 100 each)	<u>60,00.00</u>	<u>37,50.00</u>	<u>60,00.00</u>	<u>37,50.00</u>
Issued, Subscribed & Paid-up (17,00,000 Ordinary Shares of N Rs. 100 each)	<u>17,00.00</u>	<u>10,62.50</u>	<u>17,00.00</u>	<u>10,62.50</u>
Schedule 2 : Reserves and Surplus				
Profit & Loss Account Balance	<u>47.34</u>	<u>29.59</u>	<u>47.17</u>	<u>29.48</u>
	<u>47.34</u>	<u>29.59</u>	<u>47.17</u>	<u>29.48</u>
Schedule 3 : Secured Loans				
Long Term				
Term Loan	-	-	6,44.00	4,02.50
Short Term				
from Nepal Grindlays Bank Ltd.	7,03.47	4,39.67	4,37.49	2,73.43
(Secured against a first charge of fixed & current assets, inventories, receivables and mortgage over all properties of the Company at Hetauda Industrial District)				
Total	<u>7,03.47</u>	<u>4,39.67</u>	<u>10,81.49</u>	<u>6,75.93</u>
Schedule 4 : Unsecured Loans				
Loan from Colgate-Palmolive (India) Ltd. (Due within one year : N Rs. 5,42.8 lacs)	17,15.92	10,72.45	22,40.00	14,00.00
Total	<u>17,15.92</u>	<u>10,72.45</u>	<u>22,40.00</u>	<u>14,00.00</u>

Schedule 5 : Fixed Assets

	Gross Block				Depreciation/Amortisation				Net Block	
	As at July 16, 1999 N Rs. Lacs	Additions/ Transfers N Rs. Lacs	Deductions/ Transfers N Rs. Lacs	As at July 15, 2000 N Rs. Lacs	As at July 16, 1999 N Rs. Lacs	For the Year@ N Rs. Lacs	Deductions/ Transfers N Rs. Lacs	As at July 15, 2000 N Rs. Lacs	As at July 15, 2000 N Rs. Lacs	As at July 16, 1999 N Rs. Lacs
Land - Leasehold *	48.00 (30.00)	-	-	48.00 (30.00)	3.20 (2.00)	3.20 (2.00)	-	6.40 (4.00)	41.60 (26.00)	44.80 (28.00)
Buildings	15,92.83 (9,95.52)	50.23 (31.38)	0.28 (0.17)	16,42.78 (10,26.73)	32.65 (20.41)	1,55.12 (96.95)	-	1,87.77 (1,17.36)	14,55.01 (9,09.37)	15,60.18 (9,75.11)
Plant & Machinery	26,42.01 (16,51.26)	1,45.13 (90.71)	3,14.14 (1,96.34)	24,73.00 (15,45.63)	1,53.68 (96.05)	8,13.47 (5,08.41)	1,07.26 (67.03)	8,59.89 (5,37.43)	16,13.11 (10,08.20)	24,88.33 (15,55.21)
Furniture & Equipment	2,79.46 (1,74.66)	33.80 (21.13)	0.06 (0.04)	3,13.20 (1,95.75)	35.34 (22.08)	74.60 (46.63)	-	1,09.94 (68.71)	2,03.26 (1,27.04)	2,44.12 (1,52.58)
Total	45,62.30 (28,51.44)	2,29.16 (1,43.22)	3,14.48 (1,96.55)	44,76.98 (27,98.11)	2,24.87 (1,40.54)	10,46.39 (6,53.99)	1,07.26 (67.03)	11,64.00 (7,27.50)	33,12.98 (20,70.61)	
Total Previous Year	-	45,62.30 (-) (28,51.44)	-	45,62.30 (-) (28,51.44)	-	2,24.87 (-) (1,40.54)	-	2,24.87 (-) (1,40.54)		43,37.43 (27,10.90)
Capital Work-in-Progress									7.92 (4.95)	73.91 (46.19)
Total									33,20.90 (20,75.56)	44,11.34 (27,57.09)

* "Land-Leasehold" comprises of lease rights in respect of the land at Hetauda Industrial Estate, Hetauda in the possession of the Company under Lease with the Hetauda Industrial District.

@ includes Depreciation adjustment of N Rs. 4,13.61 Lacs for 1998-99.

() Figures in brackets represent Indian Rupees

COLGATE-PALMOLIVE (NEPAL) PRIVATE LIMITED

Schedule to the Accounts	As at July 15, 2000 N Rs. Lacs	As at July 15, 2000 I Rs. Lacs	As at July 16, 1999 N Rs. Lacs	As at July 16, 1999 I Rs. Lacs
Schedule 6 : Inventories				
Raw and Packing Materials [including in-transit N Rs. 46.89 Lacs (Prev. Year N Rs. 2,56.04 Lacs)]	13,36.50	8,35.31	14,32.20	8,95.13
Work-in-Process	3.81	2.38	9.39	5.87
Finished Goods	1,64.77	1,02.98	2,38.01	1,48.76
Engg. Supplies	19.50	12.19	–	–
	15,24.58	9,52.86	16,79.60	10,49.76
Schedule 7 : Cash and Bank Balances				
Cash on hand	0.09	0.06	0.70	0.44
Cash at Nepal Bank Ltd., Hetauda	11.63	7.27	39.87	24.92
	11.72	7.33	40.57	25.36
Schedule 8 : Loans and Advances				
Advances recoverable in cash or in kind or for value to be received	9,89.71	6,18.57	54.32	33.95
Letter of Credit Margin	12.34	7.71	23.17	14.48
Advance Value Added Tax & Customs Duty	15,92.07	9,95.04	10,96.33	6,85.20
Deposits	6.63	4.14	4.53	2.83
	26,00.75	16,25.46	11,78.35	7,36.46
Schedule 9 : Liabilities				
Sundry Creditors	21,55.81	13,47.38	21,76.86	13,60.54
Provision for doubtful claims & receivables	4,09.38	2,55.86	–	–
Contractors retention money	4.74	2.96	56.89	35.56
	25,69.93	16,06.20	22,33.75	13,96.10
Schedule 10 : Provisions				
Employee Housing Fund	38.66	24.16	2.73	1.71
Bonus Provision	62.13	38.83	4.72	2.95
Dividend - Proposed	6,20.50	3,87.81	–	–
	7,21.29	4,50.80	7.45	4.66

COLGATE-PALMOLIVE (NEPAL) PRIVATE LIMITED

	1999-2000 N Rs. Lacs	1999-2000 I Rs. Lacs	1998-99 N Rs. Lacs	1998-99 I Rs. Lacs
Schedule 11 : Materials Cost				
Opening Stock				
Work-in-Process	9.39	5.87	5.09	3.18
Finished Goods	2,38.01	1,48.76	49.04	30.65
	<u>2,47.40</u>	<u>1,54.63</u>	<u>54.13</u>	<u>33.83</u>
Raw and Packing Materials Consumed				
Opening Stock	14,32.20	8,95.13	2,16.15	1,35.09
Add : Purchases	96,42.45	60,26.53	64,03.32	40,02.09
	<u>110,74.65</u>	<u>69,21.66</u>	<u>66,19.47</u>	<u>41,37.18</u>
Less : Closing Stock	13,36.50	8,35.31	14,32.20	8,95.13
	<u>97,38.15</u>	<u>60,86.35</u>	<u>51,87.27</u>	<u>32,42.05</u>
	<u>99,85.55</u>	<u>62,40.98</u>	<u>52,41.40</u>	<u>32,75.88</u>
Less : Closing Stock				
Work-in-Process	3.81	2.38	9.39	5.87
Finished Goods	1,64.77	1,02.98	2,38.01	1,48.76
	<u>1,68.58</u>	<u>1,05.36</u>	<u>2,47.40</u>	<u>1,54.63</u>
	<u>98,16.97</u>	<u>61,35.62</u>	<u>49,94.00</u>	<u>31,21.25</u>
Schedule 12 : Employee Costs				
Salaries & Wages	1,65.67	1,03.54	99.08	61.93
Contribution to Provident Fund	6.94	4.34	2.84	1.78
Staff Welfare Expenses	10.04	6.28	11.67	7.29
	<u>1,82.65</u>	<u>1,14.16</u>	<u>1,13.59</u>	<u>71.00</u>
Schedule 13 : Other Expenses				
Consumption of Stores and Spares	17.59	10.99	24.91	15.57
Power, Fuel & Water	84.21	52.63	52.43	32.77
Rent	15.84	9.90	11.55	7.22
Insurance	26.01	16.26	16.02	10.01
Royalty & Technical Service (including N Rs. 4,92.85 Lacs for 1998-99)	14,24.71	8,90.44	-	-
Interest & Bank Charges	3,87.51	2,42.19	4,78.82	2,99.26
Plant & Machinery Repairs & Upkeep	1,00.24	62.65	43.40	27.13
Audit & Tax Audit Fees & Expenses	1.60	1.00	1.20	0.75
Telephone, Fax, Postage & Courier Charges	27.43	17.14	23.11	14.44
Travelling Expenses	53.42	33.39	59.97	37.48
Selling Expenses	9.55	5.97	-	-
Advertisement Expenses	29.30	18.31	-	-
Security Services	15.08	9.43	13.33	8.33
Provision for doubtful claims & receivable	4,09.38	2,55.86	-	-
Miscellaneous Expenses	2.28	1.42	8.51	5.32
	<u>26,04.15</u>	<u>16,27.58</u>	<u>7,33.25</u>	<u>4,58.28</u>

Note :

N Rs. = Nepalese Rupees

I Rs. = Indian Rupees

I Re. 1 = N Rs. 1.60

Figures in Indian Rupees is given as required by the Ministry of Law, Justice and Company Affairs, New Delhi

COLGATE-PALMOLIVE (NEPAL) PRIVATE LIMITED

Schedule 14 : Significant Accounting Policies and Notes to Accounts

1. Significant Accounting Policies

(a) Basis of Accounting

Financial statements are prepared under the historical cost convention, in accordance with Accounting Standards applicable in Nepal and requirement of Nepal Company Act, 2053.

The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis except in case of significant uncertainties relating to income.

(b) Fixed Assets

Fixed Assets are recorded at cost. The Company capitalises all costs relating to acquisition and installation of Fixed Assets. Net expenses incurred during pre-operative period are capitalised. Assets costing less than N Rs. 5,000 is charged off in the year of purchase.

(c) Depreciation & Amortisation

- Depreciation is provided on written down value on all Fixed Assets (except Leasehold Land) at the rates prescribed by the Income Tax Rules, including additional depreciation permitted by the Industrial Enterprises Act, 2049.
- Leasehold Land is amortised over the life of the lease.

(d) Inventories

Inventories are valued at lower of cost or net realisable value after providing for the cost of obsolescence. Cost is determined using standard cost method that approximates actual costs. Work-in-Process and Finished Goods inventories include an appropriate portion of overheads, wherever applicable.

(e) Sales are recognised on despatch to customers and domestic sales are recorded including Value Added Tax.

(f) Obsolete materials are charged off to consumption in the year in which they are identified.

(g) Amount towards Staff Housing and Bonus have been provided as required under Labour Act and Bonus Act respectively.

(h) Insurance claims are accounted for on accrual basis.

(i) Foreign Currency Transactions.

Foreign Currency Transactions are accounted at exchange rates prevailing on the date of the transactions taking place. All exchange differences in respect of foreign currency transactions are dealt with in the Profit and Loss Account (except those relating to acquisition of Fixed Assets, which are adjusted in the cost of the assets). All foreign currency assets and liabilities at the Balance Sheet date are restated at the exchange rates prevailing at that date.

COLGATE-PALMOLIVE (NEPAL) PRIVATE LIMITED

2. There are Contingent Liabilities in respect of
 - unexpired Letters of Credit amounting to N Rs. 5,02.69 Lacs.
 - unexpired Bank Guarantees amounting to N Rs. 3,09.80 Lacs.
 - Demand raised by the Tax Office of N Rs. 4.41 Lacs against previous year scrap sales has been contested by the Management and not provided for.
3. Effective April 19, 2000 the Company has commenced sales of its products in the local market. Exports made have all been to Colgate-Palmolive (India) Ltd.
4. No provision for taxation has been made as the Company is entitled for exemption under the Industrial Enterprises Act, 2049. The application filed by the Company for a five year tax holiday effective financial year 1998-99 is under consideration of the Department of Industry.
5. The method of charging depreciation has been changed to Written down value from the current year against Straight Line method and the impact has been recognised. Also refer Schedule 5.
6. Consequent to the change in the policy of charging individual assets costing less than N Rs. 5,000 to the Profit and Loss Account, there has been an impact of N Rs. 8.81 Lacs during the year.
7. Customs duty paid on import of raw materials is recoverable against export from His Majesty's Government of Nepal pursuant to statutory enactment. The Company has made necessary applications to the appropriate authorities for its refund as per the rules and waiting for final refund order. However suitable provisions have been made in the accounts.
8. Previous year's figures have been regrouped/rearranged wherever necessary to facilitate comparison. Figures are rounded off to the nearest of Lacs rupees.

Per our report attached
For T. R. Upadhyay & Co.
Chartered Accountants

T. R. Upadhyay
Partner
Kathmandu, December 21, 2000

Directors { **D. Samuel**
M. A. Elias
K.V. Vaidyanathan

CAMELOT INVESTMENTS COMPANY LIMITED

Report of the Directors

The Members
Camelot Investments Company Limited
Mumbai

Your Directors present their Twelfth Annual Report and Audited Accounts for the year ended March 31, 2001.

Financial Results

	Rupees	
	<u>2000-01</u>	<u>1999-00</u>
Gross Sales	6,98,70,378	5,57,58,885
Other Income	8,76,734	17,72,404
	<u>7,07,47,112</u>	<u>5,75,31,289</u>
Profit before Taxation	17,39,196	19,34,457
Provision for Taxation	1,48,000	2,25,000
Profit after Taxation	15,91,116	17,09,457
Balance Brought Forward	23,57,490	6,48,033
Profit Available for Appropriation	<u>39,48,686</u>	<u>23,57,490</u>
Balance Carried Forward	<u>39,48,686</u>	<u>23,57,490</u>

Business Activities

During the year, your Company's sales went up from Rs. 558 lacs to Rs. 699 lacs and net profits marginally reduced to Rs. 15.91 lacs from Rs. 17.09 lacs during the previous year.

Your Company is continuing its efforts to increase its production levels so as to achieve higher volumes and be able to provide low cost products to the consumers.

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 Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange outgo is appended hereto and forms part of this Report.

Directors

Messrs. V Runganadhan and Udai Upendra resigned as Directors effective June 15, 2001.

Messrs. Peter Richardson, Arun Pande and Pradip Saha were appointed as Additional Directors of the Company effective August 17, 2000, December 29, 2000 and June 15, 2001 respectively. They shall be holding office of Directors upto the date of the ensuing Annual General Meeting.

Auditors

Messrs. Ford, Rhodes, Parks & Co., Chartered Accountants, retire and are eligible for re-appointment as Auditors.

Responsibility Statement

In terms of Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and 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 and Loss of the Company for that period;
- iii) that the Directors 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
- iv) that the Directors have prepared the annual accounts for the year ended March 31, 2001 on a going concern basis.

Compliance Certificate

In terms of Section 383A(1) of the Companies Act, 1956, and Companies (Compliance Certificate) Rules, 2001 the certificate issued by a Company Secretary in Whole-time Practice certifying that the Company has complied with all the provisions of the Companies Act, 1956 is annexed to the Report.

On behalf of the Board

Directors

P. Richardson
A. Pande

Mumbai, June 15, 2001

CAMELOT INVESTMENTS COMPANY LIMITED
Information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.
A. Conservation of Energy :

The Company continues its innovative efforts to improve energy conservation and utilisation.

B. Technology Absorption, Research & Development (R & D) :

1. Specific areas in which R & D carried out by the Company :

Development of new products, improvement in product cycle time and packaging innovation.

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

Improvement in product quality, process and technology.

3. Future plan of action :

Development of products to meet consumer needs.

4. Expenditure on R & D :

<ol style="list-style-type: none"> a) Capital b) Recurring c) Total d) Total R & D expenditure as a percentage of total turnover 	}	No capital expenditure incurred during the year. Revenue expenditure incurred is included in Other Expenses
--	---	---

Technology absorption, adaptation and innovation :

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

Super Premium toothbrush with a flexible head was launched for the first time in India and a new toothbrush “Zig Zag Flexible” with dual component handle produced via a single pass mould was also launched.

2. Benefits derived as a result of the above efforts :

Introduction of the new product helped in expanding market share.

3. Imported Technology :

The valuable technical guidance and assistance being received by the Company is being absorbed and adapted to the demands of the local market.

C. Foreign Exchange Earnings and Outgo :

The particulars of foreign exchange utilised during the year are given in Schedule 12 to the Accounts.

CAMELOT INVESTMENTS COMPANY LIMITED

Compliance Certificate

To

The Members

CAMELOT INVESTMENTS COMPANY LIMITED

We have examined the registers, records, books and papers of **Camelot Investments Company Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2001. In our opinion and to the best of our information and according to the examinations, carried out by us and explanations furnished to us by the Company, its officers, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure "A" to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this Certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met four times on May 29, 2000, August 17, 2000, December 29, 2000 and March 29, 2001 and in respect of these meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year, as it was not required to close the same.
6. The Annual General Meeting for the financial year ended on 31st March, 2000 was held on 9th June, 2000 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the Register maintained under Section 301 of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) There was no allotment/transfer/transmission of securities during the financial year.
(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
(iv) The Company does not have amounts in the unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and hence transferring of the same to the Investor Protection Fund does not arise.
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of Directors, additional Directors and Directors to fill in the casual vacancies have been duly made.
15. The Company has not appointed any Managing Director/ Whole-time Director/Manager during the financial year as the provisions of Section 269 do not apply to the Company.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors and complied with the provisions of the Act.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any Preference Shares or Debentures and hence redemption, if any, of Preference Shares or Debentures does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares pending registrations of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans within the purview of Section 58A during the financial year.

CAMELOT INVESTMENTS COMPANY LIMITED

- | | |
|---|---|
| <p>24. The Company has not made any borrowings during the financial year ended 31st March, 2001.</p> <p>25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.</p> <p>26. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to situation of the Company's registered office from one state to another during the year under scrutiny.</p> <p>27. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to the objects of the Company during the year under scrutiny.</p> <p>28. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to name of the Company during the year under scrutiny.</p> <p>29. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to share capital of the Company during the year under scrutiny.</p> | <p>30. The Company has not altered its Articles of Association during the financial year.</p> <p>31. A notice for alleged default under Section 159/166/210/220 of the Companies Act, 1956 was received by the Company on 4th July, 2000 from the Registrar of Companies, Maharashtra. The Company in its reply to the Registrar of Companies, Maharashtra dated 12th July, 2000 confirmed its compliances of the aforesaid sections. Other than the above, there were no prosecutions initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.</p> <p>32. The Company has not received any money as security from its employees during the financial year.</p> <p>33. The Company has made the contribution towards Provident Fund to the Recognised Provident Fund Commissioner.</p> |
|---|---|

S. N. Ananthasubramanian
C. P. No.: 1774

Place : Thane
Date : June 13, 2001

ANNEXURE A
Registers as maintained by the Company

1. Register of Members u/s 150 of the Companies Act, 1956
2. Register of Share Transfers
3. Register of Directors, Managing Directors u/s 303 of the Companies Act, 1956
4. Register of Directors' Share and Debenture Holdings u/s 307 of the Companies Act, 1956
5. Register of Charges (including Debentures) u/s 143 of the Companies Act, 1956
6. Register of Contracts u/s 301 of the Companies Act, 1956
7. Register of Contracts, Companies and Firms in which Directors are interested u/s 301(3) of the Companies Act, 1956
8. Minutes Book u/s 193 of the Companies Act, 1956
9. Books of Accounts u/s 209 of the Companies Act, 1956

ANNEXURE B
Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st March, 2001.

Sr. No.	Form No.	Filed u/s	For
1.	Form No. 29	264 on 29th August, 2000.	Consent of Mr. Peter Richardson dated 17th August, 2000 after being appointed as an Additional Director of the Company.
2.	Form No. 32	303 on 29th August, 2000.	Appointment of Mr. Peter Richardson on 17th August, 2000 and resignation of Mr. P. K. Natarajan with effect from 1st August, 2000.
3.	Form No. 29	264 on 23rd January, 2001.	Consent of Mr. Arun Kumar Pande dated 29th December, 2000 after being appointed as an Additional Director of the Company.
4.	Form No. 32	303 on 23rd January, 2001.	Appointment of Mr. Arun Kumar Pande on 29th December, 2000.
5.	Balance Sheet	220 on 6th July, 2000.	For the year ended 31st March, 2000 adopted at the Annual General Meeting of the Company held on 9th June, 2000.
6.	Annual Return	159 on 31st July, 2000.	As on the date of the Annual General Meeting held on 9th June, 2000.

CAMELOT INVESTMENTS COMPANY LIMITED**Auditors' Report to the Members of Camelot Investments Company Limited**

We have audited the attached Balance Sheet of Camelot Investments Company Limited as at March 31, 2001 together with the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments referred to in paragraph (1) above :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 and are in agreement with the books of account.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the

accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2001,
and
- ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
- e) On the basis of the written representations received from the Directors as on 31st March, 2001 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2001 from being appointed as Directors in terms of Section 274(1)(g) of the Companies Act, 1956.

For Ford, Rhodes, Parks & Co.
Chartered Accountants

Mumbai, June 15, 2001

S.B. Prabhu
Partner

CAMELOT INVESTMENTS COMPANY LIMITED**Annexure to the Auditors' Report
(Referred to in paragraph 1 thereof)**

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, on the basis of such checks we considered appropriate, we report that :

1. The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets. All the assets have been verified by the management and on the basis of explanations given to us, no serious discrepancies have been noticed on verification.
2. None of the fixed assets has been revalued during the year.
3. i) The stock of finished goods, spare parts and raw materials have been physically verified by the management during the year at reasonable intervals. The discrepancies noticed on such verification between the physical stock and the book records were not material.
ii) The procedures of physical verification of stocks followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
iii) In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
4. The Company has not taken/granted any loans, secured or unsecured, from/to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from/to companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
5. The Company has given loans to employees and they are repaying the same as stipulated and are also regular in payment of interest.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
7. There have been no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956.
8. As explained to us, unserviceable or damaged raw materials are determined by the Company. Adequate provision has been made in the accounts for the loss arising on the items so determined.
9. The Company has not accepted any deposits from the public.
10. In our opinion, reasonable records have been maintained for the sale and disposal of scrap. The Company has no by-products.
11. There was no internal audit system in operation during the year. However, the Company has internal control procedures which, in our opinion, are adequate in relation to the size of the Company and the nature of its business.
12. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the products of the Company.
13. According to the records of the Company, Provident Fund dues have generally been regularly deposited with the appropriate authorities during the year. Employees' State Insurance Scheme is not applicable to the Company.
14. According to the books and records examined by us and the information and explanations given to us there were no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which have remained outstanding as at March 31, 2001 for a period exceeding six months from the date on which they became payable.
15. According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
16. The Company is not a sick industrial company within the meaning of clause (o) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
17. The Company has not purchased any goods for resale.
18. In respect of service activities of the Company
 - i) these activities do not involve consumption of materials and stores,
 - ii) allocation of man-hours to jobs is not maintained as it is not relevant in view of the nature of services rendered,
 - iii) in view of the above, the question of reasonableness of system of authorisation and internal control on allocation of stores and labour to jobs, does not arise.

For Ford, Rhodes, Parks & Co.
Chartered Accountants

S.B. Prabhu
Partner

Mumbai, June 15, 2001

CAMELOT INVESTMENTS COMPANY LIMITED
**Balance Sheet
as at March 31, 2001**

	Schedule	Rupees	Rupees	As at March 31, 2000 Rupees
Sources of Funds				
Shareholders' Funds				
Share Capital	1		45,00,000	45,00,000
Reserves and Surplus	2		39,48,686	23,57,490
Loan Funds				
Unsecured Loan from Holding Company			11,46,33,000	11,46,33,000
Total			12,30,81,686	12,14,90,490
Application of Funds				
Fixed Assets				
Gross Block	3	12,58,92,557		11,59,24,060
Less: Depreciation/ Amortisation		3,12,01,456		2,09,65,335
Net Block		9,46,91,101		9,49,58,725
Capital Work-in-Progress		11,32,056		6,28,527
			9,58,23,157	9,55,87,252
Current Assets, Loans and Advances				
Inventories	4	89,49,026		1,30,51,078
Sundry Debtors	5	39,65,662		55,50,740
Cash and Bank Balances	6	1,96,51,584		88,31,406
Interest Accrued				26,250
Loans and Advances	7	1,36,41,132		17,22,280
Advance Tax (net of provision)		1,36,233		52,760
		4,63,43,637		2,92,34,514
<i>Less :</i>				
Current Liabilities and Provisions				
Liabilities		1,90,85,108		33,31,276
Net Current Assets			2,72,58,529	2,59,03,238
Total			12,30,81,686	1,21,90,490
Notes to the Accounts	12			

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S. B. Prabhu
Partner
Mumbai, June 15, 2001

Directors

N.N. Shanbhag
P. Richardson
A. Pande

**Profit and Loss Account
for the year ended March 31, 2001**

	Schedule	Rupees	Rupees	Previous Year Rupees
Income				
Sales		6,98,70,378		5,57,58,885
Other Income	8	8,76,734		17,72,404
			7,07,47,112	5,75,31,289
Expenditure				
Materials Cost	9	4,38,59,889		3,45,81,685
Employee Costs	10	47,58,547		41,06,451
Excise Duty		3,80,170		—
Other Expenses	11	86,05,316		59,97,162
Depreciation/ Amortisation		1,14,03,994		1,09,11,534
			6,90,07,916	5,55,96,832
Profit before Taxation			17,39,196	19,34,457
Current Year Taxation			1,48,000	2,25,000
Profit after Taxation			15,91,196	17,09,457
Balance Brought Forward			23,57,490	6,48,033
Surplus Carried to Balance Sheet			39,48,686	23,57,490
Notes to the Accounts	12			

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S. B. Prabhu
Partner
Mumbai, June 15, 2001

Directors

N.N. Shanbhag
P. Richardson
A. Pande

CAMELOT INVESTMENTS COMPANY LIMITED
Schedules to the Accounts

	As at March 31, 2001 Rupees	As at March 31, 2000 Rupees
Schedule 1: Share Capital		
Authorised		
5,00,000 Equity Shares of Rs. 10 each	50,00,000	50,00,000
100 14% Cumulative Redeemable Preference Shares of Rs. 100 each	10,000	10,000
	<u>50,10,000</u>	<u>50,10,000</u>
Issued, Subscribed and Paid-up		
4,50,000 Equity Shares of Rs. 10 each fully paid [The above shares are held by Colgate-Palmolive (India) Ltd., the Holding Company]	45,00,000	45,00,000
	<u>45,00,000</u>	<u>45,00,000</u>
Schedule 2: Reserves and Surplus		
Profit and Loss Account Balance	39,48,686	23,57,490
	<u>39,48,686</u>	<u>23,57,490</u>
Schedule 3: Fixed Assets		

	Gross Block				Depreciation/ Amortisation		Net Block	
	As at 31-3-2000 Rupees	Additions/ Transfer Rupees	Deductions/ Transfers Rupees	As at 31-3-2001 Rupees	For the Year Rupees	As at 31-3-2001 Rupees	As at 31-3-2001 Rupees	As at 31-3-2000 Rupees
	Land-Leasehold	11,52,305	-	-	11,52,305	11,982	57,956	10,94,349
Buildings	1,09,95,958	-	-	1,09,95,958	3,67,569	13,44,121	96,51,837	1,00,19,406
Plant & Machinery	10,07,51,558	1,46,60,439	47,19,300	11,06,92,697	1,08,09,071	2,86,43,309	8,20,49,388	8,17,49,447
Furniture & Equipment	29,85,263	27,358	-	30,12,621	2,11,669	11,51,130	18,61,491	20,45,802
Vehicles	38,976	-	-	38,976	3,703	4,940	34,036	37,739
Total	11,59,24,060	1,46,87,797	47,19,300	12,58,92,557	1,14,03,994	3,12,01,456	9,46,91,101	9,49,58,725
Total Previous Year	11,24,23,531	37,80,542	2,80,013	11,59,24,060	1,09,11,534	2,09,65,335		
Capital Work-in-Progress and Capital Advances							11,32,056	6,28,527
Total							9,58,23,157	9,55,87,252

Note : "Land-Leasehold" comprises of lease rights in respect of land at Waluj in possession of the Company, under lease with the Maharashtra Industrial & Development Corporation.

	As at March 31, 2001 Rupees	As at March 31, 2000 Rupees
--	--------------------------------------	--------------------------------------

Schedule 4 : Inventories

(At lower of cost or net realisable value)

Stores and Spares	14,30,769	8,42,492
Raw and Packing Materials	64,17,312	1,19,77,337
Work-in-Process	9,44,963	2,31,249
Finished Goods	1,55,982	—
	<u>89,49,026</u>	<u>1,30,51,078</u>

Schedule 5 : Sundry Debtors

Unsecured (less than 6 months) :		
Considered good	39,65,662	55,50,740
	<u>39,65,662</u>	<u>55,50,740</u>

	As at March 31, 2001 Rupees	As at March 31, 2000 Rupees
Schedule 6 : Cash and Bank Balances		
Cash on hand	36,697	50,000
Balances with Scheduled Banks		
On Current Accounts	76,09,887	17,76,406
On Deposit Accounts	1,20,05,000	70,05,000
	<u>1,96,51,584</u>	<u>88,31,406</u>

Schedule 7 : Loans & Advances

Advances recoverable in cash or in kind or for value to be received	1,31,37,777	12,51,105
Deposits	4,71,175	4,71,175
Balances with Excise Authorities	32,180	—
	<u>1,36,41,132</u>	<u>17,22,280</u>

Schedule 8 : Other Income

Interest on Bank Deposits [TDS Rs. 1,03,684 (Previous Year : Rs. 39,510)]	4,60,378	2,61,006
Processing Charges	2,03,122	10,33,880
Miscellaneous Income	2,13,234	4,77,518
	<u>8,76,734</u>	<u>17,72,404</u>

Schedule 9 : Materials Cost

Opening Stock		4,83,485
Work-in-Process	2,31,249	22,545
Finished Goods	—	—
	<u>2,31,249</u>	<u>5,06,030</u>
Raw and Packing Materials Consumed		
Opening Stock	1,19,77,337	1,07,00,414
Add: Purchases	4,12,89,405	3,67,33,235
	<u>5,32,66,742</u>	<u>4,74,33,649</u>
Less : Closing Stock	64,17,312	1,19,77,337
	<u>4,68,49,430</u>	<u>3,54,56,312</u>
Less : Sales	21,19,845	11,49,408
	<u>4,47,29,585</u>	<u>3,43,06,904</u>
Less : Closing Stock		
Work-in-Process	9,44,963	2,31,249
Finished Goods	1,55,982	—
	<u>11,00,945</u>	<u>2,31,249</u>
	<u>4,38,59,889</u>	<u>3,45,81,685</u>

Schedule 10 : Employee Costs

Salaries, Wages and Bonus	30,88,409	24,70,904
Contribution to Provident and other Funds	3,30,258	2,85,869
Staff Welfare Expenses	13,39,880	13,49,678
	<u>47,58,547</u>	<u>41,06,451</u>

CAMELOT INVESTMENTS COMPANY LIMITED

	Rupees	2000-01 Rupees	Previous Year Rupees
Schedule 11 : Other Expenses			
Consumption of Stores & Spares		9,69,210	6,71,769
Processing Charges		17,21,466	—
Power and Fuel		21,91,306	21,64,901
Rates and Taxes		75,100	57,770
Insurance		4,40,291	3,60,439
Repairs			
Plant and Machinery	10,81,996		10,98,780
Buildings	—		1,42,152
		10,81,996	12,40,932
Payment to Auditors			
Audit Fees	52,500		50,000
Tax Audit Fees	10,500		10,000
Other Services/Out of pocket expenses	4,500		1,530
		67,500	61,530
Sales Taxes absorbed		28,376	—
Travel		1,89,254	2,94,602
Loss on Sale of Fixed Assets		4,71,266	1,54,083
Miscellaneous Expenses		13,69,551	9,91,136
		86,05,316	59,97,162

Schedule 12: Notes to the Accounts
1. Significant Accounting Policies
a. Basis of Accounting

Financial Statements are prepared under the historical cost convention on accrual basis in accordance with Accounting Standards applicable in India.

b. Revenue Recognition

Sales are recognised on completion of sale of goods and are recorded inclusive of excise duty and net of trade discounts, rebates and sales taxes.

c. Fixed Assets

Fixed Assets are recorded at cost. The Company capitalises all costs relating to acquisition and installation of Fixed Assets.

d. Depreciation and Amortisation

– Depreciation is provided on straight-line method on all Fixed Assets (except Leasehold Land) at rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

– Leasehold Land is amortised over the life of the lease.

e. Inventories

Inventories are valued at the lower of cost or net realisable value. Work-in-Process and Finished Goods inventories include production overheads and excise duty, wherever applicable.

f. Retirement Benefits

Contribution in respect of defined retirement schemes such as Provident and Superannuation Fund are charged to the Profit and Loss Account as incurred.

g. Foreign Currency Transactions

Foreign Currency Transactions are accounted at exchange rates prevailing on the date the transaction takes place. All exchange differences in respect of foreign currency transactions are dealt with in the Profit and

Loss Account (except those relating to acquisition of Fixed Assets which are adjusted in the cost of the assets). All foreign currency assets and liabilities, if any, as at the Balance Sheet date are restated at the applicable exchange rates prevailing at that date.

2. Estimated amount of contracts on capital account to be executed and not provided for : **Rs. Nil** (Previous Year : Rs. 18,48,486).

3. To the best of knowledge and as per the information available with the management, amount due to small scale industrial undertakings is **Rs. Nil** (Previous Year: Rs. Nil.)

4. Details of Raw and Packing Materials consumed :

	Unit	2000-01		Previous Year	
		Quantity	Value Rupees	Quantity	Value Rupees
Resins	Kgs.	1,18,005	1,03,42,916	97,478	80,04,017
Nylon	Kgs.	8,193	1,02,60,497	7,270	84,63,369
Handles	Doz.	2,29,282	1,45,46,217	2,46,331	1,28,02,626
Dispensers/ Labels/ PVC Trays	Doz.	8,36,592	79,79,756	7,55,586	34,96,212
Others			16,00,199		15,40,680
Total			4,47,29,585		3,43,06,904

Note : Resins include quantities used for moulding of handles, for captive consumption.

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

	2000-01		Previous Year	
	Value Rupees	% to Total Consumption	Value Rupees	% to Total Consumption
Raw and Packing Materials :				
Imported at landed cost	1,31,01,811	29	1,32,85,420	39
Indigenously obtained	3,16,27,774	71	2,10,21,484	61
Total	4,47,29,585	100	3,43,06,904	100
Stores and Spare parts consumed :				
Imported at landed cost	5,50,151	57	—	—
Indigenously obtained	4,19,059	43	6,71,769	100
Total	9,69,210	100	6,71,769	100

6. Value of imports calculated on C.I.F. basis :

	2000-01 Rupees	Previous Year Rupees
Raw Materials	72,80,825	66,17,622
Spare Parts	3,44,210	—

CAMELOT INVESTMENTS COMPANY LIMITED

7. Expenditure in foreign currency : — —

8. Information for each class of goods manufactured :

(a) Installed Capacity and Actual Production :

	2000-01 1999-00	Annual capacity on three-shift basis			
		Unit	Licensed	Installed	Actual Production
Toothbrushes	Doz.	Not Applicable	12,50,000	7,92,845	
	1999-00	Doz.	Not Applicable	12,50,000	6,25,944

The installed capacity as shown above has been certified by the Factory Manager and not verified by the Auditors, being a technical matter.

(b) Opening and Closing Stocks of Finished Goods :

	2000-01				Previous Year			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
	Doz.	Rupees	Doz.	Rupees	Doz.	Rupees	Doz.	Rupees
Toothbrushes	—	—	1,932	1,55,982	408	22,545	—	—

(c) Sale by Class of Goods :

	Unit	2000-01		Previous Year	
		Qty.	Value	Qty.	Value
		Rupees		Rupees	
Toothbrushes	Doz.	7,90,913	6,98,70,378	6,26,352	5,57,58,885

9. Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details :

Registration No.	48621
State Code	11
Balance Sheet Date	31-03-2001

II. Capital raised during the year (Amount in Rs.Thousands) :

Public Issue	—
Rights Issue	—
Bonus Issue	—
Private Placement	—

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands) :

Total Liabilities	142167
Total Assets	142167
Sources of Funds	
Paid-up Capital	4500
Reserves and Surplus	3949
Secured Loans	—
Unsecured Loans	114633
Application of Funds	
Net Fixed Assets	95823
Investments	—
Net Current Assets	27259
Misc. Expenditure	—
Accumulated Losses	—

IV. Performance of Company (Amount in Rs.Thousands)

Turnover (Gross Revenue)	70747
Total Expenditure	69008
Profit/(Loss) Before Tax	1739
Profit/(Loss) After Tax	1591
Earnings per Share in Rs.	3.54
Dividend (%)	—

V. Generic Names of Three Principal Products/Services of Company (as per Monetary Terms) :

Item Code No. (ITC Code)	960321.00
Product Description	Toothbrush

10. Previous year's figures have been regrouped wherever necessary to conform to current year's classification.

Signatures to Schedules 1 to 12

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S. B. Prabhu
Partner

Directors

N.N. Shanbhag
P. Richardson
A. Pande

Mumbai, June 15, 2001

PASSION TRADING & INVESTMENT COMPANY LIMITED
Report of the Directors

The Members
Passion Trading & Investment Company Limited
Mumbai

Your Directors present their Twelfth Annual Report and Audited Accounts for the year ended March 31, 2001.

Business Activities :

The Company has not yet started any business activity. The Directors hope that the Company will commence business in the near future.

Directors :

Mr. K. V. Vaidyanathan, Director, retires by rotation and being eligible, offers himself for re-appointment.

Mr. Udai Upendra resigned as Director with effect from June 15, 2001.

Mr. Vinay Hegde and Mr. N. Ramchandran were appointed as Additional Directors of the Company effective June 15, 2001. They shall be holding office of Directors upto the date of the ensuing Annual General Meeting.

Auditors :

Messrs. Ford, Rhodes, Parks & Co., Chartered Accounts, retire and are eligible for re-appointment as Auditors.

Responsibility Statement :

In terms of Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and 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 and Loss of the Company for that period;
- that the Directors 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
- that the Directors have prepared the annual accounts for the year ended March 31, 2001 on a going concern basis.

On behalf of the Board

Mumbai, June 15, 2001

Directors { **K. V. Vaidyanathan**
N. N. Shanbhag

Auditors' Report to the Shareholders

We have audited the attached Balance Sheet of Passion Trading & Investment Company Limited as at 31st March, 2001, together with the Profit and Loss Account of the Company for the year ended on that date and report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
- In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2001
and
 - in the case of the Profit and Loss Account, of the loss for the year ended on that date.
- On the basis of the written representations received from the Directors as on 31st March, 2001 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2001 from being appointed as Directors in terms of Section 274 (1)(g) of the Companies Act, 1956.

As the Company had no manufacturing, trading or other activities during the year, the Manufacturing and other Companies (Auditors's Report) Order, 1988 is, in our opinion, not applicable to the Company.

For Ford, Rhodes, Parks & Co.

Chartered Accountants

S. B. Prabhu

Partner

Mumbai, June 15, 2001

Balance Sheet as at March 31, 2001

	As at March 31, 2001 Rupees	As at March 31, 2000 Rupees
Sources of Funds		
Shareholders' Funds		
Share Capital		
Authorised		
1,000 Equity Shares of Rs. 100 each	1,00,000	1,00,000
100 14% Cumulative Redeemable Preference shares of Rs. 100 each	10,000	10,000
Issued, Subscribed & Paid-up		
302 Equity Shares of Rs. 100 each fully paid [The above shares are held by Colgate-Palmolive (India) Ltd., the Holding Company]	30,200	30,200
Total	30,200	30,200
Application of Funds		
Current Assets, Loans and Advances		
Balance with Scheduled Bank		
On Current Account	21,025	22,825
Current Liabilities & Provisions		
Creditors	-	1,400
Net Current Assets	21,025	21,425
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Preliminary Expenses	6,200	6,200
Profit and Loss Account Balance	2,975	2,575
Total	30,200	30,200

Profit and Loss Account for the year ended March 31, 2001

	Rupees	Previous Year Rupees
Filing Fees	400	300
Bank Charges	-	100
Loss for the Period	400	400
Debit Balance Brought Forward	2,575	2,175
Balance Carried to Balance Sheet	2,975	2,575

Notes:

- Contingent liability in respect of Dividend on Preference Shares Rs. 2,793 (Previous Year : Rs. 2,793) is not provided for.
- Information pursuant to paras 3, 4C and 4D of Part II of Schedule VI of the Companies Act is not given since the Company has not commenced business.

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S. B. Prabhu

Partner
Mumbai, June 15, 2001

Directors { **K.V. Vaidyanathan**
N.N. Shanbhag

**Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile :**

I. Registration Details :		
Registration No.		47799
State Code		11
Balance Sheet Date		31-03-2001
II. Capital raised during the year (Amount in Rupees) :		
Public Issue		-
Rights Issue		-
Bonus Issue		-
Private Placement		-
III. Position of Mobilisation and Deployment of Funds (Amount in Rupees) :		
Total Liabilities		30200
Total Assets		30200
Sources of Funds		
Paid-up Capital		30200
Reserves and Surplus		-
Secured Loans		-
Unsecured Loans		-
Application of Funds		
Net Fixed Assets		-
Investments		-
Net Current Assets		21025
Misc. Expenditure		6200
Accumulated Losses		2975
IV. Performance of Company (Amount in Rupees) :		
Turnover (Gross Revenue)		-
Total Expenditure		400
(Loss) Before Tax		(400)
(Loss) After Tax		(400)
Earnings per Share in Rs.		-
Dividend (%)		-
V. Generic Names of Three Principal Products/Services of Company (as per Monetary Terms) :		
Item Code No. (ITC Code)		-
Product Description		-

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S. B. Prabhu

Partner
Mumbai, June 15, 2001

Directors { **K.V. Vaidyanathan**
N.N. Shanbhag

**MULTIMINT LEASING & FINANCE LIMITED****Report of the Directors**

The Members
Multimint Leasing & Finance Limited
Mumbai

Your Directors present their Sixteenth Annual Report and Audited Accounts for the year ended March 31, 2001.

Business Activities :

The Company has not yet started any business activity. The Directors hope that the Company will commence business in the near future.

Directors :

Mr. K. V. Vaidyanathan, Director, retires by rotation and being eligible, offers himself for re-appointment.
Mr. V. Runganathan resigned as Director with effect from June 15, 2001.

Mr. Arun Pande and Mr. N. Ramchandran were appointed as Additional Directors of the Company effective December 29, 2000 and June 15, 2001 respectively. They shall be holding office of Directors upto the date of the ensuing Annual General Meeting.

Auditors :

Messrs. Ford, Rhodes, Parks & Co., Chartered Accountants, retire and are eligible for re-appointment as Auditors.

Responsibility Statement :

In terms of Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and 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 and Loss of the Company for that period;
- that the Directors 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
- that the Directors have prepared the annual accounts for the year ended March 31, 2001 on a going concern basis.

On behalf of the Board

Mumbai, June 15, 2001

Directors { K. V. Vaidyanathan
N. N. Shanbhag

Auditors' Report to the Shareholders

We have audited the attached Balance Sheet of Multimint Leasing and Finance Limited as at 31st March, 2001, together with the Profit and Loss Account of the Company for the year ended on that date and report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
- In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2001
and
 - in the case of the Profit and Loss Account, of the loss for the year ended on that date.
- On the basis of the written representations received from the Directors as on 31st March, 2001 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2001 from being appointed as Directors in terms of Section 274 (1)(g) of the Companies Act, 1956.

As the Company had no manufacturing, trading or other activities during the year, the Manufacturing and other Companies (Auditor's Report) Order, 1988 is, in our opinion, not applicable to the Company.

For Ford, Rhodes, Parks & Co.
Chartered Accountants

Mumbai: June 15, 2001

S. B. Prabhu
Partner

Balance Sheet as at March 31, 2001

	As at March 31, 2001 Rupees	As at March 31, 2000 Rupees
Sources of Funds		
Shareholders' Funds		
Share Capital		
Authorised		
10,000 Equity Shares of Rs. 10 each	1,00,000	1,00,000
100 14% Cumulative Redeemable Preference Shares of Rs. 100 each	10,000	10,000
Issued, Subscribed & Paid-up		
3,500 Equity Shares of Rs. 10 each fully paid		
[The above shares are held by Colgate-Palmolive (India) Ltd., the Holding Company]	35,000	35,000
Total	35,000	35,000
Application of Funds		
Current Assets, Loans and Advances		
Balance with Scheduled Bank		
On Current Account	22,950	25,120
Current Liabilities & Provisions		
Creditors	-	1,370
	22,950	23,750
Net Current Assets		
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Preliminary Expenses	7,000	7,000
Profit and Loss Account Balance	5,050	4,250
Total	35,000	35,000

Profit and Loss Account for the year ended March 31, 2001

	Rupees	Previous Year Rupees
Filing Fees	800	300
Bank Charges	-	100
Loss for the Period	800	400
Debit Balance Brought Forward	4,250	3,850
Balance Carried to Balance Sheet	5,050	4,250

Notes:

- Contingent liability in respect of Dividend on Preference Shares Rs. 2,689 (Previous Year : Rs. 2,689) is not provided for.
- Information pursuant to paras 3, 4C and 4D of Part II of Schedule VI of the Companies Act is not given since the Company has not commenced business.

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S. B. Prabhu

Partner
Mumbai, June 15, 2001

Directors { K. V. Vaidyanathan
N. N. Shanbhag

**Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile :**

I. Registration Details :		
Registration No.		38119
State Code		11
Balance Sheet Date		31-03-2001
II. Capital raised during the year (Amount in Rupees) :		
Public Issue		-
Rights Issue		-
Bonus Issue		-
Private Placement		-
III. Position of Mobilisation and Deployment of Funds (Amount in Rupees) :		
Total Liabilities		35000
Total Assets		35000
Sources of Funds		
Paid-up Capital		35000
Reserves and Surplus		-
Secured Loans		-
Unsecured Loans		-
Application of Funds		
Net Fixed Assets		-
Investments		-
Net Current Assets		22950
Misc. Expenditure		7000
Accumulated Losses		5050
IV. Performance of Company (Amount in Rupees) :		
Turnover (Gross Revenue)		-
Total Expenditure		800
(Loss) Before Tax		(800)
(Loss) After Tax		(800)
Earnings per Share in Rs.		-
Dividend (%)		-
V. Generic Names of Three Principal Products/Services of Company (as per Monetary Terms) :		
Item Code No. (ITC Code)		-
Product Description		-

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S. B. Prabhu

Partner
Mumbai, June 15, 2001

Directors { K. V. Vaidyanathan
N. N. Shanbhag

JIGS INVESTMENTS LIMITED
Report of the Directors

The Members
Jigs Investments Limited
Mumbai

Your Directors present their Twelfth Annual Report and Audited Accounts for the year ended March 31, 2001.

Business Activities :

The Company has not yet started any business activity. The Directors hope that the Company will commence business in the near future.

Directors :

Mr. K.V. Vaidyanathan, Director, retires by rotation and being eligible, offers himself for re-appointment.

Mr. Peter Richardson and Mr. N. Ramchandran were appointed as Additional Directors of the Company effective August 17, 2000 and June 15, 2001 respectively. They shall be holding office of Directors upto the date of the ensuing Annual General Meeting.

Auditors :

Messrs. Ford, Rhodes, Parks & Co., Chartered Accountants, retire and are eligible for re-appointment as Auditors.

Responsibility Statement :

In terms of Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and 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 and Loss of the Company for that period;
- that the Directors 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
- that the Directors have prepared the annual accounts for the year ended March 31, 2001 on a going concern basis.

On behalf of the Board

Mumbai, June 15, 2001

Directors { **K. V. Vaidyanathan**
N. N. Shanbhag

Auditors' Report to the Shareholders

We have audited the attached Balance Sheet of Jigs Investments Limited as at 31st March, 2001, together with the Profit and Loss Account of the Company for the year ended on that date and report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
- In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - in the case of the Balance Sheet, of state of affairs of the Company as at 31st March, 2001
 - and
 - in the case of the Profit and Loss Account, of the loss for the year ended on that date.
- On the basis of the written representations received from the Directors as on 31st March, 2001 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2001 from being appointed as Directors in terms of Section 274 (1) (g) of the Companies Act, 1956.

As the Company had no manufacturing, trading or other activities during the year, the Manufacturing and other Companies (Auditor's Report) Order, 1988 is, in our opinion, not applicable to the Company.

For Ford, Rhodes, Parks & Co.
Chartered Accountants

S.B. Prabhu
Partner

Mumbai : June 15, 2001

Balance Sheet as at March 31, 2001

	As at March 31, 2001 Rupees	As at March 31, 2000 Rupees
Sources of Funds		
Shareholders' Funds		
Share Capital		
Authorised		
10,000 Equity Shares of Rs. 10 each	1,00,000	1,00,000
100 14% Cumulative Redeemable Preference Shares of Rs. 100 each	10,000	10,000
Issued, Subscribed & Paid-up	<u>10,000</u>	<u>10,000</u>
3,020 Equity Shares of Rs. 10 each fully paid [The above shares are held by Colgate-Palmolive (India) Ltd., the Holding Company]	<u>30,200</u>	<u>30,200</u>
Total	<u><u>30,200</u></u>	<u><u>30,200</u></u>
Application of Funds		
Current Assets, Loans and Advances		
Balance with Scheduled Bank		
On Current Account	21,040	22,825
Current Liabilities & Provisions		
Creditors	400	1,385
Net Current Assets		
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Preliminary Expenses	6,200	6,200
Profit and Loss Account Balance		
	<u>3,360</u>	<u>2,560</u>
Total	<u><u>30,200</u></u>	<u><u>30,200</u></u>

Profit and Loss Account for the year ended March 31, 2001

	Rupees	Previous Year Rupees
Filing Fees	800	300
Bank Charges	-	100
Loss for the Period	800	400
Debit Balance Brought Forward	<u>2,560</u>	<u>2,160</u>
Balance Carried to Balance Sheet	<u><u>3,360</u></u>	<u><u>2,560</u></u>

Notes:

- Contingent liability in respect of Dividend on Preference Shares Rs. 2,793 (Previous Year : Rs. 2,793) is not provided for.
- Information pursuant to paras 3, 4C and 4D of Part II of Schedule VI of the Companies Act is not given since the Company has not commenced business.

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S.B. Prabhu

Partner
Mumbai, June 15, 2001

Directors { **K.V.Vaidyanathan**
N.N.Shanbhag

**Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile:**

I. Registration Details :	
Registration No.	48238
State Code	11
Balance Sheet Date	31-03-2001
II. Capital raised during the year (Amount in Rupees) :	
Public Issue	-
Rights Issue	-
Bonus Issue	-
Private Placement	-
III. Position of Mobilisation and Deployment of Funds (Amount in Rupees) :	
Total Liabilities	30600
Total Assets	30600
Sources of Funds	
Paid-up Capital	30200
Reserves and Surplus	-
Secured Loans	-
Unsecured Loans	-
Application of Funds	
Net Fixed Assets	-
Investments	-
Net Current Assets	20640
Misc. Expenditure	6200
Accumulated Losses	3360
IV. Performance of Company (Amount in Rupees) :	
Turnover (Gross Revenue)	-
Total Expenditure	800
(Loss) Before Tax	(800)
(Loss) After Tax	(800)
Earnings per Share in Rs.	-
Dividend (%)	-
V. Generic Names of Three Principal Products/Services of Company (as per Monetary Terms) :	
Item Code No. (ITC Code)	-
Product Description	-

Per our report attached
For Ford, Rhodes, Parks & Co.
Chartered Accountants

S.B. Prabhu
Partner
Mumbai, June 15, 2001

Directors { **K.V.Vaidyanathan**
N.N.Shanbhag