



COLGATE-PALMOLIVE (INDIA) LIMITED

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www.colgatepalmolive.co.in  
CIN : L24200MH1937PLC002700

May 27, 2019

The Secretary  
BSE Limited  
P.J. Towers – 25<sup>th</sup> Floor,  
Dalal Street  
Mumbai-400001

Scrip Code: 500830

The Manager – Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block – G  
Bandra-Kurla Complex  
Bandra (East), Mumbai 400 051

Symbol: COLPAL  
Series : EQ

Dear Sir(s),

Re: Amendment of Insider Trading Code of Conduct

This is to inform you that the Board of Directors of the Company in their meeting held today has approved the revised Insider Trading Code of Conduct of the Company. The amended copy of the Insider Trading Code of Conduct is enclosed herewith for your records.

Thanking you,

Yours sincerely,  
For **Colgate-Palmolive (India) Limited**

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RANDHIR SINGH  
SINGH  
Digitally signed  
by K RANDHIR  
SINGH  
Date: 2019.05.27  
17:16:28 +05'30'

K. Randhir Singh  
Company Secretary & Compliance Officer

*Encl: a/a*

**COLGATE-PALMOLIVE (INDIA) LIMITED**

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

**INTRODUCTION**

Insider trading refers to trading in the securities of a company by its directors, employees or other persons so as to make a profit or avoid any loss, on the basis of unpublished price sensitive information known only to them and not to the general body of shareholders. This kind of profiteering by an insider, taking unfair advantage of unpublished price sensitive information available to him/her by virtue of his/her position or connection with the Company, erodes investors' confidence in the integrity of the management of the Company.

Any trading in the securities of Colgate-Palmolive (India) Limited (the Company) by its Directors / Officers, employees or other persons connected with the Company, based on unpublished price sensitive information, in their possession which can impact the price of the Company's securities, shall constitute insider trading.

In order to deal with insider trading in securities, the Securities and Exchange Board of India (SEBI) has framed the SEBI (Prohibition of Insider Trading) Regulations, 2015.

**OBJECTIVE**

This document lays down the Company's policy and the Code of Conduct in respect of insider trading in securities of Colgate-Palmolive (India) Limited.

## Colgate-Palmolive (India) Limited

### **1. Insider Trading Code of Conduct CODE**

- 1.1 This Code of Conduct called **Colgate - Insider Trading Code of Conduct** (the Code) has been adopted by the Board and is effective from May 15, 2015. Further, the Code has been revised pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. (“the Regulations”)
- 1.2 The Code has been made pursuant to Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the Regulations) to regulate, monitor and report trading by the Designated Persons and other Connected Persons of the Company with a view to comply with the provisions of the Regulations.

### **2. Applicability**

The Code will be applicable to designated persons and immediate relatives of designated persons and such other persons as the Regulations may require.

### **3. Definitions**

- a) “Act” means the Securities and Exchange Board of India Act, 1992.
- b) “Board” means the Securities and Exchange Board of India.
- c) “Chinese Wall” means a barrier especially to the passage of information or communication.
- d) “Company” or “the Company” or “CPIL” means Colgate-Palmolive (India) Limited.
- e) “Compliance Officer” means any senior officer designated so and reporting to the Board of Directors of the Company who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the code specified in the Regulations under the overall supervision of the Board of Directors of the Company.
- f) “Connected Person” means, -
  - i. any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access; and

- ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -:
  - a. an immediate relative of connected persons specified in clause (i); or
  - b. the holding, associate or subsidiary company; or
  - c. an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
  - d. an investment company, trustee company; asset management company or an employee or director thereof; or
  - e. an official of a stock exchange or a clearing house or corporation; or
  - f. a member of the board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
  - g. a member of the board of directors or an employee of a public financial institution as defined in section 2(72) of the Companies Act, 2013; or
  - h. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
  - i. a banker of the Company; or
  - j. a concern, firm, trust, Hindu undivided Family, company or association of persons wherein a Director of the Company or his immediate relative or banker of the Company, has more than ten percent of the holding or interest.
- g) "Designated Person" shall consist of Connected Persons who are Promoters, Directors, Key Managerial Personnel, Chief Executive Officer (CEO) / Managing Director (MD) and employees up to two levels below CEO/MD, senior management personnel in the Company and such other persons as identified by the Managing Director in consultation with Compliance Officer of the Company on the basis of their functional role in the Company and access to price sensitive information of the Company as required under the Regulations.
- h) "Director" means a director appointed to the board of the Company.
- i) "generally available information" means information that is accessible to the public on a non-discriminatory basis.
- j) "immediate relative" means spouse of a person, and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.
- k) "Insider" means any person who is
  - i. a Connected Person; or
  - ii. in possession of or having access to unpublished price sensitive information.
- l) "key managerial persons or personnel" means key managerial persons as defined in Section 2 (51 ) of the Companies Act, 2013.
- m) "Legitimate purposes" shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided

that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.”

- n) “promoter” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, [2018] or any modification thereof;

“promoter group” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

- o) “SEBI” means the Securities and Exchange Board of India.
- p) “securities” shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund.
- q) “Specified” means specified by the Board in writing.
- r) “Takeover regulations” means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- s) “trading” means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be construed accordingly.
- t) “trading day” means a day on which the recognized stock exchanges of India are open for trading.
- u) “trading plan” means the plan submitted by an Insider and approved by the Compliance Officer pursuant to which trade in the securities of the Company may be carried out on behalf of the Insider in accordance with such plan.
- v) “Trading Window” means a time during which promoters, Directors, Designated Person and Insiders are permitted to trade in the Company’s securities in accordance with this Code.
- w) “unpublished price sensitive information” means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but is not restricted to, information relating to the following:
- (i) financial results;
  - (ii) dividends;
  - (iii) change in capital structure;
  - (iv) mergers, demergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
  - (v) changes in key managerial personnel.
- x) Words and phrases not specifically defined herein but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in therein.

#### **4. Regulation of ‘Information’**

- i. The Company will regulate the flow of unpublished price sensitive information within the organization and such information shall be made

- available and passed onto any person only on a 'need to know' basis as specified in this Code.
- ii. Files containing confidential information and/or unpublished price sensitive information shall be kept secure; computer files must have adequate security of login, password etc.
  - iii. Unpublished price sensitive information relating to the Company or relating to the securities of the Company shall be made available or communicated by an Insider to any person including other Insiders only in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
  - iv. An Insider shall not on his own accord reveal any unpublished price sensitive information relating to the Company or to its securities to any person unless such disclosure is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
  - v. If an Insider commits a breach or accidentally crosses a Chinese Wall in respect of any unpublished price sensitive information, it shall be reported to the Compliance Officer and immediate action shall be initiated by the Compliance Officer to stop such information from being further misused.
  - vi. Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
    - a. entail an obligation to make an open offer under the Takeover regulations where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company;
    - b. not attract the obligation to make an open offer under the Takeover regulations but where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company and the information that constitutes unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors of the Company may determine to be adequate and fair to cover all relevant and material facts.
  - vii. The Board of Directors of the Company shall for the purposes of transactions mentioned in Clause 4(vi) require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties except for the purpose mentioned in 4(vi) and such parties shall not trade in the securities of the Company when in possession of unpublished price sensitive information.
  - viii. The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

#### **4A. Institutional Mechanism for Prevention of Insider trading:**

- i. The CEO/Managing Director of the Company shall put in place adequate and effective system of internal controls as specified under the Regulations, to ensure compliance.

- ii. Audit Committee shall at least once in a financial year verify that the systems for internal control are adequate and are operating effectively.
- iii. In case of leak of UPSI or suspected leak of UPSI, the same should be promptly reported to the Compliance Officer of the Company. The Compliance Officer of the Company shall report to the Chairman of the Audit Committee about the leak of UPSI after making necessary inquiry into the reported matter. In case of leak of UPSI, necessary investigation shall be done and an investigation report shall be provided/placed before the Audit Committee for their review and recommendation to the Board of Directors. The Board of Directors of the Company shall decide the further course of action based on the recommendations received from the Audit Committee and in terms of the requirements of the Regulations.

## **5. Trading Window**

- 5.1 Compliance Officer may announce closure of Trading Window for securities of the Company for all the Promoters, Directors, Insiders or a Designated Person or class of Designated Persons who can reasonably be expected to have possession of unpublished price sensitive information in relation to such securities. Immediate relatives of the aforesaid persons shall also not trade when the Trading Window is closed.
- 5.2 Trading Window will be closed when any of the following events occur:-
  - (i) financial results;
  - (ii) dividends;
  - (iii) change in capital structure;
  - (iv) mergers, demergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
  - (v) changes in key managerial personnel;or when the Compliance Officer determines that a Designated Person or a class of Designated Persons can reasonably be expected to have possession of unpublished price sensitive information.
- 5.3 The timing for re-opening of the Trading Window shall be determined by the Compliance Officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

Trading restriction period will generally be made applicable from last week before the end of every quarter till 48 hours after the declaration of financial results.

## **6. Disclosures**

All disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions. Disclosures relating to trading shall also include trading in derivatives of the securities provided that trading in derivatives of the securities is permitted by any law for the time being in force. All

such disclosures shall be maintained by the Company for a period of 5 years.

### 6.1 Initial

- a) Every promoter, member of the promoter group, key managerial personnel, and Director of the Company shall disclose his holding of securities (including derivatives) of the Company as on 15<sup>th</sup> May 2015 within thirty days i.e.; 13<sup>th</sup> June 2015 to the Compliance Officer in **Form A**;
- b) Every person on appointment as a key managerial personnel or as a Director of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of securities (including derivatives) of the Company as on the date of appointment or becoming a promoter of the Company **within seven days** of such appointment or becoming a promoter; to the Compliance Officer in **Form B**
- c) All designated persons shall be required to disclose such information as prescribed in the Regulations including name and Permanent Account Number (PAN) of immediate relatives and persons with whom such designated person (s) shares a material financial relationship along with PAN and other details like phone number, mobile number(s) which are used by immediate relatives and person with whom such designated person shares material financial relationship, on an annual basis and as and when the information changes or required by the Compliance Officer of the Company. Compliance Officer shall be empowered to review the disclosure requirements and take appropriate action in this regard.
- d) Designated Persons shall also disclose the following details:
  1. the name of education institutions from which designated persons have studied; and
  2. name of the past employer(s)

### 6.2 Continuous

Every promoter and member of the promoter group, Director and Key managerial Personnel of the Company and a Designated Person shall disclose to the Compliance Officer in **Form C** the number of such securities (including derivatives) acquired or disposed of **within two trading days** of such transaction, if the value of the securities (including derivatives) traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 (Ten) Lac. The Compliance Officer shall notify the particulars of such trading to the stock exchange on which the securities (including derivatives) are listed **within two trading days** of receipt of the disclosure or from becoming aware of such information.

**Note:** The disclosure of the incremental transactions after any disclosure made as aforesaid shall be made when the transactions effected after the prior disclosure cross the threshold specified in Clause 6.2 (a) above.

### 6.3 Disclosure by connected persons

Connected Persons identified by the Board of Directors of the Company in consultation with the Compliance Officer will make disclosures of holdings



and trading in securities of the company in **Form D** at such frequency as may be determined by the company.

## 7. Trading Plan

- a) A Designated Person shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plans.
- b) The Compliance Officer, before approving the trading plan shall review the trading plan to see that it is compliant with the Regulations and the Code. The Compliance Officer may seek such undertakings from the Designated Person as he deems fit to enable him to approve and monitor the implementation of the trading plan.
- c) Once a trading plan has been approved by the Compliance Officer, it shall be irrevocable and the Designated Person shall mandatorily implement it without any deviations and without executing any trade outside the scope of the trading plan.
- d) Upon approving the trading plan, the Compliance Officer shall notify the trading plan to the stock exchanges on which the securities of the Company are listed.
- e) The trading plan shall:
  - i. not provide for commencement of trading on behalf of the Designated Person unless six months have elapsed from the date of public disclosure of such plan;
  - ii. shall not allow any trading during the period starting twenty days prior to the last day of any financial period for which the results are required to be announced by the Company and ending with the second trading day after the disclosure of such financial results;
  - iii. be for a period of twelve months or more;
  - iv. not overlap with any other trading plan of the same Designated Person;
  - v. specify either the value of trades to be effected or the number of securities to be traded. It shall also specify the nature of the trade and the interval at or dates on which such trades shall be effected;
  - vi. not allow for trading in the securities for market abuse.
  - vii. Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. and
  - viii. Trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

## 8. Trading in Company' Securities

- 8.1 The promoters, Directors and Designated Persons shall:
- i. execute trades subject to compliance with the Code;
  - ii. trade only when the **Trading Window** is open; and
  - iii. trade in the securities of the Company only after pre-clearance by the compliance officer, if the value of the proposed trades (buy/sell) is above 50 (fifty) number of Company Securities (or) in excess of Rs. 60,000 (Rupees Sixty Thousand). An application form for pre-clearance should be in **Form E**.

## 8.2 Pre-Clearance procedure:

On an application being made in **Form E** for pre-clearance, the Compliance Officer may after:

- i. seeking such information as may be necessary from the applicant;
- ii. seeking a declaration that the applicant is not in possession of unpublished price sensitive information;
- iii. confirming that the request for trade is in accordance with the trading plan submitted by the applicant earlier;
- iv. confirming that the applicant has not done any prior contra trade within the previous period of six months unless such restriction has been relaxed by the Compliance Officer for reasons recorded in writing and where such relaxation is not in violation of the Regulations;

grant approval in writing the pre-clearance. The pre-clearance shall be valid for a period of 7 trading days. In case of failure to execute trade within the stipulated period, a fresh application for obtaining pre-clearance must be sought.

- i. Pre-clearance shall be required even if the transaction is only in the nature of transfer of beneficiary rights to any of the immediate relatives of the applicant.
- ii. The applicant shall be required to disclose the details of the trade within two trading days of such trade by completing and submitting to the Compliance Officer in **Form C**. In the event the applicant does not trade during the period for which the pre-clearance is valid, the applicant shall report to the Compliance Officer his decision not to trade.
- iii. The applicants shall not execute a contra trade within a period of 6 months within which a trade is permitted.
- iv. The Compliance Officer may grant relaxation to a contra trade for reasons recorded in writing provided that such relaxation does not violate the Code or the Regulations.
- v. In case a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by it.

No insider shall trade in securities of a Company when in possession of unpublished price sensitive information. Insiders shall report to the Company within two working days of any transaction in the securities of the Company including, the off-market transfer and the Company shall report particulars of such trades to the Stock Exchanges within two trading days from receipt of such disclosure or becoming aware of such information in terms of the requirements of the Regulations.

## 9. Formats

The formats of various forms / applications referred to in the Code are annexed.

## 10. Reports

- (i) The Compliance Officer shall submit compliance reports to the Chairman of the Audit Committee of the Board at the end of every financial quarter or as

required under the Regulation.

- (ii) The Compliance Officer shall within seven days of coming to know of any contravention of the Code or the Regulations, immediately bring the same to the notice of the Chairman of the Audit Committee, and take such other necessary action as may be required under the Regulations.

**11. Penal Provisions**

- 11.1 An employee/Designated Person/Director who trades in the Company's securities or communicates any information for trading in the Company's securities in contravention of the Code shall be penalized and appropriate action may be taken by the Company.
- 11.2 An employee/Designated Person/Director who violates the provisions of this Code shall be liable for such penal / disciplinary / remedial action as may be considered appropriate by the Company / Compliance Officer including but not limited to wage freeze, termination of employment and requiring the employee/Designated Person/Director in breach of this Code to make over to the Company any gain arising out of any transactions or any loss avoided from any transaction effected in breach of this Code. In addition to the action taken by the Company, the Board of Directors of the Company shall promptly report to the SEBI and the person violating the Code shall also be subject to action taken by SEBI as per the Act and the Regulations.

**12. Miscellaneous**

- 12.1 The Compliance Officer shall be responsible for intimating any changes in policies to all persons governed by the Code.
- 12.2 The Board of Directors of the Company has the right to change / amend this Code from time to time at its sole discretion on its own accord, provided the revised Code is in compliance with applicable law including the Regulations, or in pursuance of any amendments made by SEBI to the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 12.3 The decision of the Compliance Officer in respect of any matter under this Code shall be final, binding and conclusive.
- 12.4 All correspondence with Colgate-Palmolive (India) Limited in regard to the Code shall be sent to the Compliance Officer and marked "CONFIDENTIAL".



**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF  
UNPUBLISHED PRICE SENSITIVE INFORMATION**

1. The Company shall make a prompt public disclosure of unpublished price sensitive information that would impact the share price no sooner than credible and concrete information comes into being in order to make such information generally available.
2. The Company shall ensure a uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. The Compliance Officer shall be the chief investor relations officer to deal with the dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall promptly disseminate the unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company shall provide an appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company shall ensure that the information shared with analysts and research personnel is not unpublished price sensitive information.
7. The Company shall develop best practices to make available transcripts or records of proceedings of all meetings with analysts and other investor relations conferences on the Company's official website to ensure official confirmation and documentation of disclosures made.
8. The Company shall handle all unpublished price sensitive information on a need-to-know basis.
9. The Policy for determination of "Legitimate Purposes" is annexed and forms part of this Code.

## Policy for Determination of "Legitimate Purposes"

### 1. Applicability

This Policy is pursuant to the the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and effective from April 01, 2019 and forms part of "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information". This Policy shall be strictly adhered to by all the Insiders of the Company.

### 2. Purpose

This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

### 3. Definition of Legitimate Purposes

**"Legitimate purposes"** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations."

### 4. Sharing of unpublished price sensitive information for Legitimate Purposes

Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations.

The Compliance Officer shall give notice to such person to make such person aware of the responsibility of dealing with the UPSI with utmost care, keeping the information confidential and to not trade in shares of the Company either themselves or through any other source, on the basis of such information.

All information shall be handled within the organization on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations

When a person who has traded in securities has been in possession of UPSI, his trade(s) would be presumed to have been motivated by the knowledge and awareness of such UPSI in his possession.