



Gillette India Limited

CIN: L28931MH1984PLC267130
Regd. Office
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Chakala, Andheri (E),
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Transcript of the 37th Annual General Meeting of Gillette India Limited held at 11:00 a.m. on November 23, 2021 through video conference/ other audio-visual means

Ms. Flavia Machado – Company Secretary, Gillette India Limited:

A very good morning to all shareholders. I request the Chairman, Mr. Gurcharan Das to commence with the proceedings of the 37th Annual General Meeting of Gillette India Limited. Over to you Mr. Das.

Mr. Gurcharan Das – Chairman and Independent Director, Gillette India Limited:

Good morning one and all. I welcome you and thank you for joining the 37th Annual General Meeting of Gillette India Limited. In view of COVID the company has arranged for shareholders to join through video conferencing in compliance with the directions of the Ministry. We hope you are all safe and sound. While we will miss the opportunity to interact with you personally, we are glad to be at least together. Now, since the requisite quorum is present, I call the meeting to order.

I should like to introduce the Board members and the management. Mr. Madhusudan Gopalan - Managing Director, Mr. Gautam Kamath - the Chief Financial Officer, Mr. Chittranjan Dua - Independent Director, Mr. Anil Kumar Gupta - Independent Director, Ms. Anjuly Chib Duggal - Independent Director. Mr. Pramod Agarwal - Director, Ms. Sonali Dhawan - Director, Mr. Gagan Sawhney - Non-Executive Director, Mr. P M Srinivas - Director and Ms. Flavia Machado - Company Secretary. Mr. Kartik Natarajan could not attend the meeting due to his other commitments. The representatives of the statutory auditors and the secretarial auditors are also attending this meeting. I am informed that two representations under Sec 113 of The Companies Act 2013, representing 75% of the paid-up share capital of the company has been received. Since the auditor's report and the secretarial audit report do not contain any qualifications or observations, they are not required to be read. I request Ms. Flavia Machado - Company Secretary to take the shareholders through the general instructions regarding virtual participation at this AGM.

Ms. Flavia Machado – Company Secretary, Gillette India Limited:

Thank you, sir. Dear shareholders, all the members are placed on mute mode by the host to avoid any disturbances and to ensure smooth conduct of the meeting. Since this meeting is being held through video conference means and physical attendance of members has been dispensed with, the facility to appoint proxies to attend and cast votes on behalf of the members is not available for this annual general meeting. Requisite statutory registers are available electronically for viewing by the members. Those who wish to view the same may write to the company at the investor relations email ID, which is mentioned in the



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annual report of the company. Live streaming of this meeting is available on the NSDL website. If any shareholder faces any technical issues, he or she may call the NSDL helpline at 1800-222-990. I repeat 1800-222-990. I now hand over to Mr. Das to take the proceedings ahead over to you.

Mr. Gurcharan Das – Chairman and Independent Director, Gillette India Limited:

Dear shareholders it gives me great pleasure to share with you the performance of your company for the financial year 2021. The pandemic has presented us with unprecedented challenges. It has impacted every aspect of our lives, business and economy. During the last fiscal, your company navigated these tough times with resilience and agility to deliver strong double digit growth, driven by its unwavering commitment to serve its employees, consumers and communities. Your company has built citizenship into its way of doing business and in response to the pandemic, the company has continued to step up as a force for the good. The company contributed to the P&G Groups, P&G Suraksha India program, and a major donation towards vaccine doses in our country. Under the program, the company also donated oxygen concentrators, and lakhs of masks and sanitizers for the protection of frontline workers and underprivileged communities. We continue to leverage the voice of our brands on mass media to create awareness about preventive measures to combat the spread of COVID.

To extend our support to India's healthcare infrastructure, we are partnering with TATA Trusts to support hospital capacity expansion in various locations. In addition, your company has continued its focus on educating underprivileged poor children by supporting the P&G Shiksha program. This program has supported thousands of schools and will impact the lives of millions of Indian children. P&G Shiksha's efforts are focused on three main areas; improving learning outcomes, empowering marginalized girls through education and improving educational infrastructure. During the pandemic as schools remained closed, the program continued to provide online education, reaching out to thousands of children during this time. While the near outlook is still uncertain, we will continue to focus on our strategy to drive product superiority, improving profitability to drive balanced growth while prioritizing the health and safety of our people. Lastly, I would like to express my gratitude to all our employees, our customers, our consumers, our business partners and you - our valued shareholders for your support during this tough year. We will continue to innovate and bring superior products to consumers and sustainably grow the business.

I now request Mr. Madhusudan Gopalan to address the shareholders.



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Mr. Madhusudan Gopalan – Managing Director, Gillette India Limited:

Thank you Mr. Das. A very good morning to our esteemed shareholders. In the next few minutes, I would like to share with you the company strategy, priorities and the progress we are making on each of these priorities. Our strategy is clear. We focus on a portfolio of products which are daily used products where consumer choice of which brand to use is driven by performance. This is anchored in superiority. Our research has clearly shown that consumers choose brands that deliver superiority on these five factors of product, packaging, communication, retail execution and value. We support these superiority investments with a relentless focus on productivity to remove waste from the system. We lead constructive disruption, disruption not for the sake of it, but destruction which is constructive, which leads to creating value – value for you our shareholders, value for our consumers and value for the larger community, and to develop and execute this strategy, we stay committed to building an organization which is focused and agile to win and serve the consumers in this competitive marketplace.

Our priorities for the immediate term is clear. Protecting the health and wellbeing of our P&G people in the context of what is still a fairly volatile external situation with regards to the pandemic. Several consumers who count on our brands, our daily used brands and of course, playing a responsible role of corporate citizen supporting the communities we live in and we serve. I would like to now share with you some of the interventions we have made over the last year on each of these priorities. Protecting our employees - we continue to encourage and expect COVID safe behaviour from our employees across all our sites. We continue to provide the required medical support, including in times of need supporting the employees, to be able to find them avail the right hospital hypercare. A key area of focus for us is, work-life integration and in particular, supporting our employees to manage the multiple professional and personal priorities they are juggling with, specifically mental health wellbeing is a key area of focus that we are investing in to support our valuable employees.

Supporting our communities - as Mr. Das mentioned, we have made our small contribution as part of the P&G Group towards vaccination, supported in terms of giving to vulnerable and disadvantaged communities, and also we continue to partner to support building up hospital infrastructure, including supporting equipment. And this will continue to be a key area of focus for us over this year as well, as we continue to stand shoulder to shoulder with our fellow citizens to win this battle against the pandemic. I would like to now take a minute to share with you the second edition of our Gillette Force for good campaign. You would certainly recall our Gillette Barber Suraksha campaign, which we launched last year to support valuable barber partners and we built on that to launch the second edition of the Gillette Barber Suraksha campaign.



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Audio Visual playing from 16.02 - 17.30

We deeply value our Barber partners and we are committed to continue to support them as we go through the next phase of our economy opening up. We also made significant strides in serving our consumers over the last year as they continue to have high expectations from our daily used brands, even as the external situation had its volatility. As you are well aware, we are market leading brands in the form of Gillette and Oral B, which is a strong No.2. I am happy to report to you that our business is not just resilient but continues to go from strength to strength. Our consumption has actually gone up post COVID behind the multiple interventions that we have done over the last year to strengthen our investments into the brand, to play our full portfolio and continue to serve consumers in every segment, every part of the country, and in every channel that they choose to shop. Your company and your brands have come out of this face of the pandemic with a very strong position to delight consumers and serve them even better than what we have done in the past.

To take us through the details of financial results and a bit more perspective of the interventions we have done on each of our brands, I now invite Mr. Gautam Kamath.

Mr. Gautam Kamath - Chief Financial Officer, Gillette India Limited:

Thank you, Madhu. Namaskar everyone. My name is Gautam Kamath, and I am the CFO and Director of Gillette India Limited. It gives me great pleasure to be taking you through the business results of Gillette India Limited today and talk about how we have brought to life some of those strategies that our MD Mr. Madhu just talked about. Before we start however, I wanted to take a minute to talk a little bit about the economy, because I think it serves as an important context as well. This chart here shows the quarterly GDP growth for India for the last nine quarters. And you can see that after seeing the significant decline in April-May-June of 2020, and then some more decline in July-August-September of 2020, the economy has bounced back 1% and 2% in October-November-December and January-February-March. Might not be much to talk about, but April-May-June saw a significant bounce back. Now this may not have still exceeded the pre-COVID levels, but you will notice that this came despite the fact that the worst of the second phase of COVID was going through in that quarter. The resilience can be seen in other indicators as well, and GST collections tend to be one of the best indicators of how the economy is doing. If you look at that once again, we saw that while April had record GST collections, there was a decline after that for two months because of the COVID impact. But once again, we are seeing the economy bouncing back from there.

With that as context, I now want to move to the next slide to talk about the Gillette India Limited results. I would like to congratulate you on your company delivering some



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outstanding results across the top-line, bottom-line and cash. Sales came in at Rs. 2009 crores, up 20% versus a year ago. Profit after tax came in at Rs. 310 crores, up 35% versus a year ago. Operating cash flow as percentage of profit has improved to a 142%. All of these great results have resulted in a good dividend declaration for the company. Before I get to the dividend declaration that I wanted to share again, how we are doing on market share. Madhu shared with you, that we have retained our No. 1 position on grooming, but not only have we written it, we have strengthened it significantly, 320 basis points. That is 3.2% improvement in our market share. Similarly, our oral care, we are now a very strong No. 2. Our share is now up by 3% or 300 basis points. You can see here, the dividends and the progression of the dividends over the last five years. With the Rs. 69 that we have declared this year, we are already 7X of the dividend that was declared in 2017. Not just that, there was also a special dividend of Rs. 50 per share that was declared and paid in May' 21 on top of this.

With that, I will move now to talking a little bit about how we brought to light the strategies that Madhu talked about, and I will start with grooming. On grooming, I just wanted to again share where we stand from a portfolio point of view. We play across different tiers and benefit segments all the way from shave preps and then long blades and razors around the value mid-tier and premium segment, and then we also play in female hair removal as well, and we try to win across all parts of our portfolio. And activating all parts of our portfolio tends to be one of our strategies to continue to win. With that, let me start with the first one. Starting with the value tier, you will recall, and we have talked about this a few times in the past as well, Gillette Guard was introduced 10 years ago. It was the first ever Gillette product that was designed exclusively for the Indian consumer. In the last 10 years, this has become a very successful product. It has now got 120 million users distributed across 2.8 million stores, and it has achieved No. 1 on equity. In 2021, we also launched the Guard Three. The Guard Three is an affordable three blade razor that gives the smoothest shave and it has enhanced the Guard portfolio for us.

On the other end of the spectrum many of you would have noticed the growing trend of men having beards and to cater to that demographic, we have also launched the King C Gillette portfolio of products, which are catered to the needs of demand who wants to keep a beard, but also wants to groom the beard. And some of you may have seen the campaign on YouTube or on other channels. But I think for those of you who haven't, it will be good to watch the video now.

[Audio Visual from 25.47 - 26.04](#)

We have also accelerated innovation across our Mach Three, our premium system. You will see on the Mach Three base, we have brought in innovation to include the hygiene cap. The Mach Three turbo has been upgraded to include the Flexball. It is a technology



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that gives a fantastic shape and gives a very wholesome experience and very smooth experience. We have also introduced the Mach Three Bold, which is a new addition to the Mach Three stable. As you know, we also use our marketing acumen to bring to life why our products are great for people and we have used the up-and-coming cricketing stars, all of whom you will probably know and some of you again, might have seen this campaign on television or on YouTube. But I think we will play it for those of you who haven't.

Audio Visual from 27.20 - 28.21

Moving on, with that I will close the Gillette section and I will move the Oral B section. Once again, in Oral B we have a wide range of products and portfolio. Like we play in everything from the Rs. 20 range, all the way to the (+) Rs. 1000 with our power oral care range. And once again, the intent is to try and win across each of these consumer segments and each of these product portfolios. Moving on, I will start with the innovation that we have launched across our value portfolio with the launch of the first Rs. 15 toothbrushes from Oral B. This launch has been quite a success for us, exceeding our initial launch objectives, and we continue to believe that this will enhance our product portfolio by providing affordable quality oral care to Indian consumers. Moving on, on the other side of the portfolio once again, which is power oral care, we have once again, enhanced our portfolio here by bringing in new innovation, by bringing in new variants of our base portfolio and also introducing new ways to market to or to appeal to children through Disney franchises, Star Wars franchises and so on.

Just before I hand over to Ms. Sonali Dhawan, I also wanted to call out two other innovations that we brought in Oral B which is the Oral B criss-cross as well as our natural portfolio with the charcoal variant as well, and so we are trying to win now across the entire portfolio. With that, I now hand over to Ms. Sonali Dhawan to take us through the CSR review. Over to you Sonali.

Ms. Sonali Dhawan - Non-Executive Director, Gillette India Limited:

A very good morning. It is indeed my pleasure and privilege to take you through the CSR activities of your company Gillette India limited. As all of you know, at P&G and Gillette improving lives is the purpose that drives the company. So being a force for good and a force for growth is what drives us, not just as something we do on the side, but an integral part of the day-to-day of what we do every day. So with the permission of the Chair and with the permission of the esteemed shareholders, I would like to take you through the activities on CSR, particularly on *Shiksha*, and if it is okay, I will shift to Hindi in the interest of comprehension as and when I feel that it might be helpful for the purpose of this conversation.



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As soon as the pandemic hit us, the *Shiksha* program that we have, as we have already mentioned to you, more than the infrastructure we were focusing on the learning outcome through *Shiksha*. This program has been going on since 15-16 years, since 2005, and in all these years we have influenced the lives of about 25 lakh children and changed it, and in more than 2500 schools this *Shiksha* program is being run. If you see, initially our program used to focus more on infrastructure. But way before COVID we changed our focus to learning outcome which means, even if the child goes to school, do they learn, are they able to study. As soon as the schools were under lock down, our purpose became stronger and we brought in a lot of changes in the activities of *Shiksha* so that even if the schools were locked the learning process should not stop. As a result of this we ran a lot of digital programs, brought in a lot of mobile applications, and also brought in changes to the extent that we got the community workers and parents engaged through *Shiksha* so that education of the children continued. We have made a film about *Shiksha* so that people would understand how we work, and the name of that film is *Munni*. I would like to present this film in the next video.

Audio Visual playing from 33.07 - 35.09

So, the gap that existed between the children who had the digital tools and those children who did not have it, we are putting in all the efforts to reduce that gap. In 2017 we partnered with a company named Educational Initiatives, which is an NGO and they made a software named *MindSpark*. Through this the kids can learn according to their pace. But since the schools were closed down, then what we did was, we made it in the mobile format so that kids can use *MindSpark* on the mobile phones and that too according to children's pace it would also adjust. That means, if the kid is doing good then it would ask a difficult question and if not then they would ask an easy question. So, this software through Educational Initiatives made it available to 50,000 children so that they could continue with their education even if the schools were shut down. In the next video we shall show you the story of Lavi who will be sharing her story on how she got the help she wanted through this software.

Audio Visual playing from 36.23 - 38.47

Along with *MindSpark* you will know about the work that we do with *Pratham* along with Educational Initiatives. *Pratham* helped us in a way that suppose if the child is going to the school and the standard of education was not that good then we would work in two different ways through *Pratham*. One is remedial learning; in a way you can say that this is a tuition class. When the kids would have their holidays, then *Pratham* and *Shiksha* Program would give training to those kids from the classes of 4th to 8th so that they don't face any difficulty with their education. Then the second one is early childhood education. Those kids who have not gone to school at all, those who are less than 6 years old, we



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would give them coaching or training at Anganwadis on how to hold a pen or how to hold a pencil, A-B-C etc. because kids coming from a good financial background are being taught from the nursery, from the age of 3 on how to do all these things and then they are sent to school. So we work on these two areas along with *Pratham*. Now that because of COVID the schools are shut then what could we do? Because in so many instances in such areas there wouldn't even be mobile phones. One thing is we tried to make sure that the reach of this teaching program through mobile application was the maximum. Then working with *Pratham* we recruited the community workers in those areas, the 'ASHA ladies' or the ladies of the 'Anganwadi'. They went to their respective communities and keeping in mind the COVID protocol they would train the children and engage them with the things that is there in your house for example, cycle, toys etc. So, this program of ours is going on. More than 22, 000 children were taken forward so that about 40% of the children should be able to move from the beginners' level to the advanced level, be it in math, language etc. and even in early childhood education about 50% of the children should be able to move from the beginners' level to the advanced levels and improve their foundational skills. We have helped more than 42,000 children through Shiksha's two programs along with NGO partner. So, I would show you a video through which we will show you how we tried to continue carrying out the remedial learning program and the early childhood education program even during COVID.

Audio Visual playing from 41.20 - 43.43

Like you had seen, through your company's CSR program we have continued the *Shiksha* program. Hence, I would like to thank you very much for this opportunity and this privilege. Many thanks. I will now hand over to Mr. Das to take the meeting forward. Thank you so much.

Mr. Gurcharan Das - Chairman and Independent Director, Gillette India Limited:

Thank you Sonali. That was very inspiring and a lot of fun. I now request Ms. Flavia Machado to read out the resolutions that are being put to vote at this AGM.

Ms. Flavia Machado - Company Secretary, Gillette India Limited:

Thank you, sir. The notice dated October 28th, 2021 was circulated by email to those members who have registered their email IDs and same is also available on the website of the company and on the website of the stock exchanges. There are four items being proposed under ordinary business as ordinary resolutions, which are: -

Item no. 1: To adopt the financial statements for the financial year ended June 30th, 2021, along with the director's report and the auditor's report thereon.



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Item no. 2: To confirm the payment of interim dividend and special dividend, and to declare the final dividend for the financial year ended June 30, 2021.

Item no. 3: To reappoint Mr. Karthik Natarajan as Director who is retiring by rotation and offers himself for reappointment.

Item no. 4: To reappoint Mr. Gagan Sawhney as Director who is retiring by rotation and offers himself for reappointment.

There is one item being proposed under special business proposed as an ordinary resolution, which is item no. 5: To appoint Mr. Srinivas Maruti Patnam as Executive Director of the company.

The company had provided an e-voting facility for members to cast their vote through remote e-voting, which had commenced on Thursday, November 18, 2021 at 9:00 AM and ended on Monday, November 22, 2021 at 5:00 PM. Those who have not done so and are attending this AGM shall be eligible to vote through the e-voting system within 15 minutes after conclusion of this AGM. Mr. Kamalax Saraf of Saraf & Associates practicing company secretaries has been appointed as the scrutinizer for conducting the scrutiny of the votes cast through the e-voting system at this meeting. Procedure for e-voting at the AGM is the same as that of remote e-voting mentioned in the AGM notice. Over to you Mr. Das.

Mr. Gurcharan Das – Chairman and Independent Director, Gillette India Limited:

Thank you, Flavia. As some members have expressed their desire to speak at this AGM by registering as speakers, we will invite the speakers one by one now. Members are requested to follow these instructions, and I appeal to the speakers to ask questions related to the accounts of the company for which you are attending the meeting today, and please avoid questions that have already been asked, and please be brief and limit your time to a maximum of three minutes. The management will respond to the questions at the end of the session. I thank the speakers for extending this cooperation. I now request the meeting host to assist in conducting the Q&A session.

Moderator:

Thank you, sir. Dear shareholders, the names of those of you who have registered yourselves as speakers will be announced one by one, and you will simultaneously be unmuted. You are then requested to click the audio and video on buttons and start speaking. If you are unable to join through the video mode for any reason, you may join through the audio mode only. Should there be any connectivity issues at your end we will move on to the next speaker. Once connectivity improves and all other registered shareholders have



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spoken, we will request you to speak once again. You are requested to restrict all comments and queries to a maximum of three minutes. This is specially to give all our registered shareholder speakers a fair opportunity to be heard.

Mr. Rajesh Chainani, Mr. Manoj Kumar Gupta, Mr. Yusuf Rangwala, Mr. Prakash Ajit Kapadia, Mr. Aspi Bhesania, Mr. Dinesh Kotecha, Mr. Santosh Kumar Saraf, Mr. Dipankar Purkayastha, Ms. Vasudha Dakwe, Ms. Homayun Beruz Pouredahi, Mr. Vinod Agarwal, Mr. Mani Sundaram, Mr. Santosh Bhutani, Mr. Suresh Anant Khanolkar, Mr. Hariram Chaudhary, Mr. Manjit Singh, Mr. Dinesh Bhatia, Ms. Celestine Elizabeth Mascarenhas, Ms. Prakashini Shenoy, Mr. Ronald Fernandes and Ms. Hutokshi Patel who had registered themselves as speakers, expressed their views on the Company and sought clarifications on the accounts of the Company, its business operations. The Management addressed the shareholders' queries and thanked the shareholders for their compliments and valuable feedback.

Mr. Gurcharan Das, Chairman & Independent Director:

Shareholders, having answered your questions, I want to thank everyone for being patient and for listening to the questions and the answers and on that note, I declare the meeting closed.

This meeting will be deemed to be concluded with the declaration of the results. The e-voting facility will be open for the next 15 minutes for members to cast their vote. The results of the voting will be announced within 2 days to the Stock Exchanges, and we will be available on the website and also be available on the website of the company.

I request all of you to stay safe and take care of yourself and be happy. Thank you.

END OF TRANSCRIPT