Gillette India Ltd.
Head Office
P&G Plaza
Cardinal Gracias Road, Chakala
Andheri (E), Mumbai 400 099
(91-22) 2826 6000 phone
(91-22) 6693 9696 fax
www.pg.com

September 25, 2013

To,
National Stock Exchange of India limited
Exchange Plaza, Plot No. C/1, G Block
Bandra- Kurla Complex, Bandra (East)
Mumbai- 400051

Sub: Steps towards compliance with the minimum 25% public shareholding prescribed by SEBI- Intimation in terms of clause 36 of the Listing Agreement

This is to inform you that in response to the proposal submitted by the Promoters of the Company, towards compliance with the Minimum Public Shareholding (MPS) requirement, SEBI has responded vide its letter no. CFD/AT/PK/OW/24472/2013 dated September 25, 2013. A copy of the said letter is enclosed for your information and record (Annexure 'A')

As required by SEBI vide the aforesaid letter, we are also enclosing herewith a copy each of the letters dated August 23, 2013 (Annexure 'B') and September 2, 2013 (Annexure 'C') filed by the Promoters with SEBI.

The Company shall keep the Stock Exchange updated on the further steps in this regard.

With Regards,
For Gillette India Limited

Gillette India Limited

Amit Vyas
Company Secretary

Enclosure: As Above

Annexure 'A'

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange Board of India

Pradeep Kumar
Assistant General Manager
Corporation Finance Department
Securities and Exchange Board of India
Phone: +91-22 26449337 Fax: +91-22 2644902
Email: pradeepkumar@sebi.gov.in

CFD/AT/PK/OW/ 24472 /2013
September 25, 2013

Mr. Saroj Kumar Poddar
Hongkong House
31, B. B. D Bagh (S)
Kolkata 700001

Dear Sir,

Sub: Gillette India Limited (GIL) – Compliance with Minimum Public Shareholding requirement

1. This is with reference to your letters dated August 23, 2013 and September 02, 2013 requesting SEBI to consider the proposal on the captioned subject.

2. In this regard, based on your submissions in the aforesaid letters, we hereby clarify as follows:

    a. The shareholding of Poddar Heritage Group (Poddar group) would be considered to be part of the public shareholding subject to the fulfillment of the conditions mentioned in the aforesaid letters and also the following additional conditions:

        i. Poddar group shall have no special rights in GIL through any formal or informal arrangements other than that of normal public shareholder.
        ii. Entities belonging to Poddar group shall not hold any Key Management Personnel position in GIL and the other group companies, of Procter & Gamble (P&G), through any formal or informal arrangement.
        iii. If entities belonging to Poddar group promoters want to be classified as promoters of GIL again in future, they shall be required to make an open offer and no exemption shall be given in this regard.
        iv. There shall be no acquisition of shares of GIL by Poddar group for a period of one year from the date of reclassification of Poddar group as public shareholder.

सेबी भवन, प्लॉट सं. सी 4-ए, ''जी'' ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051. • दूरभाष: 2644 9000 • फैक्स: 2644 9019 to 2644 9022
वेब :www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. • Tel.: 2644 9000 • Fax: 2644 9019 to 2644 9022
Web:www.sebi.gov.in

b. We have no objection regarding the proposed payment of severance compensation, as mentioned in your aforesaid letter, provided that the same would be paid by P&G without any recourse to GIL and interest of the existing minority shareholders of GIL is safeguarded.

c. As regards the obligation to make an open offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 by P&G subsequent to the completion of transactions proposed, please note that SEBI will not insist P&G to make open offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, in view of the facts of the case and the intent behind the transaction i.e. to comply with the minimum public shareholding requirement.

3. You are also advised to intimate the contents of this letter along with your aforesaid letters to the stock exchanges in accordance with clause 36 of Listing Agreement.

4. This letter is being issued with the approval of the competent authority.

Yours faithfully,

Pradeep Kumar

Copy for information to:

1. The Managing Director and CEO
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400001

2. The Managing Director
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai - 400051

Annexure 'B'

SAROJ KUMAR PODDAR

HONGKONG HOUSE
31, B. B. D. Bagh (S)
Kolkata-700 001

August 23, 2013

To,
The Chairman
Securities and Exchange Board of India
Plot C4-A, G Block
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051, India

Subject: Gillette India Limited – Compliance with Minimum Public Shareholding requirement.

Respected Sir,

At the outset, thank you very much for meeting with Mr. Shantanu Khosla, CEO of Gillette India Limited ("Gillette India" or the "Company") and me, along with Mr. Subir Saha, Senior Vice President of ICICI Securities and Mr. Shardul Shroff, Managing Partner, Amarchand Mangaldas, on August 5, 2013 in Mumbai in connection with Gillette India's public shareholding level. We have been discussing this matter with Mr. Ravindran, Executive Director and have previously put across our suggestions.

Currently the Poddar Heritage Group holds 12.86% of the issued and paid up capital of Gillette India and is a co-promoter with the P&G Group, which holds 75.90% of the issued and paid up capital of the Company. There is a shareholders' agreement between the Poddar Heritage Group and the P&G Group pursuant to which the Poddar Heritage Group enjoys certain special rights. The Articles of Association of Gillette India Limited presently incorporate the shareholder rights of the Poddar Heritage Group arising from the Shareholders' Agreement. Mr. Saroj Poddar is the Chairman of the Board and the Poddar Heritage Group has the ability to nominate one more director on the Board of Gillette India. Proctor & Gamble has existing control over Gillette India Limited as a 75% shareholder of the issued share capital of Gillette India Limited.

As discussed and as a part of the process for enabling compliance with the continued listing obligations, please find below a revised proposal from our end:

1. The proposal envisages that there will be complete termination of prior agreements between Proctor & Gamble and the Poddar Heritage Group in relation to Gillette India Limited and severance of the Poddar Heritage Group as co-promoters from Gillette India after adopting the corporate shareholder resolutions

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approved by a special majority shareholder decision adopting the severance of the relationship between them. As a consequential action, Mr. Saroj Poddar would resign along with his son Akshay Poddar (who is also a director on the Board of Gillette India) and they will cease to be directors of Gillette India pursuant to the severance / termination.

2. The termination and severance of the relationship between P&G and Poddar Heritage Group would be effectuated and evidenced by amendments of the Articles of Association of the Gillette India Limited and simultaneous termination of the Shareholders' Agreement after an EGM / postal ballot convened for this purpose adopts the amending of the Articles of Association. Both Proctor & Gamble and Poddar Heritage Group will vote in support of the EGM/ postal ballot resolution for such termination and severance, as a result of which the existing shareholder rights of the Poddar Heritage Group in Gillette India Limited would be extinguished contractually and as a consequence of the Articles of Association of the Company being amended simultaneously with the termination of the shareholders' agreement and cessation of all special rights of the Poddar Heritage Group as a promoter / co-promoter, including directors' fees, under the shareholders' agreement or otherwise. There will be no residual or continuing rights as a co-promoter surviving with the Poddar Heritage Group in Gillette India Limited.

3. Severance compensation for termination of the contractual and shareholder rights of the Poddar Heritage Group would be transparently and appropriately disclosed to SEBI and in the explanatory statement of the EGM Notice issued to the shareholders for this arrangement as set out above.

4. The explanatory statement of the EGM notice will also record the Poddar Heritage Group's proposal to make an OFS sale of shares of 6% of their holding to members of the public. Since the severance and cessation of the Poddar Heritage Group, as a co-promoter would be approved by the shareholders in a general body meeting (either as an EGM or as a postal ballot), we respectfully submit that SEBI's approval of this proposal should also confirm that no open offer for acquiring further shares under the Takeover Regulations or delisting offer would have to be made by Proctor & Gamble as sole surviving promoter of Gillette, since that would defeat the very objective of increasing public shareholding and this should not lead to either a delisting offer or a further breach of the minimum thresholds required by law, as that would be in direct contradiction of this proposal.

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5. As explained in the personal meeting with the Chairman and Mr. Ravindran, the Company's FY12 price to earnings ratio is 100, which is significantly higher than the comparable shares trading in the market, in the same category or genre of FMCG companies.

6. The historical evidence shows that the annual sales / purchase turnover in the shares of Gillette India, on both the Stock Exchanges BSE and NSE put together, have been quite insignificant and is pegged at less than 3% of the total issued and paid-up capital of the Company. The maximum intra-day trading volume in the last 12 months has not exceeded 72,000 traded shares. Further, the cumulative trading turnover of the shares of the Company in the last 3 years on both BSE and NSE together has been ~10.3% of the total issued and paid-up capital of the Company.

7. There would be a significant public injury, if 13.76% of the issued capital of Gillette India (which is even more than the cumulative trading turnover of the stock for the last 3 years), is to be offered for sale and the members of the public and the current Indian minority shareholders would be the major losers of value, if such an action were to be compelled in the facts and circumstances, as the market for this stock may not have the funding capacity to absorb such a large purchase (over Rs.1000 crores at current market prices).

8. If a normal prorated OFS was to be undertaken, the Poddar Heritage Group would only be required to dispose of a mere 1.99% of the shares held by them as the rest would have to be sold by the P&G Group and the Poddar Heritage Group would not lose any of their co-promoter rights and directors' positions nor lose any of the directors' fees or remuneration that they currently enjoy. Further, every stakeholder, including public shareholders, the P&G Group and the Poddar Heritage Group would needlessly suffer commercially.

9. Mr. Poddar has been a founder director of Gillette India and this severance as proposed, has both emotional and commercial impact for the Poddar Heritage Group and this was explained at the meeting with the Hon'ble Chairman and Mr. Ravindran.

10. Though there are several instances of listed companies, which have shareholding members as public shareholders, holding in excess of 10% of the issued share capital; to show bonafides, the Poddar Heritage Group has, proposed the disposal of 50% of its shareholding in Gillette India (instead of a mere 1.99%) and further de-promoterise itself publically so as to demonstrate that there is no continued

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arrangement as shareholder between P&G and the Poddar Heritage Group. After making amendments to the Articles of Association and conducting an OFS, the Poddar Heritage Group would "don the robes of an ordinary shareholder" as declared by the Supreme Court of India in LIC Vs Escorts case, without any special rights and as a mere ordinary equity shareholder akin to any other member of the public, without any special capacity as a Private Equity or strategic investor or otherwise.

11. Simultaneous with the termination of the shareholders' agreement and rights available there under, the Poddar Heritage Group and the P&G Group would initiate an OFS for sale of shares as stated hereinafter. The Poddar Heritage Group will sell approximately 50% of their current holding i.e. 6% of the total issued capital of Gillette India by following the prescribed method of an OFS.

12. Since P&G also holds 0.90% in excess of the 75% cap under the Listing Agreement, SCRA Regulations / Rules made there under, P&G would also dispose of 0.90% of the issued capital of Gillette India to members of the public through an OFS. Hence approximately 6.90% of the issued and paid up capital of Gillette India would be offered to the public shareholders in OFS, as the preferred solution.

The cumulative effect of all these suggested actions would be that the Poddar Heritage Group would be "de-promoterised" and their residual shareholding continued in Gillette India Limited would be equivalent to shares held by any other member of the public in Gillette India Limited and P&G would be the sole promoter of Gillette India Limited. There would be no voting or any other kind of shareholder agreement, subsequent to the severance or termination of their relationship. P&G, as promoter would also make a sale of 0.90% of their shareholding; simultaneous with the Poddar Heritage Group selling 6% of its shareholding (50% approximately of its existing shareholding) after the shareholders approve this action by voting, on a special resolution of Gillette India at an EGM / by postal ballot. As a 6.96% continuing equity shareholder of Gillette India Limited, the Poddar Heritage Group would have no rights available to a 10% (or more) shareholders under Section 399 of the Companies Act, 1956.

We have therefore suggested this method since the effect of any other larger disinvestment of Gillette India shares would seriously erode value of members of the

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public, small shareholders and Indian shareholders including the Poddar Heritage Group (and they will suffer huge losses).

An OFS of 13.76% of the issued capital of Gillette India could, apart from serious commercial injury, also run the risk of deal failure since such a process would involve massive fund mobilization from the public of over Rs. 1,000 crores to dispose of 13.76% of the issued and paid up capital in very poor and disturbed market conditions with a seriously depreciated rupee, which is a deterrent for foreign investors at the current historical moment of our economy. We request that no further onerous consideration may be imposed beyond what we have suggested, as we have voluntarily submitted this proposal, with detailed reason and logic and this already prejudices the Poddar Heritage block of shares, substantially.

This method is a substantial revision over the earlier proposal that SEBI previously rejected as there is no inter- se sale of shares between the two co-promoters of Gillette India Limited and there is a public sale of shares by OFS by both the Poddar Heritage Group and the P&G Group for a fairly large aggregated size of 6.90% of the issued shares of Gillette India Limited, which will result in increased floating stock of Gillette India and greater proportion of public ownership of the Gillette India Limited shares listed on Stock Exchange.

We look forward to SEBI's suggestion for the procedure and the way forward to approve this method to enable compliance of the listing requirements for continued listing, in the light of the above submissions and in the premises set out above.

We are keenly looking forward to SEBI's clear approval for enabling listing compliance continuation and satisfactory resolution of pending issues, upon our aforesaid submission which inter alia provides for:-

1. recognizing the Poddar Heritage Group's "de-promoterisation" despite their holding 6.86% of the issued capital of Gillette India Limited after the termination / severance payment for cessation of the shareholders' agreement with P&G and all their co-promoters rights after approval by the shareholders;
2. recognizing and confirming that no open offer for shares of Gillette India Limited would be triggered or required to be made by Proctor & Gamble, as the sole surviving promoter of Gillette India Limited after they have reduced their shareholding to 75% of the issued share capital in Gillette India Limited,

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after the shareholders of Gillette India Limited adopt and approve the change to the sole control of P&G pursuant to the adoption of the special resolution by Gillette India Limited, as submitted above.

Yours truly,
For Poddar Heritage Group

(Saroj K Poddar)

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Annexure C

SAROJ KUMAR PODDAR

HONGKONG HOUSE
31, B. B. D. Bagh (S)
Kolkata-700 001

September 02, 2013

To,

Mr. V S Sundaresan
Chief General Manager
Securities and Exchange Board of India
Plot C4-A, G Block,
Bandra Kurla Complex,
Bandra (East)
Mumbai 400 051, India

Subject: Gillette India Limited ("Gillette India" or "Company") – Compliance with Minimum Public Shareholding requirement

Dear Sir,

In relation to the letter dated August 23, 2013 addressed to the Chairman, SEBI, outlining our proposal regarding the captioned subject, please find below the responses to the clarifications sought on the same.

1. **Comfort of Poddar Heritage Group in lowering its stake in Gillette India to less than 5%**

In our proposal, we had suggested that the Poddar Heritage Group sell 6% of its shareholding in Gillette India (which is approximately 50% of its existing shareholding), along with the Proctor & Gamble (P&G) Group selling 0.90% of its shareholding in Gillette India, through an Offer for Sale (OFS) after the shareholders approve the outlined proposal by a special resolution at an EGM of Gillette India / by postal ballot. Post this sale, the Poddar Heritage Group would have continued to hold 6.86% of the paid-up equity share capital of Gillette India and would become an ordinary equity shareholder akin to any other public shareholder, and the P&G Group would be the sole surviving promoter of the Company with 75% shareholding. Given the above clarification, we understand that in order to pare down the stake of the Poddar Heritage Group to 4.99% (less than 5%) in the Company, we would have to undertake an OFS of 8.77% (7.87% by the Poddar Heritage Group and 0.90% by the P&G Group) instead of the 6.90% (6% by the Poddar Heritage Group and 0.90% by the P&G Group) currently being proposed. We are prima-facie comfortable and amenable to the above suggestion, subject to other aspects of our proposal being accepted and approved by SEBI.

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2. Payment of Severance Compensation (From Company or P& G Group)

The proposal envisages that there will be complete termination of all shareholder agreements between the P&G Group and the Poddar Heritage Group represented by Mr Saroj Kumar Poddar and Mr Akshay Poddar in relation to Gillette India, and the Poddar Heritage Group will cease to be co-promoters of the Company, and this shall also be effected by making necessary amendments to the Articles of Association of the Company. Since the agreements being terminated, are between the P&G Group and the Poddar Heritage Group, the severance compensation shall be paid directly by the P&G Group to Mr Saroj Kumar Poddar and Mr Akshay Poddar of Poddar Heritage Group, and Gillette India shall in no way be involved in this bilateral arrangement. In other words, no compensation whatsoever shall be made from Gillette India to the Poddar Heritage Group, and thereby protecting the interests of the small / public shareholders.

3. Timing of OFS by the Poddar Heritage Group (Before rescinding the agreement or after)

We propose to undertake the OFS for the finally approved quantum of shares, within 3 months of receiving SEBI approval for our overall proposal. Once the OFS is consummated fully, we shall immediately initiate the process for termination and severance of the relationship between the P&G Group and the Poddar Heritage Group, by seeking shareholders approval for the requisite special resolutions through an EGM convened for this purpose / postal ballot. This would entail a conditional special resolution for amendment of the Articles of Association of Gillette India and termination of the Shareholders' Agreement and the special rights enjoyed by the Poddar Heritage Group, among others.

We trust the above satisfactorily addresses the clarifications and look forward to SEBI's suggestions and approval on the procedure and the way forward, in the light of the above and the premises set out in our letter dated August 23, 2013.

Yours truly,
For Poddar Heritage Group

(Saroj K Poddar)

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