

## Transcription

### 3M India Interaction with Investors – 19<sup>th</sup> Aug 2020

Duration- 1hr 7 mins.

Notes: - 1. The words or sentences which are unable to perceive are marked with (()).

2. Unknown Speakers are marked as Speaker 1, 2 and so on.

<b>Speaker name-</b>	<b><u>Dialogue</u></b>
Ramesh Ramadurai-	<p>Good afternoon, everyone. I hope all of you are staying safe and well.</p> <p>Thank you for the opportunity for this interaction with all of you. I am joined today in the call by our CFO, Ms. Mamta Gore, and our Company Secretary, Mr. V. Srinivasan.</p> <p>Before we begin, I'd like to reinforce our safe harbor statement. In today's call there may be some predictive statements that reflect our current views about 3M India's future performance, but these are subject to risks and uncertainties. As per Company's policy, 3M India Limited does not provide forward guidance, and therefore I will not cover that.</p> <p>In today's call, I will share with you our 2019-20 and Q1 FY '21 financial results and highlight certain aspects of our results.</p> <p>As you already know, we operate in four business segments: safety and industrial, transportation and electronics, healthcare and consumer. For the year 2019-20, safety and industrial contributed 38%, transportation &amp; electronics 35%, healthcare 16% and consumer 11% of the mix. Safety and industrial delivered a negative growth of 4.2%, while the other business segments grew between zero to a little over 5%. Decline in Safety &amp; industrial also adversely impacted its segment margin. The Indian economy was softening sequentially pretty much from July 2019, with declines in automotive production, broad based declines in industrial output, and a tightening credit situation.</p> <p>Under these conditions, we delivered consolidated sales of Rs. 2987 crores, 1% lower than previous year, with EBITDA of 16.3%. We delivered PBT of Rs. 433 crores at 14.3%.</p> <p>In the face of weak external market conditions, we exercised good discipline in managing all aspects of our costs.</p> <p>Let me now turn to Q1 of FY 2020-21.</p>

Due to the pandemic related lockdown, we experienced sharp declines across all of our end-user market segments. April sales was limited only to the essential commodities of respirators and hand-sanitizers. At this time, I would once again like to recognize our Ranjangaon factory team for the fantastic commitment they displayed through-out the lockdown period. We experienced sequential improvements in May and June, but the overall market conditions were challenging. We delivered consolidated sales of Rs. 346 crores, a decline of 57% over the same quarter prior year. The reduction in sales resulted in PBT loss of Rs. 58 crores consolidated.

I would now like to cover a few specific topics:

I'd like to briefly discuss the impairment charge of Rs. 79.9 crores that we took in the March 2019-20 quarter related to our investment in 3M E&C. This investment allows us to serve customers in sectors such as power, infrastructure and construction, electronics specifically smartphone manufacturing, and the emerging electric vehicles segments. The underlying opportunities remain robust, as evidenced by the recent Government announcement on PLI for smartphone manufacturing. Due to the COVID situation, it became difficult to accurately forecast the timing of market growth, which resulted in the impairment.

The second point is on portfolio management. Portfolio management is an ongoing effort in our company to ensure we prioritize our efforts to best products and customer portfolios. Accordingly, we recently announced that we will ((exit)) the printed graphics, also called as decals, that we sell to the two- wheel and four-wheel automotive OEM's. This product portfolio is reported under our transportation and electronics segments. And this portfolio represents well below five percent of our total company sales. It was delivering negative growth and was dilutive to our margins. In order to (( )) in a factory headcount in a Bangalore electronics city factory with the automotive market conditions and our portfolio, we had announced a VRS in June and it closed on July thirteenth. The third area I will make a couple of comments on this focus on cash and costs. We continue to stay very close to our customers throughout (( )) quarters that went by, for collections. With this focus we deliver an approximately eight percent improvement (( )) cash position. That is as of June thirty eighth twenty twenty versus March thirty first twenty twenty. As the economic recovery proceeds, (( )) some improvement in use of cash over the next quarters, to fund this growth after which we expect the cash position should stabilize. Having said that, we continue to stay very vigilant. Our expenses excluding employee costs, reduced about thirty percent versus prior year in this quarter. The fourth one I think and importantly what I'd like to discuss is uh, the various actions we are taking on pivoting to growth. Coming out this very lean quarter that we just experience. The breadth of technologies, the breadth of product portfolio, our strong financial position and our engage in committed team, gives us essentially the basic ingredient that are required for a resilient organization. Our focus is to leverage the strengths to position ourselves for sustainable growth. Our prioritized actions will deliver outcomes both in the short term and medium in beyond. I'd just like to highlight a few areas that we are focusing on to

drive our uh growth in the coming months and quarters. The first one, the first one is of course kind of a more generic statement which is broadly doubling down on segments that are demonstrating green shoots and (()) early recovery. Uh, we are seeing a rebound in automotive production sequentially and evidenced by even in the few, uh few couple of weeks we are saying uh strength in automotive production forecast. And these are also being widely reported in the press. In the area of infrastructure, we are seeing (()) of several (()) projects being implemented by the National Highway Association of India (NHA). In addition, NHAIDCL's projects in the northeastern states, are also seeing some traction in funding. Fifty-seven modelled road projects with twenty kilometers, fifty kilometers stretches each have been announced to be handled by the regional NHA offices. And these are being fast tracked. And finally twenty-three new expressways and highways totaling about seven thousand eight hundred kilometers, were just recently announced a few days back by the NHA. The fourth area that we are focusing on to drive our growth is capturing a moment in e-commerce and also the recovery in the general trade consumer business. (()) business continues to be somewhat challenged still with this specially with several mall closures and reduced footfalls due to social distancing requirements etcetera. We are conducting several virtual (()) engagement programs around the themes of safety, sanitization and hygiene. And we can discuss this more in the uh Q&A or the (()) because there is a significant interest in the customers from different segments in these uh, new propositions. The next one is staying close. It's probably more medium term action but staying close to our customers in the smartphone manufacturing value chain. To take timely actions, to capture the localization opportunities, that we, that will come up due to the several initiatives announced by the government. The next one is the focus on the new products. Uh, some areas that I'd like to highlight are acoustics, our portfolio for acoustics for automotive OEM's, various interior cleaning portfolio for the automobiles in the aftermarket such as air quality products, disinfectants, uh road safety products, so that their rpms (()) markers for road safety. As well as new (()) in consumers, are few examples. And finally investments for growth. We are executing projects of about sixty fives crores, uh to expand capacities for manufacture of hand sanitizers, certain types of disinfectants, and also to manufacture BS6 compliant emission control materials. So just to recap I talked about the impairment, charge, I talked about the portfolio management and the exit of our two-wheel graph, uh of our graphics portfolio. I talked about the focus on cash and costs, and the various actions pursuing to drive growth. And finally I'll comment on margin improvement. Uh, you would have observed that our material cost increased by about seven hundred and forty basis points uh in the current financial year, that is the April to June quarter versus prior year. And about two hundred and twenty basis points sequentially. Of these uh, you know seven hundred and forty basis points increase, we attributed to uh INR depreciation, as well as the impact of the revenue mix and provisioning for slow moving inventory due to COVID. We have targeted actions and programs in place to address this to deliver margin expansion. Now 3M India benefits substantially by being part of the

	<p>global 3M network and having access to various capabilities. Specifically, it gives us access to intellectual property, differentiated product portfolio derived from the such (()). And even specifications with global and regional customers. We will also benefit from the global and regional capabilities and digital infrastructure resources, digital marketing capabilities, (()) for sales management, data analytics, etcetera. To name a few others who (()) the regional chat service center for transaction processing and also sharing the global IT infrastructure. And finally I'd like to provide a very brief update on our CSR activities. Over the last few years we have been focusing on the interventions in the area of education community and environment. We generally commit to multiyear funding, projects which have multiple years of commitment to make, to make an impact. Since on ground execution of some of our legacy programs have been affected by COVID. Uh, we have taken up several COVID relief programs uh including immediate livelihood support programs like cooked foods and dry rations. In the legacy we had, we were running about our Aanganwadi programs in about eight different cities. So we leveraged our Aanganwadi programs in Kolkata to extend cyclone Amphan disaster relief programs. And providing critical equipment for COVID care to government hospitals in about four cities to help improve their capacity and more. So ladies and gentlemen this brings me to the end of my prepared remarks, so I will uh, turn it back to the moderator and then we will open it up for some dialogues. So thank you for the opportunity once again.</p>
Divya Purohit.	<p>Thank you Mr. Ramadurai. We will now open the floor for Q&amp;A. if anyone wish to ask question, please raise hands and we'd announce your name in unmuted lines. Uh, we'll take the first question from the line of Mr. Balchandra Shinde, uh from Maxlife. Uh, Mr. Balchandra please go ahead. Mr. Balchandra Shinde your line is unmuted. Uh, you can talk now.</p>
Balchandra Shinde.	<p>Yeah, yeah. Uh, am I audible?</p>
Divya Purohit.	<p>Yeah you are now. Yes.</p>
Balchandra Shinde.	<p>So uh, Thanks uh for the uh, the brief uh, provided. So uh regarding our sales uh, growth wise if we see, uh and we compare ourselves with 3M China and uh ourselves, uh obviously in 3M China, uh what we have seen that uh their relatively electronics uh related makes has been slightly major. Is it fair to assume that as the smartphone manufacturing increases in India, you may say see uh similar kind of contribution for our sales in future?</p>
Ramesh Ramadurai.	<p>Yeah and uh thanks for the question it's a good one. Yeah as you know I think last year reports say that uh about approximately hundred and fifty million smartphones were sold in India and uh vast majority of them were assembled in India. Ninety percent plus. But of course with very little local value content because most of the uh input materials around the (()) components were imported. Now with the TLI, we expect there will be, there will be a gradual increase in the localization plan and once as they ramp up, definitely we have opportunities to participate in all of those. So, so yes I think the exact timing over the next uh twelve months there will be a lot more clarity on timing of this uh ramp up as customers take position and improve their manufacturing uh, footprint in the country. So whether our (()) manufacturing here gets to the similar levels</p>

	of China, etcetera. It would be, I think it's a little premature for me to comment on that because let us wait and watch the ram up here. Uh, but yes! I think there will be uh we expect this will contribute to our portfolio uh, going forward. Yes, for sure! Yeah.
Balchandra Shinde	And sir in uh annual report uh we have actually placed uh resolution for approval of uh purchase of material over next two-three years uh and historically we have been looking that uh you have always been uh taking approval of around ten to eleven percent (( )) purchase of raw material. This time actually it uh looks uh slightly on the higher side at around twenty-five thirty percent. Are we saying some demand or there is specific related to orders which we are taking approval for uh this kind of a jump in purchase of raw materials, comparatively.
Ramesh Ramadurai	Yeah, yeah that, that's a great question. There are two aspects at play here. One is yes we are with you know with several of the growth programs that I talked about. We are anticipating uh to, to move to a higher growth ((projectory)). But we have also been a very uh conservative and uh or rather just asking for the approval and anticipating certain actions. So those are the two primary reasons but unfortunately all these actions and uh were taken before we hit with the COVID situations. So to that extent uh, even though these numbers may appear a little higher today, I think we just have to recalibrate it uh for COVID. Purchase of materials as you know yeah obviously it's all directly linked to our activity levels. So we, so we will uh, it will be trending to what our sales activities are.
Balchandra Shinde.	Sure, and sir uh as we are uh localizing the production for BS6 emission norm related automotive. And I think that is largely related to the uh commercial vehicles and heavy trucks. Uh, so is there any uh possibility that over the period of time uh localized other uh BS6 auto related material (( )) for uh for us?
Ramesh Ramadurai.	Yes, see this particular product line (( )) localizing is very specific to the emission requirements of BS6. Uh, and as you rightly pointed out, it's an issue, (( )) it's primarily it's investment is predicated on the commercial vehicles segment, and we have uh, you know uh agreements with the as they say, anchor customers. Uh, we also anticipate some portion of this investment to serve the passenger vehicles segment. But it will probably be a smaller portion. Now, when you go outside of the emission control which is very specific for BS6. Many of the other products and (( )) materials that we supply uh, you, you know uh meet, meet the BS4 product legacy portfolio also meets the BS6 requirements. Wherever there are any specific requirements like in emission materials, yes we are making the investments.
Balchandra Shinde.	Sure. And sir uh, last time when we met uh signaling that uh signage and uh acoustics were relatively new products which we introduced. Uh, and uh I know it's uh covid which has impacted us. But uh over a longer period of time how do we see that opportunity panning out over the years?
Ramesh Ramadurai.	I think the acoustics one like I even mentioned it in my prepared remarks, so we have new products there, and I think the, the adoption of those products by that those products by the OEM's is been very encouraging. So we see that portfolio to continue to grow once, you know as in line with the recovery in the automotive industry. Uh, I'm not

	sure I might have mentioned signage, it might have been something else. Because certainly it was uh acoustics and uh it was probably emission that I might have spoken about last time.
Balchandra Shinde.	Sure sure. (())
Divya Purohit.	Uh,
Ramesh Ramadurai.	Laughs*
Divya Purohit	Thank you. We will take the next question from Mr. (()) Bhattacharya Ji. Mr. Bhattacharya Ji please go ahead.
Mr. Bhattacharya.	Uh, thanks for the opportunity. Let's say, I'm relatively unfamiliar with the Indian business. So if I may, if I can ask a couple of questions. Um first, just looking at the, at the business and investment that you have done over the last five years, it feels like it's uh it's been well below even your (()), you know depreciation, (()) so, is it inherently very low capital requirements or has it, is that because of industrials to the slowdowns that we have seen. so that's an understanding of what your investment needs in the business over the medium to the long term would be? And follow up to that would be we also seen a fairly significant improvement in margins over the last five years. And I'm, I'm ignoring the last set of twelve months. What put you attributed back to it? Is it a mix change, is it really more efficiency scale just to understand those two? And if I may squeeze in a third, which is um, if we think about the global portfolio versus what you have in India, are there elements of the business that are brands that are not present in India that you see have big potential for. Thank you.
Ramesh Ramadurai.	Uh, okay. That was mute or unmuted? So, thanks for those three questions. So I'll, I'll respond to them in the order you asked them. So (()) I think it was the in the last session with the ICICI securities, around this time last year, I also mentioned that our (()) are because of the nature of the business in India and uh the access that we have anyway to the portfolios from 3M. The (()) cycle tends to be a little lumpy because we are now, the window who had been in operation for thirty years in the country, we don't we are nowhere near the maturity level or we can say that the (()) will run between you know four or five percent to sales. Somewhere in that range as apparent the company 3M globally would uh, put out. So therefore it does tend to get a little lumpy and that's what you I think you rightly pointed out if you look back over a last five years or last even going back ten years. The prior five year's average might have been uh, quite a bit higher than the immediate past five years. And uh, and I think we are uh (()) projects that we are executing right now which I just mentioned in my prepared remark. (()) well about these last five years' annual average line. The second point that I want to make with the, the respect to capex is sometimes we just see the market with imported products where we can allow, it allows us to bring it in, in large formats like if you take tapes, adhesive tapes we could bring it jumbo adhesive tape, and then we have uh capacity here in the country in the factories to convert them to finished size and formats that are required by customers (()) one is of course uh, have quick service which is the predominant reason. Uh, is we, we are able to respond to the customers' requirements and provide a high level of service. And the second is also to test the market and to see how the products scale up before we actually work backwards into integrating into manufacturing

	<p>here. So that's broadly the strategy we've been following and it's been quite helpful for us thus far. So the second comment is on margins. Yes, uh you are right since of around two thousand thirteen-time frame or so, if you go back uh, if you look at the next five years. There has been sequential improvement in margins. And I think that's been uh outcome of some very uh very focused targeted actions that have been taken. Predominantly in three areas, one is uh I think you already pointed that out portfolio mix management so that we, we move we kind of move our portfolio to (()) portfolio more sustainable margins. So that's number one. And number two for sure there were uh with growth there was also increased productivity in terms of all our operations. And uh we were also uh able to (()) improve our productivity by consolidating a lot of our uh transaction processing etc. into our global service center that we operate in the Philippines. So, so I think there have been number of actions both on the front end uh, you know from our product portfolio stand point. And also from uh, you know the sales growth has also resulted in better efficiencies been our front face organization in our sales team, sales and marketing uh teams. And we have taken benefit of certain backend operations that 3M has put together like, transaction processing and other areas. So those were uh (()) margins and the third question that you had was on the portfolio is that are there any large portfolio gaps that you see here in India today relative to what available from the parent. Uh I think uh I would answer that question in terms of the market opportunities that are available to us in the country. Because when the market opportunities are available, or the market readiness is there, we could tap into uh portfolios which we may not be currently uh playing in. I think the best example of that is probably our smartphone manufacturing which I have already talked about a little bit in both my prepared comments and in response to the prior question. So uh so we do have significant, a broad range of product portfolios that go in. Excuse me. We are into manufacturing of smartphones. Uh, I mean we, we have uh presence in uh many countries notably China, of course uh we have you know all OEMs, whether they are Chinese OEMs, US American OEMs, or whether its uh the Korean brands (()) so we, we have uh strong relations with all of the their headquarter locations. We are networked into their design centers. So, so the point is the market has to evolve or asked to be able to bring in those portfolios. So that is uh I would, so it's a function of market readiness and the uh market availability of the local market. So I would, I would uh, so those who have had responses if there's any follow ups or I'll turn it back to moderator.</p>
Divya Purohit.	Thank you. Next question from the line of Mr. Arora. Nitin please come ahead.
Nitin Arora	Hi! Thanks for taking my question. Uh my first question is on localized production. So I understand there would be some opportunities and (()) higher raw materials from the from (()). But how does, how does uh, overall (()) pricing and the margin works here? Because (()) which impacts us a lot. Uh (()) I think we are the only MNCs which (()) enquiry high over ((to the payment)) uh amongst the Indian, I would say listed and unlisted both companies. Uh so, get your sense that how we look in to life, in terms of uh production here. So, I understand the current

	<p>sourcing of raw material would be higher, uh because of the special opportunity. Will that get localized in future which can you know get benefit to us in a gross margin side, and how your (()) respect to transfer pricing if you can talk and that on the royalty?</p>
<p>Ramesh Ramadurai.</p>	<p>Sure. So let me talk about the local, the mix of local manufacturing in our overall sales. So, we are running somewhere between fifty-six to fifty-seven percent of what we sell in India of the approximately three thousand crores. Is, uh has some amount of varying amount of local manufacture. (()) locally, uh you know across the three factories of 3M India, and the one factory of 3M electro &amp; communications, so we do that here locally. That percentage has been kind of moving. If you look at the last five years, it has been a little, if you average it out it has moved out by seventy to hundred and ten or hundred and twenty basis points year on year. Some years might be a little higher, some might be lower but it kind of averages out to that range. Uh and, and that happens uh, I mean it is an intentional, did that shift as an intentional based on localization programs that uh you just referred to. So and we continued to have those uh activities very much uh, you know front and center for us. I talked about three of them that we are executing. The hand sanitizers capacities increased, disinfectants, bringing in a new line for disinfectants and the BS6 materials, emission control materials. And of course uh when we have the localization strategy in response to the previous question, also there was comment that from two thousand thirteen there was an increase in improvement in our margins. A lot of that also you know, one the contributing factors to that is uh localization as well. That's the response broadly to your question on local, ((comments)) of local production. the second one is one FX, okay. Yes, FX does impact us. Uh, last year two thousand nineteen, generally you know if you look (()) around the major of the year, uh onwards our strategy has also been to mitigate the impact of FX through the price adjustments and price changes in the marketplace. Sometimes uh, we lead the uh, we may lead the FX curves, sometimes there is a lag and it also depends on the customer mix. Sometimes you have OEM contracts so there may be a lag, but typically the lag is generally not more than a couple of quarters. So, so we've been fairly you know uh we talk about the differentiated product portfolio, premium technology, so we do have the ability and we have demonstrated our ability to uh execute some pricing in the prior years. But with the significant slowdown in the economy last year, and uh you know (()) of this year took this to a very unprecedented situation. Our ability to handle that to implement some of these price adjustments were uh, uh limited. Where the somewhat, we face some headwinds there. And that is also what I also kind of briefly uh touch the point when I made my prepared remarks on margin expansion actions. So we are very conscious of that and as we come into this quarter, August as we speak, who are reviewing some of those and are starting to take some actions in a targeted manner. Now in terms of royalty we pay, I think we should take I think if we look at the royalty we pay, it's about one point eight percent, uh approximately. (()) level I think for the last couple of three years. Uh so one point eight one, one point eight four somewhere in that range. Uh, which is comparable to most companies, many companies. If anything, it's on the lower end. So</p>

	<p>on transfer price, I'm not exactly sure what we, I'm not a expert on transfer price mechanisms and how uh you know that question. So if, would like to elaborate specifically what you wanted to know about transfer price because.</p>
Nitin Arora	<p>Sure, I think, I think there are two aspects of royalties. Management fees which you take and one the royalty which goes up. I (()) percent that goes up somewhere. Uh, the, the numbers was relating to that. Uh, with respect to (()) work that when you take out the product, let that global uh from our parents and our global entity, you know how does it, transfer pricing work here? Because you know if I look at 3M at all the categories being a price leader, you know uh, and when we look at your ROE, uh are not that high (()). Uh, but so is it to more to do with transfer pricing, is it to higher side? just want your take on that just want your you know mark on that.</p>
Ramesh Ramadurai.	<p>Yeah, yeah. So, so their (()) are established based on you know, obviously we are operating as a global company we operate in multiple jurisdictions. So, and we have meet, meet the uh you know requirements and scrutiny of the several tax jurisdictions around the world, everywhere that we import from. So the, it is, it is done on, on a call, accepted, accepted arms linked policy for establishing transfer price and it is reviewed and weighted by you know third parties. External agencies, they are (()). So it's, it's a ongoing process and we, we have to be uh, we have to be able to demonstrate arms link to number of jurisdictions including India. So I think that is how it is established, affairs of arm link consideration.</p>
Nitin Arora	<p>So my last question is when we lead the end market, uh you know, like you said auto is rebounding uh back and we are looking at the production numbers, uh how we (()) look in (()) transportation electronics and safety in industrials, if you can, if you can (()) on end customer perspective. So I understand (()) five percent (()) overall terms and correctly (()). But also if you can slide from the end customer, whether it is (()) how much contribution is there, roughly, we don't want an exact number. And how much will be (()) let's say approx. is (()) you know. Just, just you know want to get a sense that how the end market will be after apart from auto how they are moving up.</p>
Ramesh Ramadurai.	<p>So, if you look at the reason, the reason I picked those four, uh I talked, if you recall I talked about the movements in automotive, I talked about movements in infrastructure, which are important markets for us. Especially, I talked about roads specifically uh, then I talked about uh changes in what's moving the consumer, specifically with respect to e-commerce and the you know the green shoots that we are seeing in the general trade and the consumer. But I had also said not so much in the modern trade segment. So these are all critical segments for us, right? But if you look at the general manufacturing (()) you know we have uh, there is, there is definitely exposure to we, we have a exposure to a lot of uh companies uh, lot of manufacturing units that cut across multiple segments. So the MSME sector is obviously stressed right now. So, I think we uh it's a little more challenging to make estimations for the general manufacturing segment. But everything related to automotive, whatever we supplied to the automotive peers, yes! We know they are kind of gradually rebounding (()) with the OEM production. (()) I not</p>

	<p>really commented. But healthcare if you look at our medical, if you look at our businesses, uh you know there is a lot of focus on uh, COVID care etcetera. The elective surgeries etcetera, which contribute to a lot of our ongoing businesses. Whether it's products that are sold in to this ICU's, operating theatres, the sterilization (()) departments within the hospital. So those elective surgeries are still very, very soft in India. uh, and I think that's trend pretty much in multiple countries, so people, people are little hesitant to go in to the hospital. Unless they (()) have to (()) see that (()) side of the business. Very soft because, (()) are operating or only doing absolutely critical procedures or even patients are not, are postponing their visit to dentist. So the hospital segment is still, I think elective surgeries will still probably take some time. I don't know I mean I'm not able to predict when it will pick up but this point in time it's still relatively weaker. Thank you.</p>
Divya Purohit.	<p>Thank you. We'll take the next question from line of Mr. Alok Ranjan from LIC mutual funds. Alok please go ahead.</p>
Alok Ranjan.	<p>Hi uh, good afternoon sir. Sir my question is uh, um on the size of the global portfolio that 3M is having. I think the global portfolio uh goes uh more than sixty thousand plus. Uh, uh considering that, and we talked about the two opportunities that we are looking in to automotive emissions, BS6 emission products. And the smartphone manufacturing. Uh, can we say that uh, before uh localizing and manufacturing (()) there's an opportunity. Uh we have the product portfolio of level with the global uh, um global company and it will be easy for us to seed the market and see how the market will evolve. Uh, will it be uh very early participant in these two opportunities and what will be the total size of the opportunities we are looking at in these two, segments?</p>
Ramesh Ramadurai	<p>Yeah. So both, both the opportunities that I talked about, the portfolios are already available. Okay, uh I mean uh there is a very broad portfolio available for the smartphone manufacturing. Uh, and also the, the uh BS6 materials that I'm talking about is currently being manufactured in two other locations in US and we will the third one. So it will be fairly limited global production and we will be one of the uh you know three centers. Uh whether it expands in the future I can't say. So uh the technology exists, the products have been keep in mind talking about the emission uh control products. Keep in mind that they have to meet certain regulatory standards. So there is a requirement of meeting certain regulatory emission standards and the product has to help the 3M deliver that. Now which it does and it's all being tested and confirmed. So we have the technology available coming from the parents uh intellectual property portfolio here. And we are also uh in the interim we are seeding the market by importing from one of the other two sources (()) I mentioned that we have a couple of other sources. So we are already uh started the process of importing and making the sales. So it's an, it's already the business has started. It's uh, uh the transition has just happened to be a six, so kind of towards the end of let's say Jan-feb-march quarter of this year. It's when we started the activities. So uh, but for the smartphone manufacturing remains to be seen exactly when we will be able to uh start the, we are ready to start. I think we have to see the customers. Uh, there uh pace at which they expand. And uh in terms of the size of the market, opportunity, I mean it's, these have large</p>

	opportunities which are very significant so I won't really put a number on it but yeah, they are large opportunities.
Alok Ranjan	Uh yeah. Thank you sir. Uh, my second question is, is there any uh other market opportunities that is applicable in India and the market size is also decent. Uh, but the 3M India is not catering to it, but we have a private portfolio to which is available with the 3M global an uh, we need to uh, uh see the market as (()). So are there such kind of opportunities uh there?
Ramesh Ramadurai.	Yeah, uh actually, actually what I would like to (()) in response to your question is not necessarily a market that we are not been addressing, but a market opportunity that is now kind of shortened to the limelight because, unfortunately because of the pandemic. And that is around the whole concept of safety, sanitization and hygiene. I think I said in my opening remarks that we will hopefully have a chance to get to it during the dialogue. So perhaps it is a good time to make a couple of comments on that. Uh, and I will give you two, two uh two views of that. One from a manufacturing company's standpoint and other from a hospital standpoint. Uh, so what we are talking about now is safety, sanitization and hygiene. So we've been working with the department of the ministry of labor, uh and they have a department called uh department of I think, what is factory, factory advice and uh labor institutes. DG (()) director general for factory advice and labor institute. So we've been working with them for a number of three or four-five years, uh essentially to try to establish standards for worker's safety in factories. What is a kind of personal protection equipment they should have, what is a kind of safety equipment they should have? Eye protection, ear protection, etcetera. So I think they were the (()) the concerned department and the (()) were extremely receptive and we've been able to work some standards there with, with the you know, through, through industry consultations it is not just 3M to industry consultations. Uh, and uh nut however the adoption of this has been somewhat, you it's been, I would say let's say, uh not rapid. Okay, okay let me leave it as that. So it's not being rapid, but I think it would be uh, with the current crisis that we are facing, the pandemic, I think our themes are also being started to be in touch with these customers over the last, I would say now two months remotely. But, we see a significant uptake in interest and to adopt some of these. Whether they'll adopt all of them, perhaps not will all of them are adopted, maybe not. But I think adoption curve I would anticipate will increase and personal safety and impersonal protection portfolio is a fairly large portfolio for 3M. and I think we have the opportunity to expand that portfolio here. And many them are regulated, regulated products but they have standard regulations around those. So that is one portfolio, Okay? Uh, the other one is from the hospital standpoint again. Uh, you would have heard about, you would have seen or read about the uh, uh the, the PLI that was announced not so long ago. For, even for the medtech industry. Uh, I mean we are not a medtech manufacturer. But, uh if you look at the industry consultations with the government in this area, uh I think their industry the medtech industry is representing to the government. We, we have to raise uh, there is an opportunity to raise these standards to international standards. And for the simple reason that If we do that for

	<p>the PLI will attract the local manufacturing in India. but when, simultaneously, the standards etcetera are upgraded. The, these local manufacturer's manufacturing will also have the ability to export. Because now you are at international standards. So I think that is a big, uh so that the standards will operate in two ways. One is for the medtech manufacturers and two for the, at the point of use of point of delivery of service which is at the hospital. Uh, it could be at different care settings like different care settings like operation theatres, ICU's etcetera. So I think uh, in general we have uh large portfolios there and we have, we've been successful with the medical business with the lot of the uh hospitals. But i think with these uh, standards and the focus on education which we are doing a lot of education. Uh, I think we have, we have the opportunity to more rapidly penetrate the market more deeply. Sorry for the long answer but I was passionate about it.</p>
Alok Ranjan.	That was really helpful sir. Thanks for the detailed explanation. Uh Sir two more questions, one is on
Divya Purohit.	Uh, Alok can I request you, hello I'm sorry Alok we have a long question queue.
Alok Ranjan.	Okay, uh last question if you may allow. Uh, uh sir just want uh know whether 3M India is having any cost leadership in uh manufacturing globally in any products that we manufacture in India?
Ramesh Ramadurai.	It's a very broad question, so let me answer it this way. All the products that we manufacture here locally. We, the way we compare is, we compare it at the unit cost level and we are comparative with uh, you know with benchmark father factory locations. So it's, it's a tough question to answer yes or no. so, because there are many products but uh, for, for the most part I think I would say that yeah, the answer is yes.
Alok Ranjan.	Uh, thank you sir. That's all.
Ramesh Ramadurai.	Okay.
Divya Purohit.	Thank you. Uh, I would wish to remind all the participants to restricts themselves to two questions since we have a long question queue. Uh, I'll read out the next question, this is from Kirti Jain from Sundaram Mutual funds. Uh, the question is what is the (( )) planned over the next two years apart from sixty-five crores specifically, or specific number. And the second question is what are the product portfolio 3M India can do in mobile manufacturing and what can be our market potential in hundred and fifty billion rupees' mobile phone market, or these configurations in ((mid-level)) smartphones.
Ramesh Ramadurai.	Yeah, I'll take the second one first so the, the mobile phones I think I have spoken it (( )) so perhaps, maybe a question was entered before you know I responded to some of those. So, uh if uh with your indulgence I'll just say look uh, the opportunities largely we have (( )) portfolio. Lot of the products that we supply to the smartphone manufacturing is around the areas of bonding, uh different layers, bonding different layers, uh of materials, uh you know different kinds of uh, to mitigate uh, uh RF you know frequencies, noise cancellations, those kind of products. Okay different solutions so I won't get into that technicalities of those but you can say broadly that they are different types of bonding materials that are sold into uh smartphone manufacturing. Uh, so we have the capability to sure convert those products from the jumbo form and we have some capabilities to manufacture in Pune, Ranjangaon. Uh, but you

	<p>know not now, we can't manufacture all of them right now. So it depends on the uh, like I said import jumbos converted here and supply uh provide service and you know delivery and good service to customers. And we will work our manufacturing plan based on the uh, uh localization plan of our customers. So, in terms of the (( )) plans, you know uh, I did uh mentioned earlier also and response to our question that our (( )) plans tend to be a little lumpy and if you look at uh, if you look at I think my predecessor uh, year, couple of years' prior I think had made a, made, given a broad indication that it would, could be in the range of about six hundred crores or so over a period of you know a few years. I think we are now, we, we are keeping that as kind of a guidance I don't think we have said anything different at this point in time. Uh, with this COVID situation of course some things have got pushed out. So we are reviewing uh some of those plans, uh so we will make a more definitive statement probably as we are able to rework our plans.</p>
Divya Purohit.	Thank you we will take next question from line of Hiren (( )). Hiren please go ahead.
Hiren	Hello!
Divya Purohit.	Yeah Hiren.
Hiren.	Yeah can you hear me?
Divya Purohit.	Yes, we can.
Hiren.	Okay, um see you just mentioned about uh the, our participation in the smartphone manufacturing value chain. Could you just elaborate where uh, in what areas that we have products? Is it components manufacturing systems, where we will, we will participate in this uh, uh in, in, in this uh opportunity and are you already in discussion (( )) realize being, being in the works?
Ramesh Ramadurai.	The last part of your question I lost your voice. So, I got the first part of your question and I'll answer that and maybe you can repeat the last part if I didn't, if I don't answer it.
Hiren.	Yeah, I'll just repeat the last one. I'll just repeat the last one, I said uh, we are already here uh in that uh some, some of the PLI's (( )) are already under ways. So are you already in discussion with some of those players?
Ramesh Ramadurai	So the uh, like I said, mentioned in response to an earlier question, the portfolio that we supply to the smartphone manufacturing market is lot of different type of bonding materials. So we don't make components, we don't make uh different assemblies. It's different types of bonding materials. So uh, if you, if you look at your smartphone, what you have right on top, the screen, the glass screen or the touch screen panel. Uh, so that is bonded to the layers below and similarly there are multiple layers in the (( )) smartphone of yours. And those so, you need extremely thin bonding materials which have very high performance requirements in terms of heat, you know stability to heat, uh etcetera, etcetera. You know you drop your phone, it should you know have the ability to bond strong even when you, you know drop it by mistake. So there are multiple bonding requirements and then certain other uh requirements within a cellphone so we have we supply different kind of materials that go into a phone. We don't make an assembly per say. Okay? That's in response to the first part of your question. The second part of your question, the answer is yes because like I said earlier we have very, we have excellent relations with all of the OEM headquarters. And not only,

	uh not only in India for sure we have good relations and access to all OEM's in India, but also in their home country locations. Because uh, our, our products come into play, not when the cellphone or smartphone is assembled here. But when their suppliers like that here one suppliers start to manufacture in India. and then we become kind of tier two to them. So it is, so therefore we not only have to be in touch with the OEM's for designing in for our products, (()) in our products, but we also have to be in touch with them to understand when their suppliers from either their home-country or will move and setup uh you know facilities in India. or alternately, you know they uh identify the local supplier base. Ad generally it'll be a combination of both. So to answer your question, yes we have very much in the picture and we have been in this picture for you know for some time now, some almost a couple of years now actually, yeah.
Hiren.	Okay thank you. Thank you so much.
Ramesh Ramadurai.	Yeah. If someone is speaking you are on mute. I'm not able to hear.
Rajesh	Hey hi! Am I audible?
Ramesh Ramadurai.	Yes.
Divya Purohit.	Yes, you are.
Rajesh	Uh, my first question is (()) to this uh smartphone opportunity or featured phone products get manufactured in India, you think that you know if I look at your global portfolio and global uh total handset manufacturing, uh total size and 3M uh global portfolio revenue size, it is about roughly two to three percent. Is it the right benchmark?
Ramesh Ramadurai.	I'm not sure I can give you uh exact uh I don't know the answer to your question.
Rajesh	Okay.
Ramesh Ramadurai.	Okay. So can you just repeat that so that I can make sure that I capture your question and we can get back to you as through, through the moderators. Yeah.
Rajesh	Sure. So basically I was just uh, you know the number of say total global mobile handset manufacturing, you know size. And If I put 3M global uh, your electronics revenue size, and if I do some bac of the hand (()) calculations, it (()) product (()) to quotient of the uh, you know the total size. What I'm basically saying is
Ramesh Ramadurai.	Okay, okay, okay. Okay, I understood your question, yeah so if I may ask you (()) when you did the electronic industry size, did you only took, did you take only the global uh cellphone industry size or you took global industry size.
Rajesh	Yeah. So I took global cellphone and I divided 3M revenue let's assume fifty percent of that you know (()) I don't have a precise number, but going by 3M complete revenue breakup in the recent presentation, uh, you know I'm going by that (()). Uh essentially, basically I'm asking that if ten thousand rupees, let's assume is the cost of phone, whether the 3M India opportunity of that ten thousand rupees is what rupees two hundred per phone? (())
Ramesh Ramadurai.	You know uh, see that the numbers, the numbers that we report I think you probably referencing the eight hundred and something million that was reported under electronics in the most recent uh 3M global uh earning's call. (()) what you are that's the number you are referring to, right? Eight hundred and eighty something, yeah. Uh, so if that's the

	number you are referring to that, that just yeah and I think you probably did a this, this uh, what I think by applying some factor to it by determine how much would be a cellphone. And uh without getting into that detail, that approach is broadly right and uh the only variable would be the model, make and so on. You know generally the, the model, makes of uh will be quite different yeah.
Rajesh	Sure, sir you know let me put in other way. You think over the next three year or four years (()) you know this segment will become you know the size of this segment twenty five to thirty percent, (()) something that is I don't know I'm not asking for a precise number, but considering the size itself is so huge because the government is talking about you know four lakh, five lakh crore kind of a total you know manufacturing in India with a good ecosystem. Uh, so do you think it can be twenty-five thirty percent of your revenue. Maybe three years, four year down the line.
Ramesh Ramadurai.	So this, these products are these results are broadly reported under the transport and electronics business segment. And uh I think if, to answer your question one, at this point it's uh, uh you know it's difficult to provide a number like that. I wouldn't hazard uh, I wouldn't venture to hazard a number. However, the way I would you know answer you is to say that I would do the same arithmetic that you very uh you know, very correctly did to arrive at this opportunity potential. Uh, 3M on a global basis, the transportation and electronic segment contributes I think it's about ten billion or thirty billion or you know if I, I'm remembering my overall numbers correct, so that's uh, you are talking about ((that part)) thirty or thirty-eight percent or so. Thirty to thirty-two percent is the global uh, mix and uh electronics is the portion of that so I don't think it's (()) bigger than what you see in the parent. Because that is a fairly large, mature cycle and then it also has models which goes across the spectrum very high end to medium end to you know more entry-level types of models. So uh, so I'll leave it there.
Rajesh	Okay, uh if I can quickly quiz on ground (()) two more questions, it's very brief. One is....
Divya Purohit.	Rajesh I'm sorry, we have a question queue.
Rajesh.	Uh, okay.
Divya Purohit.	Just ask one last question if you can.
Rajesh.	Okay, basically in terms of the total cost savings, uh you know how much of the cost savings can be permanently because we have done VRS, but we don't know exact number. Also what can be the cost saving because of that and maybe the sum cost of that savings uh you know you can briefly talk about it. Because you talked about thirty percent deduction in expense, which I, actually I didn't see your first quarter number so it means that going forward you are going to cut that also, (()) on that?
Ramesh Ramadurai.	I think I said it's thirty percent excluding employee costs, okay? Uh, so, so I mean it is, if you see the numbers it should be there. This is versus comparison versus prior year not versus sequential. So uh in any case I think uh what the question you asked is a very pertinent one. We think most of these costs are more temporary in nature. They are not necessarily structural in nature because uh there's been uh, there's been uh a complete clamp down on most of our discretionary spending. So, therefore uh, I think some of these costs will start to come back and pickup an activity. But uh I think it would be fair to say that the pickup in

	cost would probably lag the uh, growth uh revival in top line.
Rajesh.	Okay sir, thank you very much for this ((conference)) here. Thank you.
Ramesh Ramadurai.	Thank you.
Divya Purohit.	Thank you. We will take the next question from the line of Mr. Laxman Narayan. Uh, please go ahead.
Laxman Narayan.	Yeah, uh you read my line right?
Divya Purohit.	Yes!
Laxman Narayan.	Am I audible? So couple of questions. Uh, first is that you know somewhere in two thousand seventeen or so, your predecessor made this statement that uh, directly implicitly your (( )) she said that 3M can actually double revenue every five years, right? Now um, uh I just understand what will make uh to, to grow uh that kind of a pace, you know fourteen-fifteen percent annually for the next uh couple of years.
Ramesh Ramadurai.	So, uh great question. Uh, I'd point to three or four things so essentially what is uh different, what is different that will change the growth (projectory). Uh, two things, one is the uh focus on certain priority areas with scale you know I think that's what my predecessor was alluring to in some of her comments. Uh, I think uh focus on priority areas that are opening up in the country and which have scale, which are not necessary, which are not necessary (( )) mix market segments. But there may be specialized segments but the specialized segments with scale. I think that's critical for uh driving our growth and we see the emerging of those several examples I spoke about on the call today. Uh, the second one is uh the availability of the portfolio to tap into those emerging opportunities and everything we spoke at length about some of these portfolios. Uh, the third one is in many spaces that is also an aspect of uh regulatory standards (( )). I think they have been doing committed to doing that over a number of years. It's not a one-time event. Uh, so to support these portfolios, also an emphasis on regulations, emphasis on standard settings, emphasis on education of all stakeholders ((till)) we continue to do that. And uh, fourth one is uh definitely the you know capability to uh, you know execute. I think that's a, that's uh important part and I think that's also an area where the company continues to remain focused. In terms of, I talked about the various access to different types of skills and uh, in my opening comments whether it's digital capabilities, whether it's different types of marketing capabilities. So we also learn from uh, (( )) within 3M through knowledge sharing, through visits, through other many multiple types of exchanges. So I think uh, uh I would say I would point to all of these, yeah.
Laxman Narayan.	Sir and uh this another question is that uh, two parts to it. First is that uh to achieve that, what is your KRA, is, is, is it tied to your performance over the uh, IIP numbers are not, the that is one in terms of the KRA for the senior management. How are you measured? And second uh, question is that I understand that bulk of your revenue, or most of your revenues are SME led via there is a distribution chain in (( )) and there is also working capital etcetera when you don't provide but distributor provides right? So uh, what was the intensity of the SME led business for you, what is the enterprise led business for you and uh and this, so I think yeah, these are the two questions I have.
Ramesh Ramadurai.	Yeah sure. The KRA's are clearly linked to delivery of you know on year on year when you look at it or on a clear horizon when you look at it. It's

	<p>uh, it's revenue growth and margins uh, you know faster than revenue. The margin expansion which is uh, uh you know few basis points perhaps faster than the revenue growth. And whether and obviously it is always to outperform the macros but so exactly to what limit it varies by the business. But at the enterprise level I mean we are a mix of IPI led business and GDP led business, whether it's healthcare consumer and of course a lot of safety at industrials etcetera as IPI led. So, so I think we take care of those uh during the annual target setting process in relation to the external market conditions. So clearly it's a volume growth of delivery of local, delivery of our organic growth, as well as margin expansion. So okay, along with the working capital metrics as well. So to the second, second part of your question on distribution. Yes, there's only a relatively small part of the portfolio that we sell direct to inducers primarily in the automotive industry. And certain other large uh contracting types of I mean when we do business with infrastructure business. (()) large players there so we do business with them directly. But for the most part it is always through uh, uh channel even if it is to a larger uh, you know mid to large size manufacturing industry. Because our portfolio in those cases may not be uh, uh huge in each one per say, so we go through distribution and they perform on added function of maintaining service. Uh, you know one time delivery, just in time delivery, etcetera.</p>
Laxman Narayan.	<p>Sir, if you look at the uh, you know remove the hospitals and the consumer, right? Which is other one (()) industrial. How much is actually essential and how much is non-essential some kind of (()) sir?</p>
Ramesh Ramadurai.	<p>I, I would uh, I would (()) I don't have a number I can give you. Uh, it's not something we really disclose in terms of how much is assembly and how much is. So what is behind your question, so, I mean you have something in your mind.</p>
Laxmi Narayan.	<p>No, no, no the thing, the thing is that at least when I did some uh, some channels check it showed that the, the slackness in your growth even the previous two years has been led to because of the GST and DEMON that actually that situation negatively aggravated for SME led businesses. That explains some of the slowness or ((timidness)) of your numbers. That is my hypothesis. So I just want to check whether that is true or your essentially enterprise led the large company and uh products. That's, that's the (()) thing.</p>
Ramesh Ramadurai.	<p>No, no that's great. Thanks for the clarification but you're, you're absolutely right. Because in seventeen when we've been moved in the GST regime, I think that did have an impact on uh growth. I don't recall the numbers, Mamata is on the line. Mamata you remember? If not we could get back to you through uh, the moderators.</p>
Laxman Narayan.	<p>Yeah I'll leave it to you.</p>
Ramesh Ramadurai.	<p>Yeah, Mamata if you, are you on the line? I mean Mamata sorry you are muted.</p>
Divya Purohit.	<p>You can unmute your line (()) and uh speak.</p>
Mamata	<p>Can you hear me?</p>
Divya Purohit.	<p>Yeah.</p>
Ramesh Ramadurai.	<p>Yes we can.</p>
Mamata.	<p>Yes, uh sorry can you repeat the question please?</p>
Ramesh Ramadurai.	<p>Yeah, yeah. So Mamata (()) in two thousand seventeen when we</p>

	transitioned to GST from uh, uh in two thousand seventeen. So that GST transition I think, I think the question was our predecessor, my predecessors said that there might have been some impact because of the GST and the growth rates because of the way certain things were ((created)). ((even)) price was changed or some other things happened. So would be able to comment on it? If you don't have the data.
Mamata.	I don't have uh, I don't have the data in front of me right now. Um, however, um you know in two thousand seventeen and before that um, there was impact of demonetization, as well as change in GST, which did impact both uh, at the time of uh GST, there was some. Uh, issue about price increases which we could not pass on, uh and that impacted for uh, you know about six months after that. Uh but later on of course you know came the economic slowdown so, you know it is all comparable.
Laxman Narayan.	(( )) the rational impact, my hypothesis is that bulk of your revenues in the non-consumer, non-hospital is driven by SME's. and they had the brunt of both DEMON and GST which coupled with the exchange rate fluctuations actually (( )) explains the slowness of the growth. So do you agree?
Ramesh Ramadurai.	Yeah, so let me, let me take that one. You are, you're right and the sense that uh (( )) arithmetic of it was that it reduced, it reduced our growth rate, the top line. That it was margin neutral because it kind of got adjusted in the cost of goods sold. Okay? And because of the preponderance of the, I also in my prepared remarks referred to the (( )) squeeze that we started to experience last year. That definitely had an impact on growth.
Laxman Narayan.	Yeah, okay, okay. Uh, thank you.
Divya Purohit.	Thank you. Uh, sir we are already at four ten, but we have a question queue uh, pending. Laughs*
Ramesh Ramadurai.	I think why don't I take one more and then maybe we'll, I apologize but we could wrap up after one more.
Divya Purohit.	Thank you so much sir. We will take the last question from the line of Mr. Deepesh Agarwal. Uh, Deepesh please go ahead.
Deepesh Agarwal	Yeah.
Divya Purohit.	Deepesh your line has been unmuted, you can talk now.
Deepesh Agarwal.	When we refer to the mobile manufacturing opportunity, do you think any of the (( )) adhesive layer or any other MNC in India (( )) competitor or it would be a virtual monopoly for us?
Ramesh Ramadurai.	Sir there is no market where we can assume uh, monopoly situation. We do we competition in the global markets in these products. Uh, so we would anticipate to have the competition in India as well for sure.
Deepesh Agarwal.	(( )) tell me (( )) can you help us understand the structure of the market who would be a competitors other than in masks, sanitizers and what is the level of indigenization at which we operate in this business?
Ramesh Ramadurai	Uh, see a lot of our healthcare portfolio is uh, you know in like I said in the hospital we have the hospital segment primarily and the dental segment and then we have different uh, in many cases competitors are also global competitors uh, ((in these)) segments, okay? And uh in terms of, we have we do in our Ranjangaon factory, we have a focused factory with all the necessary ((healthcare services)) from the authorities to run a medical for we call it a (( )). We make different types of uh, we use different kinds of these dressings and uh like if you, we call them the,

	they go by the trademark, tradename of (()) uh, you know micropore etcetera. So we make them in our Ranjangaon factory, uh and therefore I think we are able to uh, you know I don't have them because I look at the localization for this call, I looked at it ((as)) a global company but not at the segment level. Uh, but we do have a focus factory in Ranjangaon to support our healthcare business. Most of our dental products are imported because they are also, they are very specialized, they are very you know the scale is not there to uh to allow us to ((manufacture)) so most of those products are pretty much important. And with (()) trade, we traded good. Okay?
Deepesh Agarwal.	Okay. Okay, thank you sir.
Divya Purohit.	Thank you. Uh, thank you so much.
Ramesh Ramadurai.	If I may just make a one or two, if I may just make a closing comment uh, is that okay?
Divya Purohit.	Yeah, I was just about to say that sir. Thank you so much.
Ramesh Ramadurai.	Okay, Laughs* okay thank you. Sorry for jumping the gun there. No, I just wanted to thank all the participants for being here. It's, it's really a you know it's very instructive for us to have dialogue with all of you. So thank you for uh, all the questions that you raised and I apologize that we probably were not able to cover all of them and I understand there is a question que still there. Uh, this level of interaction and uh you know the Q&A's something which we enjoy and it informs us as well as to how you think about our business, how you view our business and what are considerations that are important for you, as investors. So I appreciate it. And uh, in closing I would just welcome you to attend the first virtual AGM that we will be conducting. It will be a new experience for us. I'm sure you've been to a few already. We will forward it to your participation and also your support for our resolutions. Thank you.
Divya Purohit.	Thank you so much sir and thank you all the participants for joining us today. It was a pleasure to have you all. All the best and please take care.
Mamata	Thank you, bye.
Speaker 2	Thank you.