



“TRANSCRIPT OF THE 34th ANNUAL GENERAL
MEETING OF 3M INDIA LIMITED HELD
AT 10.30. A.M. IST ON THURSDAY,
AUGUST 26, 2021 THROUGH VIDEO
CONFERENCING”

BOARD OF DIRECTORS:

**MR. BHARAT SHAH – CHAIRMAN,
MR. RAMESH RAMADURAI – MANAGING DIRECTOR,
MR. BIREN GABHAWALA – INDEPENDENT DIRECTOR,
MS. RADHIKA RAJAN – INDEPENDENT DIRECTOR,
MR. AMIT LAROYA – NON-EXECUTIVE DIRECTOR,
MR. JONG-HO LEE – NON-EXECUTIVE DIRECTOR,
MS. MAMTA GORE – NON-EXECUTIVE DIRECTOR,
MR. JAMES FALTEISEK – NON-EXECUTIVE DIRECTOR**

KMP's:

**MS. VIDYA SARATHY – CHIEF FINANCIAL OFFICER,
MR. V. SRINIVASAN – COMPANY SECRETARY AND
COMPLIANCE OFFICER**

INVITEES:

**MR. VIKASH GUPTA – STATUTORY AUDITOR, BSR &
COMPANY LLP,
MR. PARAMESHWAR G BHAT – SECRETARIAL
AUDITOR,
MR. MURALI KRISHNA – COST AUDITOR, RAO,
MURTHY & ASSOCIATES**

Moderator: Dear shareholders, good morning, and a very warm welcome to 34th Annual General Meeting of 3M India Limited through videoconferencing or other audio-visual facility. As a reminder, for the smooth conduct of the meeting, the members will be in mute mode and audio and video will be open when they will speak at the AGM as per the pre-registration.

Please note that for the requirements, the proceedings of the Annual General Meeting will be recorded and available on website of the company. I now hand over the proceedings to Mr. Bharat Shah, Chairman of 3M India Limited.

Bharat Shah: Good morning, ladies and gentlemen. I am Bharat Shah joining from my daughter's flat in London, in accordance with Article 84 of the Articles of Association. As the Chairman of the board, let me have the pleasure of chair this AGM. I presume that you and your families are taking necessary precautions to remain safe and healthy during the outgoing Covid-19 pandemic.

Before we start proceedings, it is my sad and solemn duty to express my condolences to the entire country for the lives of many loved ones lost due to COVID-19. On behalf of the board of directors of the company, I extend a warm welcome to all of you to this 34th Annual General Meeting and the second AGM of your company being held through videoconference.

The virtual AGM is a progressive step as it allows members irrespective of where they are physically present anywhere in India, or even abroad to participate in the AGM. In the event, if there are any connectivity issues as I had last year, I propose my fellow director, Biren Gabhawala, Independent Director to be the Vice Chairman of this meeting, and to conduct the meeting in case for any reason the connectivity of the Chairman is lost during the meeting. On my request, the directors have already accorded their consent to this. Srini, can you confirm whether the requisite quorum is present?

V. Srinivasan: Yes, sir. The requisite quorum is present to start the proceedings.

Bharat Shah: Thanks, Srini. I call the meeting to order. As we have the requisite quorum present through video conferencing, to conduct the proceedings of this meeting, participation of members through video conference is being reckon for the purpose of quorum as per the circulars issued by DMCA, and as per Section 103 of the Companies Act 2013. This meeting is being held through video conference, in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI.

Before we start the main proceedings of the meeting, may I take this opportunity of introducing my colleagues of the board of your company and other participants who are participating in this video conference. Mr. Biren Gabhawala - Independent Director, Chairman of Audit Committee, Chairman of NRC, and Chairman of Risk Committee, participating from his office at Mumbai. Ms. Radhika Rajan - Independent Director participating from her residence at Mumbai. Mr. Ramesh Ramadurai - Managing Director participating from the Registered Office at Bangalore. Mr. Amit Laroya – Non-Executive Director participating from the 3M office, Korea's office, Seoul, South Korea. Mr. Jong-Ho Lee – Non-Executive Director participating from his residence at Singapore. Ms. Mamta Gore – Non-Executive Director participating from her residence in Dubai. Mr. James Falteisek – Non-Executive Director participating from 3M Korea office, Seoul, South Korea. Ms. Vidya Sarathy - Chief Financial Officer participating from the registered office at Bangalore. Mr. V. Srinivasan - Company Secretary and Compliance Officer participating from the registered office at Bangalore.

I further acknowledge the participation of Vikash Gupta representing Messrs. BSR & Company LLP, Statutory Auditor participating from his residence at Bengaluru. Mr. Parmeshwar G Bhat - Secretarial Auditor participating from his office at Bengaluru and Mr. Murali Krishna - Cost

Auditor representing Messrs. Rao, Murthy & Associates participating also from his office at Bangalore.

I now request Srini to provide general instructions to the members regarding participation in this meeting.

V. Srinivasan:

Thank you, sir. Good morning ladies and gentlemen. This company has enabled the members to participate at the 34th Annual General Meeting through video conferencing facility provided by NSDL in compliance with the applicable circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India. Facility for joining this meeting through video conference has been made available for members on a first come first serve basis.

All the members who have joined are by default placed on mute by the moderator. When the session on Question and Answer commences the speaker member will be unmuted by the moderator. The Proceedings of the agent are also being webcasted live for all the members. Members have been provided with the facility to exercise their right to vote by electronic means, both through remote e-voting and e-voting at the Annual General Meeting in accordance with the provisions of the Companies Act 2013 and SEBI listing regulations.

The members joining the meeting through videoconferencing who have not already cast their work by means of remote e-voting can exercise their vote using new e-voting platform of NSDL which would be closed along with the closure of the meeting. The company has appointed Mr. Parmeshwar G Bhat practicing Company Secretary as a scrutinizer who will collect the voting results of the remote e-voting and the voting at the electronic Annual General Meeting for each of the items as per the notice.

Representations under Section 113 of the Companies Act 2013 has been received in respect of 75% share capital held by 3M Company USA. The register of directors and key manager personnel, the register of contracts

or arrangements has been made available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send their request to investorhelpdesk.in@mmm.com. As the Annual General Meeting is being held through videoconference, the facility for appointment of proxies by the members was not applicable and hence the proxy register for inspection is not available.

Some of the members are already registered themselves as speakers for the meeting. Accordingly, the floor will be open to ask questions or express their views. The moderator will facilitate this session once the chairman opens the floor for questions. Members may also note that the company reserves the right to limit the number of members asking questions depending upon the availability of time. Members are requested to refer additional information provided in the notes to the Annual General Meeting Notice and for seamless participation through videoconference.

In case if any member faces any difficulty, they may reach out to National Securities Depository Limited, (NSDL) on the helpline numbers given in the notice. Thank you very much. I now hand over to the Chairman to continue with the proceedings.

Bharat Shah:

Good morning once again, ladies and gentlemen. Thank you for your participation today. I trust the notice convening the meeting, the board's report, and the audited standalone and consolidated financial statements together with the auditor's report for the year ended 31st March 2021, which was sent electronically on July 27th 2021 well in advance have been received by you. The ongoing Covid-19 pandemic in the country has led to restrictions on mobility and guidance to maintain several health protocols, including social distancing.

Like in the last year, we are compelled to hold this meeting on a virtual platform. I thank you all for taking the time to join us today from wherever you are for this meeting. As we all know, financial year 2021 started with a nationwide lockdown. During the first quarter of 2021 the

economy was at a standstill due to Covid-19 pandemic and domestic demand saw a steep decline.

The safety and health of the company's employees became the primary focus. operations of the company were limited except for the manufacture of hand sanitizers and masks, which were mainly directed for frontline health services. Your company's dedicated and experienced team steer these operations successfully through this difficult period.

The second wave saw a steep increase in COVID cases in the first quarter of the current year, and was once again a constraint to the domestic demand. Varying lockdowns announced by different state governments impacted industrial activity. However, vaccination efforts by the Government of India supported by respective state governments have picked up and there is renewed optimism for the economic recovery in the current financial year. The Indian government has also launched various initiatives and relief packages to boost economic activities. These are steps in the right direction.

The cautious yet progressive opening up announced by various state governments has given us confidence that business will pick up in the remaining period of this year. The fear of the third wave, though is talked about an extreme care and caution are needed to be exercise relentlessly. Ladies and gentlemen, let me cover the changes in the composition of the board during the financial year 2020-21. Ms Sadhana Kaul, Non-Executive Director, resigned as director of the company from the closing hours of May 5th, 2020, as she had decided to pursue her career outside of the 3M Group. The board places on record its appreciation for the contributions made by Sadhana Kaul to the progress of the company during her tenure as a director. V. Shankar Narayan Rao, whole-time director of the company superannuated from the company from the closing hours of May 30th, 2020 after a long association of 30 years of service with the company. The board places on record its appreciation for the contributions made by Shankar Rao towards the progress of the

company during his tenure, first as CFO, Chief Financial Officer, and subsequently as the director.

At the board meeting held on 13th August 2020, Mr. James Ernest Falteisek, who was appointed as an additional director, categorized as non-executive director and Ms Mamta Janak Gore. Sorry for the interruptions. I was telling you subsequently, Mamta has resigned as a whole-time director and CFO from the closing hours of May 31st, 2021 upon taking up a higher role with 3M Company, effective 1st June 2021.

However, she continues to be a non-executive director of the company with effect from June 1st 2021. The board places on record its appreciation for the contributions made by her to the progress of the company during her tenure as Chief Financial Officer and as a whole-time director of the company. I would also like to extend a warm welcome to Vidya Sarathy the new CFO of the company, who was appointed from 1st June 2021.

Amidst first with COVID related circumstances aforementioned COVID related circumstances, your company focused on strengthening the portfolio mix maintaining fiscal prudence and cash flow management so most of the financial year 2020-21. Company's revenue from operations on a standalone basis declined by 12.5% and on a consolidated basis also declined by 12.8% for the financial year ended March 31st, 2021.

The operating margins on a standalone basis for the current year was 10.8% compared to 13.6% of the previous year. Ramesh Ramadurai, Managing Director will cover the details of the financial performance of the company for the full year, and for the first quarter of 2021 in his speech separately.

I would like to commend the leadership and employees of your company for a very well-planned response to the outbreak of the pandemic. Your company's community initiatives towards COVID-19 relief have been

directed around building resilience in three key areas; food security for the vulnerable communities, medical equipment to government hospitals and infrastructure projects.

Ladies and gentlemen, despite many uncertainties your company shall continue to prioritize health and safety of our employees and safe operations, building new growth opportunities, to ensure business continuity and strengthen customer engagement through virtual campaigns. We remain confident and optimistic about the growth prospects of India. The high priority accorded by the Government of India for investments in infrastructure, strengthening of health care capacity and capability and production linked incentive schemes for the Make in India initiative provides us the basis for this confidence.

As I conclude, ladies and gentlemen, I would like to express our sincere thanks to the Government of India, State Government of India, State Government of Karnataka, Maharashtra, and Gujarat for their continued support. My thanks also goes to our customers, dealers, suppliers, bankers, shareholders, 3M USA, and other 3M Group companies worldwide for their support and cooperation.

On behalf of the board, I would like to compliment the employees of the company who rose to the occasion as a single team in facing challenges and in managing the company's affairs efficiently even while adjusting seamlessly to a changed working environment. I also wish to place on record my gratitude to my colleagues on the board for the council support insight commitments to the company and for advice given from time-to-time, which I deeply value and of course, dear valued shareholders.

I once again look forward to your continued support and goodwill that provides us with great encouragement and motivation to take 3M India Limited to greater heights. I look forward to meeting you all in person next year. Thank you. I now request Ramesh to take over.

Ramesh Ramadurai: Thank you. Thank you very much, Mr. Chairman. Good morning, dear shareholders ladies and gentlemen, Namaskara. Welcome to the 34th Annual General Meeting of your company conducted virtually for the second consecutive year through video conference. I hope all of you are staying safe and well.

It is my honor to serve as your company's Managing Director and to present an overview of our performance in the last financial year. At the outset, I would like to reinforce a safe harbor statement in today's presentation 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.

If you recall, the theme for the last financial year's annual report that is 2019-20 was resilience for sustainable growth. That was the time we were in the early stages of our COVID pandemic. So last year, we discussed the importance of resilience not only for business continuity, in the face of deep external disruptions, but also for sustained growth and success. The past 15 months or so have been like no other. This period has brought to the forefront what matters most of all to all of us.

As individuals, as families and a society namely the health and safety of all. Therefore, the theme for our 2020-21 Annual Report is elevating life through science. Each year our parent company 3M USA conducts a global independent study called the State of Science Index, which explores global attitudes towards science. This study was conducted in India as well. The results showed an increased enthusiasm for science and a greater recognition that science has an important role to play in solving problems beyond health, such as sustainability, and equity gaps in STEM that is science, technology, engineering, and maths education. We have shared more details in pages two and three of our annual report.

We wanted to bring to the fore these findings, as well as the various initiatives your company has been taking by highlighting the theme elevating life through science. 3M is a science based company using our

technology platforms to develop science based solutions to address customer problems and more broadly improve life.

I will now cover my initial part of my remarks under four broad topics and after which I will go into the details of our financial performance. So, the first of the four topics is operations during COVID times. As a company we adapted well to the COVID situation with focus on employee health and safety, factory operations and remote working. Since April 2020, we have been working mostly remotely with only about 5% of our head office employees accessing the office based on specific needs.

At the same time, we have put in place several employee engagement and support programs in the areas of health and wellness, connectedness, sharing of employees stories and learning and development. We have also rolled out our vaccination campaigns for employees and their eligible dependents. I am very pleased to report to all of you that as on date, about 94% of our employees have already received their first dose of vaccination, and about 53% have received both doses.

We have scheduled several additional vaccination camps over the next couple of months to ensure that all our employees are fully vaccinated. Second, support to our communities. We prioritized our CSR funding for the year towards programs that address the emerging needs of our communities as the pandemic evolved.

Our support to communities were around three broad areas, supporting migrant workers in many states with cooked meals, food and dry ration kits, donations of critical medical equipment to government hospitals and to treat COVID patients and continued support to our partners to help sustain some of our legacy initiatives under education and health.

The third comment or the third area I want to talk about is bringing science and innovation to our customers virtually as the new normal shaped our interactions with customers, 3M design became a powerful

way to communicate new value propositions to customers. 3M design allowed customers to reimagine our solutions in their own settings.

During the year your company also launched 3M Energy Academy, which is a specialized e-learning platform to upskill electrical professionals. As you may also recall, we have been successfully running a 3M Healthcare Academy digitally for several years now. And we have transitioned that to the virtual learning environment as well. These are some specific examples I wanted to highlight over and above the various webinars and other forms of electronic connects that we have had with customers.

And forth, what actions that we are taking that the company is taking to strengthen the company for the future. We draw from the global and regional capabilities being built by the parent 3M Company to advance our digital lead organization. This covers digital customer experience, digital products, and digital operations. We are in the final stages of executing some of our key manufacturing investments to put in our company for the future.

I will now turn to your company's performance in the financial year ended March 31, 2021. As you know the company operates in four business segments: safety and industrial, transportation and electronics, health care and consumer. For the year 2021 on a consolidated basis, safety and industrial contributed 39% of the total revenue mix, transportation and electronics contributed 35%; healthcare contributed 14% and consumer contributed about 12% of the total mix.

All segments delivered negative growth with healthcare the most impacted at minus 25% and consumer less affected at minus 2%. Due to the pandemic related lockdown, we experienced sharp declines across all of our end user market segments in the financial year 2020-21. After the strict lockdown in April 2020 and part of May 2020, we saw a gradual reopening of the economy from June of last year.

Our growth contracted sharply in the fiscal first quarter and then showed subsequent sequential improvement. On a consolidated basis our fiscal Q1 growth was minus 57%. This improved to minus 9.6% in Q2, minus 0.5% in the third quarter, and we grew close to plus 23% in Q4, that is the January-February-March quarter.

So, under these conditions, we delivered consolidated sales of Rs. 2,605 crores in the last financial year, 12.8% lower than the previous year with EBITDA of 10.8%. We delivered a PBT of Rs. 220 crores at 8.4% to sales. In the face of weak external market conditions, we exercised good discipline in managing all aspects of our costs. It is also fair to say that your company's business model and portfolios were pressure tested during the course of the last year.

I am pleased to report to you that your company demonstrated good resilience and agility in managing our revenue recovery as demonstrated by our revenue growth in the January-February-March quarter. A good position, transitioning on non-factory workers to successfully work from home and operating our factories with the highest standards of health and safety. Let me now turn to the first quarter of this current financial year 2021-22.

The onset of the second wave of COVID and the tremendous hardship caused by it will remain deeply etched in our minds. As mentioned earlier in my remarks, your company rose to the occasion by partnering with other companies to rapidly augment ICU bed capacity in selected hospitals. We continue to support our employees and families through our third-party healthcare service partners with whom we had signed up last year. Our consolidated revenues declined about 10% on a sequential basis for the April-May-June quarter versus the January-February-March quarter to Rs. 744 crores. We delivered a PBT of Rs. 44 crores at 5.4% to sales. Our margins were impacted due to the strong headwinds in raw material and logistics costs.

As I mentioned in my address at the last AGM, and I will take the liberty of repeating it today, growth is the lifeline of any company and crucial for our long-term success. 3M India benefits substantially by being part of a global 3M network and having access to various capabilities. The breadth of technologies, the breadth of our product portfolio, and an engaged and committed team of 3Mers, all of these give us the ingredients for long term success.

We continue to leverage these strengths to position ourselves for sustainable growth. We are positive and optimistic about the growth prospects of India. The high priority accorded by the government for investments in infrastructure, health care, and the Make in India initiative augurs very well. We will continue to work to channelize the energy and passion of our people to address these opportunities and continue to build your company for the future.

In closing, I would like to express my gratitude to you, our dear shareholders for placing your trust and confidence in the company. I thank the board of directors for their guidance and support. I would like to express our sincere thanks to the Government of India and the state governments for their continued support. My thanks also goes out to our customers, our partners, and our employees for staying strong and resilient during this time. Thank you very much and stay safe. I now hand it back to the chairman to continue with the rest of the proceedings.

Bharat Shah: Thank you, Ramesh. We will now resume the proceedings as the notice is already circulated to all the members. May I please request please take the notice of the meeting as read. I now request Srini, Company Secretary to provide a summary of the auditor's report.

V. Srinivasan: Thank you, sir. The statutory auditors BSR & Company LLP and the Secretarial Auditor Parmeshwar G Bhat have expressed unqualified opinion in their respective audit reports for the financial year ended 31st March 2021. There were no qualifications or observations or adverse comments on the financial statements both in standalone and in

consolidated and in the secretarial audit report, which have any material bearing on the functioning of the company.

Copies of the Statutory Auditor's Report and the Secretarial Auditor's Report are enclosed as part of the Annual Report. Thank you. I now hand over to the Chairman to continue with the rest of the proceedings.

Bharat Shah: Thank you, Srini. With the consent to the members, I take the Independent Auditor's Report and the Secretarial Audit Report as read. As for the secretarial standards I will request Srini, Company Secretary of the company to briefly explain the background of all the six resolutions proposed to be passed at this AGM for the benefit of all the members present. Srini?

V. Srinivasan: Thank you, sir. The resolution details. First is the ordinary business. Adoption of standalone financial statements for the year ended 31st March 2021. Adoption of consolidated financial statements for the year ended 31st March 2021. The financial year of the company was April to March. Accordingly, the standalone and the consolidated financial statements have been prepared for April 1 2020 to March 31 2021.

Accordingly, the standalone and consolidated financial statements together with the board's report, Secretarial Auditor's Report and the Auditor's Report are placed before the members for consideration and adoption as ordinary resolution number 1 and 2.

Third resolution. Re-appointment of Mr. Jong-Ho Lee who retires by rotation. One-third of the total number of non-executive directors who are liable to retire by rotation are liable to retire by rotation at each Annual General Meeting. Accordingly, Mr. Jong-Ho Lee retires at this Annual General Meeting and seeks reappointment.

Resolution number four; reappointment of statutory auditors of the company for a second term of five years and fixing their remuneration. Messrs. BSR & Company LLP, Chartered Accountants were appointed

as statutory auditors of the company at the 29th Annual General Meeting held on August 5, 2016, for a term of five years, and they hold office up to the conclusion of this 34th Annual General Meeting of the company.

The board of directors of the company at its meeting held on February 10 2021 had on the recommendation of the audit committee, approved the reappointment of Messrs. BSR & Company LLP Chartered Accountants as statutory auditors for a second term of five years from the conclusion of this 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting for the financial year 2025-2026.

The remuneration may be decided by the board of directors of the company every year in consultation with the said auditors and that this approval be end this year by deemed as valid for the next five years, there being no need to seek further approval from the shareholders each year. Hence, ordinary resolution is set forth for your approval. Special business. Payment of remuneration by way of commission to non-executive independent directors of the company for the five financial years commencing from the financial year April 1, 2021.

As per the provisions of the Companies Act, 2013 and the listing regulations, consent of the members is accorded for the payment of remuneration by way of commission, not exceeding 1% of the net profits of the company for a period of five years commencing from April 1, 2021 to non-executive, independent directors, in addition to their sitting fees being paid. This remuneration will be distributed among all the non-executive independent directors in accordance with the directions given by the board of directors and subject to any other applicable requirements under the Act.

The directors shall receive individually a sum as may be decided by the board from time-to-time, and this remuneration shall be in addition to the fee payable to the directors for attending the meetings of the board or committee thereof or for any other purpose whatsoever, as may be decided by the board and reimbursement of expenses for participation

in the board and other meetings. Hence, a special resolution is set for your approval.

Next ordinary resolution is ratification of remuneration payable to Messrs. Rao, Murthy, and Associates Costs Auditors. The Board of Directors has fixed a remuneration of Rs. 475,000 as fees payable to cost auditors for conducting cost audit of nine products as mentioned in the explanatory statement of the notice for the financial year 2021-22.

In terms of Section 148 of the Companies Act, 2013 remuneration payable to cost auditors is required to be ratified by the members. Hence ordinary resolution is set forth for your approval. The text of the resolutions along with the explanatory statements are provided in the notice circulated to the members. I now hand over to the Chairman to continue with the rest of the proceedings.

Bharat Shah: Questions pertaining to any items on the notice and financial statements he or she may do so now. Members are requested to please keep their questions brief and specific. The Moderator from NSDL will facilitate the questions or the audio video features. Members are requested to mention their name and therefore your ID or client ID before asking their questions.

We have also received some questions through email before the start of this AGM. To avoid repetition, may I please request to you the board will respond to all the questions including questions received through email at the end. I now request the moderator to request the shareholders to ask their questions.

Moderator: Thank you. We now begin the question-and-answer session. Our first question is from the line of Speaker Shareholder Manoj Kumar Gupta. Please unmute your audio and proceed with your question.

Manoj Kumar Gupta: Hello sir, Namaste. How are you? I am very happy to see the slogan of Namaste in a multinational company. Being a shareholder of

several multinational companies I have not find such type of Indian culture before their AGM. This is the first multinational company, which I find the Namaste culture and you are the Chairman of Exide, and we will meet after four days all again. And I have a great respect to you, today you are attending AGM from London.

So, it is very easy now you see we see success in the country, it is a last year some people face problem but now peoples have got habitual to attend the meeting. For any shareholder can attend the AGM from anywhere. This is the good chance that I am joining this meeting from Calcutta. After a long time after 23 years, I have joined with 3M meeting. When the Birla was there earlier this company name was Birla 3M.

I have purchased the shares at that time, that Birla 3M but due to some family problem I have sold majority shares because my mother sickness I have sold at that time early 90s and I have hold one or two seats, but I have full respect to you and your team, and we have got a good return. Now, the market cap is around Rs. 25,000 crores. And share price is now around Rs. 23,000. And I thanks to the Company Secretary and the team and the Chorus call team that was help us to join this meeting through virtual. And sir, I have few suggestions and few questions.

Is there any plan to split the shares either 5:1 or 10:1 to increase in the liquidity in the market or to increase the market capitalization because small investors cannot buy a Rs. 23,000 share. So, you can split the share either 10:1 or 5:1 so that the small shareholder will come and they will buy and sell, the liquidity will go up and market cap can go up. And sir when you have paid the last dividend?

Why are you not paying the dividend? Your capital is Rs. 11 crores and you are not paying that, you are earning so much high profit is good. So, why are you not paying them? Why because son of soil Siri swamy Vivekananda says earn more, stay more, pay more. So, that policy should be adopted. One Ramadurai was in Tata Consultancy, he was

always willing to pay their shareholders, another Ramadurai in the 3M do not believe to pay their investors?

So, policy should be changed sir. To pay to return to the investors on their investment. And sir, if you cannot pay the dividend, you can issue the rights of bonus. Your reserve is there so you can issue the bonus also in the ratio of 1:1 or 1:2. And what were the COVID impact on our company? And is there any casualties in our company? If there is any casualty, please convey our deepest condolence to their families and stay behind their families for their children and for their families. Like Tatas and you are working with Raheja so stand behind their families and three brand values 3M brand is very valuable brand in the company and super brand.

Because in the school, office, college, medical college, hospital; I have two hospitals in Calcutta heart of charitable hospital pure charitable hospital founded by Birlas. We are also using your some products in our hospital. In the first phase of COVID when we are not get the mask in the wholesale market, we will get a very good 3M mask in Calcutta.

So, try to bring win more valuable brand of this company to launch some new products. And sir, what is your future plan for expansion with CAPEX? And I was watching your video visual before AGM, you have a good plan for solar modular films. Now the government is giving maximum relief to the solar projects. If any industries any household will set up their own roof or terrace solar, they will get maximum relief from the government. So, ramp this product in the market to compete with others.

And I congratulate that you are going to celebrate the Diamond Jubilee of your Magic Tape. Magic Tape is very good tape for students and for everyone. And your micro tape is also good for in surgical. Earlier there was a Johnson & Johnson tape huge now doctors are using your 3M micro tape. So that is also good.

And your Tegaderm transparent IV site dressing materials is also very good and exclusive but not available in every place, but very good. So, try to availability of this product in every medical market that doctors and the hospitals can use that product, which is very helpful for the patients and the doctors to use that product and doctors' equipments are very good.

And sir, plan to launch digital x-ray films. Just now MD has given his speech that 3M mother company as a plan and in the pipeline. When this x-ray film will be available in India from 3M because everything is now digitalization.

Now people do not go for the manual x-ray. So, when this thing will sir. And last but not least I again request to you and our MD to return to the investors make a plan that you can also compete with TCS, Mr. Ramadurai to return to the investors. Thank you, sir.

Bharat Shah: Thank you. Thank you.

Moderator: Next question is an audio question from the line of Jamshed Patel. Please go ahead.

Jamshed Patel: This is Mrs. Patel. Anyway, I first wish all the board members are very good morning. I am calling from Mumbai. And this is for the first time I am very happy to speak to 3M. Because of the Covid time I was feeling very honest, I bought 3M shares because of the Covid times so that I will be able to speak because unless I speak unless I am stressing about the company I would not like to invest more and because of the OADC that finance ministry has granted we for people like various places in India and even abroad are able to participate in this meeting.

And I feel very something grate to be a shareholder of this company. Even though I have not received the annual report I will see the annual report on the computer, on my mobile. Please I request the board, if possible, at least to speak out because I hardly 10, 15, 20 hardly close at

least get 30, 40 annual reports printed so that we people can have the printed copy of the annual reports.

It is very difficult for senior citizens to go through the annual report on the mobile, the writings are small, and the computers are not allowed, we are not allowed to use bring it home, the work from home process takes away all the children use the computer, and we are given only after their work is over at 6:30 to 7:00. And it is very difficult get in touch with the Annual Report.

So, please the board I request you to tell to direct the team to get at least a few more copies printed so that we may be availing and there is a lucky to read the annual report of the company. Of course, because of this Covid pandemic it is definitely the results are not so good. It is not that the company is not doing well for years the company has been trading very well and very proud of this company and the company has done very well.

But I would like to stress over here that being in Mumbai I make use of your product only though many a times your products are not available. And please you are telling here your even marketing department, your sales department, Mumbai being the commercial capital of India why all your products are not available in Mumbai? If we want to get in touch with the management team why you all are not available and approachable? Why we have to go through only this specific department even if we are in business or we are customers of your product, why I am not allowed to speak to your marketing people?

No, you have to go through a secretarial team because you are a shareholder. Am I punished because I am a shareholder, I have to go through this? Make just available and approachable if you are in the business. Otherwise creating strong laws departmental wise it is not going to help. Like in everyone works in every department that if we are recruiting people, we recruit professionals even they could just graduate.

So, like the professionals brought in every department. It is the work which is important. It is not that person holding the chair is important.

The box should go on even if tomorrow I am not there the rest of my house or the work that I am doing should go on. That is what is my thinking. If I am wrong, please highly educated folks, please forgive me, because your products, very good. I am very proud of your products and very proud of the company and wish the company all the employees even in the COVID times you all have come to work in this heavy rainfall and heavy sunlight havocs have happened in India as with the Covid with the pandemic.

It is growing everywhere and other businesses coming out even then your employees have come, and they are still working 24x7 to just good result because of the Covid times the result in this year or the previous one, maybe a little less, but 2017-18 the results. Till that time the results were excellent for 3M. Each and every employee of yours and each and every department of yours worked hard to give us good results. This pandemic will also go I pray to God. Now I come to your financials.

Mr. Bharat Shah and Mr. Ramadurai, Mr. Jong-Ho Lee, Mr. Biren Gabhawala, Mr. Srinivasan, our Company Secretary, I am really very proud of you. Thank you very much. I do not have your annual report.

Your people's heart have been very open even your Chorus people are very good. Steven and all they have made me very comfortable. Now I come to your this. Sir, your products are excellent. Sir, and I would like to know 3M stands for what?

According to me, 3M stands for Moda, Moro and Meri. If I am mistaken, please do correct me. Sir, your products Scotch, Post-it are just excellent. These two are the only main products that is available of 3M in Mumbai. Why it so? You all have also you are making into use the works ten.

What I mean your CSR activities are also excellent. And your method is very good. Science, technology, engineering, and maths, which clearly taken use of. So, your believe that the date has the power it should be yes, should be reduced so that it carries more power to more people.

This is also a very good idea of 3M truly apply science and innovation and makes it real impact by igniting progress and inspiring the lives of people. Innovation is a key word alteration of healthcare data and other progressive elements are indeed very good. As far as awards are concerned you are all into Fortune 500 from mining rocks to rocking innovations.

I congratulate the lady because of Mamta Gore for the CFO award got it while being the 3M. Why has she left. Your Priya Menon the little award that she has won. I congratulate both the ladies. You all have won the award, the World Ethical Award, CEA Award, India Star Packaging Award, it is excellent. So do you propose to bring 3M in Mumbai? Mumbai is a financial capital.

As I said even for the business everybody wants to be in Mumbai. Why your products are out of Mumbai why are they not been flooded in Mumbai? And please keep ask your company secretary that I can get in touch with your marketing people, your students so that your products are available not only to me to many people in Mumbai? Sir, you have not given the dividend okay the progress the financials are not good I can understand that dividend.

And otherwise, you people also not given a good dividend amounts to new implemented to the use of company that is what I believe depends upon each shareholder I do not deny that. But I am certainly would like to say please think about shareholder coaching the split of shares. I would like to also add mine on to along with the shareholding team that your last split was in 2003.

It was quite a high time almost more than 12 to 15 years. And indeed, now it is high time that company and the board of directors put up their minds and decide to split the shares because we would like to increase our portfolio a three-year gestation. I would like to increase. In 22 today's, price quoted is Rs. 22,920 around Rs. 23,000, I think. It is a very high. Please split the shares. Bonus has not been given since 2000. Sir, this is not fair. 2,000 is quite a long time.

It is almost like twenty years that you are expecting 3M giving bonus to shareholders. Please I humbly request to you. Also, sir, what are your views on the EV, electric vehicles? How 3M is going to assist the vehicle industries and the users of this EV vehicles? If you could throw some light on it that will be great.

These are my questions. And I hope my questions are answered and again I repeat I wish to have your marketing number the contact number for not just landline number because in the Covid times nobody comes to office, and you all have given in your annual report all these landline numbers which is utterly useless. These impact and we keep on wasting our time in landline numbers. Sir, people have worked hard in this Covid times.

We are drawing very highly salary. Many company's board of directors have taken half salary in this Covid times. I am not expecting from you all but definitely, I expect that people who are down the bottom line their hard work, their intelligence should be considered, especially in this Covid times.

When it is very crucial that they have to come up with their house and sell their products the supply chain people, marketing people, manufacturing people, I congratulate them and thank them for all the hard work they have done. Of course, your financial operating margin EPS, PAT, sales and income are down. I understand it is very crucial time. I do not expect and very much of capital investments network and results have gone up.

From where is this reserves and amount added in the surplus, I would like to know that and capital investments you all have made? That is from where? It is the management throw light on it. I will be grateful. Once again, I thank everyone the board directors, the management team, and all the people who have worked out, all the very best to you. Good luck to you. And please may take care of yourself. Thank you.

Bharat Shah: Thank you. Next speaker?

Moderator: Thank you. Our next speaker shareholder is SP Bysaniya. Please proceed with your question.

SP Bysaniya: I welcome Ms. Vidya Sarathy as CFO. I also welcome Ms. Mamta Gore as non-executive director. I also congratulate her for being recognized as best woman CFO. Sir, what is the dividend distribution policy? I appreciate you are not paying dividend. Dividend is flexible in the hands of shareholders now. I am interested in market cap appreciation rather than dividend. Sir, I prefer not to split the shares I would like our share price to compete with MRF and exceed MRF price. Sir, next year also continue with video conferencing.

Inventory by Rs. 79 crores. The Q1 income is Rs. 744 crores from Rs. 600 crores in quarter 4 and prospect is less than half. What are the reasons for so much improve in raw material cost? Sir, reasons for rejection of merger of 3M E&C? It is a 100% subsidiary. Sir, transportation and electronic in Q1 last year there was a loss of Rs. 42 crores. And Q1 current year there is a loss of Rs. 3 crores.

Q4 there was a profit of Rs. 32 crores. Why so much volatility? The increased income for current year is lowest for last five years. Reasons please? PBT and PAT are lowest in last six years. Again reasons? Return on network, return on capital employed, return on equity and EPS is lowest in last seven years. When do we return to our past glory? Any new products to be introduced in the current year? Sir, thank you and all the best for the current quarter.

Bharat Shah: Thank you.

Moderator: Thank you. Sir, that was our last speaker shareholder.

Bharat Shah: Ramesh, could you please reply to them?

Ramesh Ramadurai: Sure. Thank you, Chairman. So first of all, I would like to thank the shareholders for your engagement. And I am sure, thank you for calling out a number of our both employees as well as our directors on the board, extending specific appreciation. I am sure they appreciate it, whether it is Ms. Mamta Gore or Mr. Srinivasan. So, I really thank you on behalf of all of us here. It means a lot when you take interest and come forward the questions as you have. Moderator, can I request you to mute one of the lines, there is some disturbance on the line.

So, I will try to kind of, you know, club some of the questions received. The first and foremost, I do have to say it is a great honor to be, you know, compared and spoken in the same breath as the other Mr. Ramadurai although, you know, there is no connection between the two of us. Yes, we will try to, you know, follow his big footsteps.

And also, about the question on, you know, there was a lot of question from Ms. Patel on the availability in Mumbai. I think, obviously, as a company and as a board we have, as a board for sure, we have a strong affinity to Mumbai, our three independent directors are all from Mumbai. But that apart, I just want to let you know that there are multiple ways to contact the company, not only through our investor helpdesk, but also through our 1800 number that is 1-800-425-3030. I repeat 1-800-425-3030 or 3Mcustomercontactcenter.in@mmm.com.

I repeat, 3Mcustomercontactcenter.in@mmm.com. We are also listed a number of our products on ecommerce platforms. But having said all this, I think we take your point, your point is well taken and we will continue to do our best to improve availability in all markets, including Mumbai. The other question on there were some questions on I will

combine the questions on the future plans CAPEX and, you know, I will talk about those.

So, if you look at our future plans, our strategic approach in 3M is to leverage the fundamental strengths of the company namely our global technology, our brand, our manufacturing capabilities, and also our leveraging our global capabilities to consistently grow above the macro with accretive margins and cash flow. Okay, that is a broadly our strategic direction.

We have a number of market segments in which we participate. And our objective is to leverage these fundamental strengths of the company to drive growth well above the market growth rates in these segments. And how we accomplish this is by focusing on our key priorities, namely, portfolio that is relevant to those markets, driving and applying, targeting our renovation to those markets, development of new products, transformation of our business processes more so in today's environment when we are all working remote, etcetera, and investing in our people and permeating our culture.

So, we invest in new markets, which have the potential to grow above the average. And that is how we have been approaching our markets and directing our capital expenditures also, to go into these segments such as so CAPEX are typically we are making investments in the areas of healthcare, in the areas of safety and hygiene, in the areas of automotive, and of course, in the areas of consumers. So they are broad base investments to drive our growth.

And a question on EV, electric vehicles is kind of fits into this as a new market segment. So, I will take it here. So, we have a broad portfolio that goes into the entire electrification space broadly based on things like thermal management, on cushioning, on bonding solutions. So and as you get into electric vehicles, especially the four wheel variety, you could get into more display type of products as well, solutions that go in.

So, these are all we work, we are closely associated with a number of the EV manufacturers in India. And we also have a very strong connection with them on a global basis for the global players. So, we leverage, you know, learnings from other markets across the world to and bring them to bear here in India.

There was a question on TEB, the transportation and electronics business segment profitability and volatility. You know, you are absolutely right, I think you have made a very valid observation. But that the rationale is really linked to a couple of points that the issue is really linked to a couple of points.

Now. One is, if you recall, last year, we had announced that we were making some portfolio corrections in our automotive graphics business, and that business is reported under the transportation and electronics segment. So as part of the we exited the automotive graphics support during the course of the last calendar year, and there were certain VRS and separation costs associated with it, which were one time and they were fully charged to the transportation and electronics business segment.

In addition to that, there has been a lot of volatility in the demand of the automotive production itself in India. As you would have noticed from all the published numbers in the newspapers, you know, there was a very sharp contraction in the April-May-June quarter last year. And then it rebounded very swiftly. And this was compounded by a lot of raw material headwinds and transportation challenges which were global in nature.

And this contributed to certain significantly higher transportation, freight related costs, ocean freight, air, freight, etcetera, which have created certain cost impacts to a particular segment, specifically, and also more broadly across many of the operating segments. Now, in terms of I have talked about I think there was a question on few solar projects,

etcetera. I think, you know, more broadly, renewable energy is a very strong focus for the government.

I think the government has already announced 450 gigawatts of renewable energy by 2030, from the existing base of about 90 gigawatts. And I think, of course, it is not only solar, it will be made up of multiple sources of renewable energy, including hydro and others. So, I think that this, these segments continue to offer good opportunity for the company, not only in the manufacturing of the solar farms itself, or other, but also in the evacuation of the renewable energy into the grid.

So, all of these offer opportunities for your company, and our teams are very much focused on these areas. So, I think you make a good point. And thank you for highlighting that. The reserves have gone up. I think there was a comment on the reserves. Yes, it is mostly from our retained earnings. And it is also the details are also given in pages 150 and 202 of the Annual Report.

So now that I mentioned Annual Report, I am kind of reminded of the comment, ma'am about, you know, having a hard copy of the annual report, I think Mr. Srinivasan has already responded to that request, I believe, or will be responding to your request your points noted. Thank you. There were questions on stock split, but I think we will, you know, your point is well noted and the board will review those and take the right decisions at an appropriate time.

Let me talk a little bit about the PBT and PAT. I think a lot of those were also linked to some of the costs inflations that we have been seeing. I think what are the comments I made a short while back in relation to the transportation and electronics business segment also applies more broadly to the company. And that is what we have been faced with. And as you know that our local percentage of local manufacturing of our total sales has been steadily increasing by about 120 to 140 basis points year-on-year.

So, we are roughly at about 59% right now, if you look at the annual report. But our intent is to continue to, you know, bring to increase our local content so that we also have some buffer against some of these volatilities that we see. But what we are living through today is a very unusual situation. I think it is across multiple sectors, it is across countries.

So, the kinds of inflation, bottlenecks in transportation, etcetera is goes across not just your company, but everybody is faced with the same issue, unfortunately. And it really it looks like it will take several months to get back to some kind of normalcy.

I think for the most part, I have covered pretty much all of the comments and questions that were raised. The availability of masks was something ma'am, you had raised, I think we have recently in the month of July launched a consumer mask. And in fact, I am wearing one right now.

So, this can be bought in Amazon, it is all listed on Amazon. It is the 3M you can call. What are the other questions? I think pretty much I have covered all the questions that were raised. I think the E&C merger is the last question that was the other question that was raised.

So, the E&C merger, as you know that when the voting happened a year-and-a-half back, more than 99% of the people who voted approved of the merger, but unfortunately, we did not meet the threshold of the 90% required at that time, because only about 83% of the registered creditors and the holders responded. Now, we had tried to, you know, take an alternate path, but for some certain procedural issues under certain sections, it was rejected, but it has, you know, it does not impact operations of the company.

But we will, we are reviewing the matter and we will take appropriate action in the coming several weeks. So, as far as COVID is concerned, I think this is the last question COVID, we have, you know, as I mentioned in my opening remarks, the company has really adapted very

well to the current situation. We have very solid health and safety practices in the company.

We have contracted with a third-party healthcare service provider that was done in May or June of 2020 itself, to provide support in different locations in the country to our employees, as well as their families in case they were affected by COVID. And, you know, this came in, this was a great support for our employees. You know, it is bittersweet, because we wish they did not have to go through it. But at least we are if it happened if they had a COVID case, in their families, we had these external third-party healthcare service providers to help them secure hospital beds to provide support, etcetera.

As I mentioned, we are also very pleased about 94% of our employees have received already their first dose of vaccination and 53% have received their second and both doses. So, I mean, we are fully encouraging our employees to get vaccinated and their families and we supporting their eligible dependents as well. So, I think our chairman, I have covered the questions that were raised. And I once again, thank all of the shareholders for your questions and for your participation. Thank you so much.

Bharat Shah:

Thank you, Ramesh. Thank you. Members to note that the icon for E-voting is available on the screen, which will redirect you to a separate window on the e-voting portal of NSDL. Re-voting facility will be active for the next 30 minutes. Therefore, members who have not cast their vote, yet are requested to do so.

The Board of Directors has appointed Mr. Parmeshwar Bhat, practicing Company Secretary as the scrutinizer to supervise the e-voting process. Further I hereby authorize V. Srinivasan Company Secretary of the company to declare the results of the working in place the results on the website of the company, NSDL and the stock exchanges.

The resolutions, as set forth in the notice shall be deemed to be passed today subject to receipt of the requisite number of votes. We had many members participating today in this 34th AGM virtually.

We are grateful to you all shareholders for attending the meeting and I hereby declare the proceedings of the 34th AGM as closed. Thank you very much, dear shareholders. I will see you next year.

@11.48 AM. Insta Poll – online voting starts.
