

3M INDIA LIMITED

REGD OFFICE : PLOT NOS. 48 - 51, ELECTRONICS CITY, HOSUR ROAD BANGALORE - 560 100

NOTICE TO THE MEMBERS

NOTICE is hereby given that the TWENTY FIFTH Annual General Meeting of the Company will be held at 10.30 A.M. on Thursday, the 26th July 2012 at The Grand Ball Room, Hotel Chancery Pavilion, 135, Residency Road, Bangalore – 560 025, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, the Profit & Loss Account for the year ended on that date and the Reports of the Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. D.J. Balaji Rao, who retires by rotation and, being eligible, seeks re-appointment.
3. To appoint a Director in place of Mrs. Sadhana Kaul, who retires by rotation and, being eligible, seeks re-appointment.
4. *To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:*
"RESOLVED THAT the retiring Auditors, Messrs. Lovelock & Lewes, Chartered Accountants, (Registration No.301056E) being eligible for re-appointment, be and are hereby appointed as Auditors of the Company for the financial year ending March 31, 2013, to hold office until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors."

SPECIAL BUSINESS:

5. *To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:*
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, consent of the Company be and is hereby accorded to the appointment of Mr. R. Vijay Kumar as Whole-time Director of the Company for a period of five (5) years with effect from October 31, 2011, on the terms and conditions as set out in the explanatory statement annexed to the notice convening this Annual General Meeting."
6. *To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:*
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, consent of the Company be and is hereby accorded to the re- appointment of Mr. B.V. Shankaranarayana Rao as Whole-time Director of the Company for a period of five (5) years with effect from April 01, 2012, on the terms and conditions as set out in the explanatory statement annexed to the notice convening this Annual General Meeting."
7. *To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:*
"RESOLVED THAT pursuant to Article 115 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, Mr. Albert C Wang be and is hereby appointed as a Director of the Company."

By Order of the Board

Place : Bangalore
Date : May 28, 2012

V.Srinivasan
Company Secretary

NOTES :

- (1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- (2) Explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business is annexed hereto.
- (3) The Register of Members and the share transfer books of the Company will remain closed from **July 20, 2012 (Friday) to July 26, 2012 (Thursday)**, both days inclusive.
- (4) **The shares of the Company are mandated by the Securities and Exchange Board of India for trading in dematerialized form by all investors. Members holding shares in physical form are advised to dematerialize their shares to avoid the risks associated with the physical holding of such share certificates.**
- (5) The Registrar and Transfer Agent M/s. Karvy Computer Share Private Limited, Plot No. 17-24, Vithal Rao Nagar, Madhapur, Hyderabad – 500 034, is handling registry work in respect of shares held both in physical form and in electronic/demat form.

NOTICE TO THE MEMBERS

(6) Members are requested to bring their copy of the Annual Report and the Attendance Slip to the Annual General Meeting. ONLY MEMBERS/ PROXIES WILL BE ADMITTED INTO THE HALL FOR THE MEETING.

(7) In respect of items 2, 3, 5, 6 and 7 of the notice, members may refer Additional Information on Directors recommended for appointment / re-appointment under clause 49 of the Listing Agreement.

(8) The Securities and Exchange Board of India (SEBI) vide circular ref. no. MRD/DoP/Cir-05/ 2009 dated May 20, 2009 has clarified that for securities market transactions and off-market / private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company / RTAs for registration of such transfer of shares.

Further, SEBI vide circular Ref.no. MRD/DoP/SE/ RTA / Cir-03/2010 dated January 07, 2010, has clarified that for deletion of name of the deceased shareholder(s), transmission of shares to the legal heir(s) and for transposition of shares, it shall be mandatory to furnish a copy of PAN card to the Company /RTAs.

(9) The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 stating that the Companies can now despatch their documents to the shareholders through electronic mode. As a result, the Companies are now permitted to send various notices/ documents to the shareholders on their registered e-mail address and will be deemed for serving notices/documents including those covered under Section 219 of the Companies Act, 1956(the Act) read with Section 53 of the Act.

In view of the above circular, we propose to send in future all documents including the Annual Report, which inter alia, includes notice convening Annual General Meeting, Auditors' Report, Directors' Report and Financial Statements, in electronic form to the email address registered by you and made available to us by the Depositories.

The members of the Company holding shares in physical form are requested to send their mail ids to the Company's Registrar & Transfer Agent (e-mail address mentioned in the Annual report under Corporate Governance), for future correspondences by the Company through this mode. Further, in case members holding shares in electronic form wish to change their e-mail address, are requested to inform the respective Depository Participants accordingly.

The Company is sure that the members would welcome the "Green Initiative" taken by the MCA and the company's desire to participate in the same going forward, as it will ensure prompt receipt of communication and avoid loss in postal transit.

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT UNDER CLAUSE 49 OF THE LISTING AGREEMENT:

Item No. 2

Mr. D.J. Balaji Rao, 73, holds a B.E Degree in Mechanical Engineering from the University of Madras and a Post Graduate Diploma in Industrial Engineering from Bombay University. He attended the Advanced Management Program at European Institute of Business Administration (INSEAD) at Fontainebleu, France, in 1990. He pursued his career as an Industrial Engineer for about 8 years before joining erstwhile ICICI Ltd. (since merged with ICICI Bank Ltd) in 1970. After wide ranging responsibilities in different locations, he reached the position of Deputy Managing Director. He subsequently took over as the Vice Chairman and Managing Director of SCICI Ltd. in August 1996. With the merger of SCICI Ltd. with ICICI Ltd. he moved to Infrastructure Development Finance Co. Ltd. (IDFC), as its first Managing Director, which he served till his superannuation in January 2000. He has served on the Boards of many leading companies including Bosch Ltd(formerly MICO Ltd) , Wipro Ltd. and Bharat Forge Ltd., etc. He was appointed as a Director of the Company from December 26, 2001 and as Chairman of the Company from September 10, 2008.

He is the Chairman of Shareholder's Grievances Committee and a member of Audit Committee of the Company.

<u>Other Directorships</u>	<u>Membership of Board Committees</u>	<u>Chairmanship of Board Committees</u>
Bajaj Auto Limited	Audit Committee	Shareholders Grievances Committee
Ashok Leyland Limited	Audit Committee	-
Hinduja Foundries Limited	-	Audit Committee
JSW Energy Limited	Audit Committee	-
Bajaj Finserv Limited	Audit Committee	-
CMI-FPE Limited	-	Audit Committee

He does not hold any shares in the Company.

Item No. 3

Mrs. Sadhana Kaul, 48, joined the Company in 2005 and has over 21 years of experience in the legal field, having worked in different capacities in law firms in the US and in India. She leads the planning, development and execution of strategic legal initiatives whilst

NOTICE TO THE MEMBERS

managing the legal risks of the Company in India and parts of South East Asia. Prior to joining the Company, she was with GE Medical Systems as Senior Legal Counsel based in Bangalore. She holds a Bachelor's Degree in Law from Trinity College Cambridge, UK and a Masters Degree in International and Comparative Law from Georgetown University Law Center, Washington D.C. She has been appointed as Asia Pacific Area Counsel for the Industrial and Transportation Business in addition to her current responsibility as General Counsel of the Company with effect from October 1, 2011. She was appointed as a Whole-time Director of the Company from October 09, 2009.

Other Directorships: 3M Lanka (Private) Limited, Sri Lanka, Director.

Committee Memberships/Chairmanships: Nil

She does not hold any shares in the Company.

Item No. 5

Mr. R. Vijay Kumar, 44, joined the Company in 2006 and has over 20 years of experience in Mergers & Acquisitions, Capital Markets, Sales & Marketing, Finance etc., He heads the Strategic Planning, Acquisitions, Business Development (Mining, Construction & Defense Markets) and Information Technology (IT). Prior to joining 3M India, Mr. Vijay Kumar was the Vice President- Mergers & Acquisitions, Capital Markets with JM Morgan Stanley Private Limited from 1994 – 2006. He holds a Bachelor Degree in Mechanical Engineering from Sardar Patel University and a Master's Degree in Finance from SP Jain Institute of Management & Research. He was appointed as a Whole-time Director of the Company from October 31, 2011.

Other Directorships, Committee Memberships/Chairmanships: Nil

He does not hold any shares in the Company.

Item No. 6

Mr. B.V. Shankaranarayana Rao, 52, holds a Bachelor Degree in Commerce and a Master's Degree in Business Administration from Bangalore University. He has been with the Company since 1990. He has over 30 years of experience in Finance and Corporate Management. He has held various positions during his tenure in 3M India. He has also worked in 3M Asia Pacific, Singapore, prior to heading the Finance Department in 3M India Limited. He was appointed as a Whole-time Director of the Company from February 23, 2003.

Other Directorships: 3M Lanka (Private) Limited, Sri Lanka, Director.

Committee Memberships/Chairmanships: Nil

He does not hold any shares in the Company.

Item No. 7

Mr. Albert Wang, 44, joined 3M Company in January 2012 as General Counsel, Asia Pacific and is based out of Shanghai, China. Prior to joining 3M, Albert was Legal Director for Dell Inc. from 2001-2012 leading their legal affairs efforts for Greater China as well as regionally (Asia Pacific) for their Public & Large Enterprise business unit. He began practicing law with the New York-based international law firm of Coudert Brothers, with postings in Hong Kong (1993-1998) and Shanghai (1998-2001). There, his practice was focused on foreign direct investment and mergers and acquisitions, representing a wide array of multinational corporations and global financial institutions across a broad range of industry sectors. Mr. Albert Wang graduated cum laude in 1990 from Colgate University with a Bachelor of Arts degree in Political Science. He earned his Juris Doctor degree from The George Washington University National Law Center in 1993. He is a member of the New York State Bar, the American Chamber of Commerce in Shanghai and the U.S. China Business Council. He was appointed as a Non-Executive Director of the Company from March 12, 2012.

Other Directorships, Committee Memberships/Chairmanships: Nil

He does not hold any shares in the Company.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 5

The Board of Directors at their meeting held on October 31, 2011 appointed Mr. R. Vijay Kumar as Whole-time Director of the Company subject to the approval of members, from October 31, 2011 for a period of Five (5) years up to October 30, 2016 on the terms and conditions as set out below.

Term: October 31, 2011 to October 30, 2016.

Salary including allowances and Incentives (excluding Perquisites): Not exceeding Rs.15 Lakhs per month.

Perquisites: He will be entitled to all the perquisites listed herein below in addition to the Salary including allowances and incentives mentioned above.

NOTICE TO THE MEMBERS

Personal Accident Insurance: In accordance with the rules of the Company as applicable to the senior managers.

Club Fees: In accordance with the rules of the Company as applicable to the senior managers.

Provident Fund/Pension: Contribution to Provident Fund and Pension Fund in accordance with the rules of the Company as applicable to the senior managers, to the extent such contributions, either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity: In accordance with the rules of the Company as applicable to the senior managers.

Company car and driver: The Company shall provide a car with the driver for business and personal use in accordance with the rules of the Company as applicable to the senior managers.

Telephone Facility at Residence: Telephone facility shall be provided as per Company policy applicable to the senior managers.

Other perquisites: He will be entitled to all other perquisites in accordance with the rules of the Company as applicable to the senior managers.

The perquisites stated above shall be valued as per Income Tax Act, 1961, wherever applicable, and in the absence of any provisions in the said Act, the perquisites shall be valued at actuals.

Minimum Remuneration: Notwithstanding anything herein above stated where in any accounting year closing after March 31, 2011, the Company incurs a loss or its profits are inadequate, the Company subject to the approval of Central Government shall continue to pay the same remuneration as stated above but subject to being within the overall limits on managerial remuneration as provided under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act. The Board of Directors shall communicate the Central Government approval including any revision in the terms of remuneration to Mr. R. Vijay Kumar for his acceptance.

The Contract of service of Mr. Vijay Kumar is terminable with a notice period of 90 days on either side. He is liable to retirement by rotation. No sitting fees shall be paid for attending the meetings of the Board of Directors or Committees thereof.

The abstract of terms of contract and memorandum of interest as required under Section 302 of the Companies Act, 1956 has already been circulated during November 2011 to all the members of the Company.

Mr. Vijay Kumar may be deemed to be concerned or interested in the above, since it relates to the terms and conditions of his appointment.

The Directors are of the view that the appointment of Mr. R. Vijay Kumar as Whole-time Director was in the interest of the Company and resolution is commended for approval by the members.

Item 6

The present term of office of Mr. B.V. Shankaranarayana Rao, Whole-time Director of the Company, as approved by the members at their meeting held on April 27, 2007, is up to March 31, 2012. Revision of his salary for the unexpired period of his term was also approved by the members at their meeting held on July 28, 2011.

The Board of Directors at their meeting held on January 30, 2012 have re-appointed Mr. B.V. Shankaranarayana Rao as Whole-time Director of the Company, subject to the approval of members, for a further period of Five (5) years from April 01, 2012 up to March 31, 2017 on the same terms and conditions as approved by the shareholders at their meeting held on July 28, 2011 as set out below:

Term: April 1, 2012 to March 31, 2017.

Salary including allowances and Incentives (excluding Perquisites): Not exceeding Rs.15 Lakhs per month.

Perquisites: He will be entitled to all the perquisites listed herein below in addition to the Salary including allowances and incentives mentioned above.

Personal Accident Insurance: In accordance with the rules of the Company as applicable to the senior managers.

Club Fees: In accordance with the rules of the Company as applicable to the senior managers.

Provident Fund/Pension: Contribution to Provident Fund and Pension Fund in accordance with the rules of the Company as applicable to the senior managers, to the extent such contributions, either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity: In accordance with the rules of the Company as applicable to the senior managers.

NOTICE TO THE MEMBERS

Company car and driver: The Company shall provide a car with the driver for business and personal use in accordance with the rules of the Company as applicable to the senior managers.

Telephone Facility at Residence: Telephone facility shall be provided as per Company policy applicable to the senior managers.

Other perquisites: He will be entitled to all other perquisites in accordance with the rules of the Company as applicable to the senior managers.

The perquisites stated above shall be valued as per Income Tax Act, 1961, wherever applicable, and in the absence of any provisions in the said Act, the perquisites shall be valued at actuals.

Minimum Remuneration: Notwithstanding anything herein above stated where in any accounting year closing after March 31, 2012, the Company incurs a loss or its profits are inadequate, the Company subject to the approval of Central Government shall continue to pay the same remuneration as stated above but subject to being within the overall limits on managerial remuneration as provided under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act. The Board of Directors shall communicate the Central Government approval including any revision in the terms of remuneration to Mr. B.V. Shankaranarayana Rao for his acceptance.

The contract of service of Mr. B.V. Shankaranarayana Rao is terminable with a notice period of 90 days on either side. No sitting fees shall be paid for attending the meetings of the Board of Directors or Committees thereof and his term of office is not liable to retirement by rotation.

The abstract of terms of contract and memorandum of interest as required under Section 302 of the Companies Act, 1956 has already been circulated during February 2012 to all the members of the Company.

Mr. Shankaranarayana Rao may be deemed to be concerned or interested in the above, since it relates to the terms and conditions of his re-appointment.

The Directors are of the view that the re- appointment of Mr. Shankaranarayana Rao as Whole-time Director was in the interest of the Company and resolution is commended for approval by the members.

Item 7

The Board of Directors by a Circular Resolution appointed Mr. Albert C Wang as Additional Director of the Company with effect from March 12, 2012, pursuant to Section 260 of the Companies Act, 1956. Mr. Albert Wang holds office up to the date of this General Meeting.

Under Section 257 of the Companies Act, 1956, the Company has received notice from a member signifying his intention to propose the appointment of Mr. Albert C Wang as a Director.

Mr. Albert Wang is interested in the resolution at item 7 of the notice since it relates to his appointment.

The Board recommends the resolution for approval of the members.

By Order of the Board

Place : Bangalore
Date : May 28, 2012

V.Srinivasan
Company Secretary