

# **37<sup>th</sup> Annual General Meeting – 3M India Limited**

**August 7, 2024**

- **Moderator at 10.30 am:**

- Good morning and a very warm welcome to the 37<sup>th</sup> Annual General Meeting of 3M India Limited through video conferencing or other audiovisual facility provided by NSDL. For the smooth conduct of the meeting, the Members will remain in the mute mode. Audio and video will be opened when the members speak at the AGM as per the preregistration. Please note that after the requirement, the proceedings of the Annual General Meeting will be recorded and available on the website of the company. I now hand over the proceedings to Mr. Bharat Shah, Chairman of 3M India Limited.

- **Mr. Bharat Shah – Chairman, 3M India Limited:**

- Good morning, ladies and gentlemen. On behalf of the Board of Directors of the company, I, Bara Shah as the Chairman of your company extend a very warm welcome to all of you to this 37<sup>th</sup> AGM of your company being held through video conference. 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 Annual General Meeting. I now request, Pratap Rudra, Company Secretary, to confirm that the quorum of the meeting and the corporate representations received.

- **Mr. Pratap Rudra -- Company Secretary, 3M India Limited:**

- Yes, Sir. The requisite quorum is present to start the proceedings.

- **Mr. Bharat Shah – Chairman, 3M India Limited:**

- Thank you, Pratap. 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 conferencing is being reckoned for the purpose of quorum as per the circulars issued by MCA 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 on the board of your company and other participants who are participating in this AGM. On my left is, Biren Gabhawala, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, and Chairman of Risk Management Committee of the company.

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- Next to Biren is, Radhika Rajan, Independent Director. Next to Radhika is, Amit Laroya, Non-Executive Director. Next to him is, Vidya Sarathy, Whole Time Director and Chief Finance Officer and then you can see Yun Jin, Non-Executive Director participating from China. Then, we have N.V Shivakumar, Independent Director and on my right, Ramesh Ramadurai, the Managing Director of your company, and then we have Andrew Bennett, Non-Executive Director of the company, and then we have Pratap Rudra, Company Secretary. I further acknowledge the virtual participation of Umang Banka; I hope you can see Umang representing M/s. BSR & Company LLP, Statutory Auditors, Mr. Parmeshwar Bhatt, Secretarial Auditor, and Mr. Murli Krishna, Cost Auditor. I now request Pratap to provide general instructions to the members regarding participation in this meeting.
- **Mr. Pratap Rudra -- Company Secretary, 3M India Limited:**
- Thank you, Sir. Good morning, ladies and gentlemen. The company has enabled the members to participate at the 37<sup>th</sup> Annual General Meeting through the video conferencing facility provided by NSDL in compliance with the applicable circulars issued by the Ministry of Corporate Affairs and the 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 served basis. All the Members who have joined are by default placed on mute by the moderator. When the session on question and answers commences, the speaker member will be unmuted by the moderator. The proceedings of the AGM 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 AGM in accordance with the provisions of the Companies Act and SEBI listing regulations. The members joining the meeting through video conferencing who have not already cast their vote by e-voting, can exercise their vote using e-voting platform of NSDL, which would be closed after 30 minutes of the closure of the meeting.
- The company has appointed Mr. Vijayakrishna K T, Practicing Company Secretary, as the scrutinizer who will collate the voting results of the remote e-voting and voting at the e-AGM for each of the items as per the notice. The Register of Directors and key managerial personnel, the Register of Contracts or arrangement is available for inspection. Members seeking to inspect such documents can send their request to [investorhelpdeskin@mmm.com](mailto:investorhelpdeskin@mmm.com). As the AGM is being held through video conference, the facility for appointment of proxies by the members was not applicable and hence proxy register for inspection is not available. Some of the members have 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 also note that company reserves the right to limit the number of members asking questions depending on the availability of time. Members are requested to refer additional information provided in the notes to AGM notice and for seamless participation through video conference.

- In case if any member faces any difficulty, they may reach out 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.
- **Mr. Bharat Shah – Chairman, 3M India Limited:**
- Thank you, Pratap. The company has taken all feasible efforts under the circumstances to enable members to participate and vote on the items we considered at the meeting. Good morning, ladies and gentlemen. On behalf of the Board of Directors of 3M India Limited, it gives me immense pleasure to welcome all of you to the 37<sup>th</sup> Annual General Meeting of your company through video conference and other audiovisual means. Thank you for your participation today. I trust the notice convening the meeting, the board's reports, and the audited standalone and consolidated financial statements together with the Auditors Report for the year ended 31<sup>st</sup> March 2024, which was sent to you electronically on 15 July, have been received by you. As you are aware, India's economy has remained robust even as it navigated through the turbulent global economic climate over the past three years. The combination of astute policies and their implementation, regulatory support, and the sustained performance of key sectors have been instrumental in contributing to its resilience.
- India delivered a growth of over 2% in full year 23-24 and is positioned among the fastest-growing major economies. The country's economic growth has been propelled by robust investments in emerging sectors driven by a shift in the government's focus towards higher capital expenditure, which has increased significantly in the last few years. The nation continues to reap the benefits of digitalization and enhanced physical connectivity, which have translated into gains in productivity and India is expected to maintain its positive economic momentum, which augurs well for business.
- Ladies and gentlemen, I will now cover the changes in the composition of the board. Based on the recommendation of the Nomination and Remuneration Committee, the Board has appointed N V Shivakumar as Non-Executive (Independent) Director and Andrew Bennett as Non-Executive Director of the company with effect from 15 July 2024. Accordingly, resolutions seeking their appointment have been included in the notice for the approval of the members. I warmly welcome them to the board. Mr. James Falteisek resigned as the Director of your company from the close of India business hours on 30<sup>th</sup> May 2023, consequent upon his retirement from the 3M Group. The board places on record its appreciation for the contribution made by James during his tenure as Director of the company.
- Biren Gabhawala, my colleague on the board will retire on August 13, 2024. I would like to express my sincere gratitude and appreciation to him. His contribution has been of immense value to the company.
- I am pleased to report that your company continues to pursue a sustainable growth path. Disciplined execution supported strong underlying margin with the sales growth of over 5% and profit after tax growth of almost 29%.

- It is heartening to see that your company is prioritizing emerging growth opportunities in the automotive and manufacturing sectors and infrastructure. India's commitment to carbon neutrality is also spurring the adoption of several new technologies. This will provide new growth vectors for your company in the future. I am pleased to share that your company's board has recommended for your approval a dividend of ₹685 per equity share, that is a final dividend of ₹160 per equity share and a special dividend of ₹525 per equity share.
- Ramesh Ramadurai, Managing Director, will cover the details of the financial performance of our company for the financial year 23-24 and for the first quarter separately. On April 1st, 2024, your company's parent company, 3M Company USA, successfully implemented the planned spinoff of its healthcare business into a new standalone publicly traded U.S. company called Solventum; however, in India, 3M Limited will be an exclusive licensed manufacturer and reseller as well as an independent distributor for most of Solventum's healthcare products. A large team from your company dedicated significant time and effort to operationalize this arrangement, and I thank them for the smooth transition.
- Your company places a lot of importance on engaging with local communities to make an impact. A few examples of such programs include education for the girl child, STEM education in government schools, and providing public health centers with solar power. I'm pleased to report that employees who also contribute to these programs through volunteering activities.
- As India progresses on sustainability commitments towards energy transition and reduction of emission, your company is well aligned to these important milestones with our own ESG imperatives in our operations, our solutions, and community outreach. Your company has a dedicated and committed workforce excellence in manufacturing and cutting-edge technologies all under a strong brand.
- I would like to thank the employees and management of the company for their focus and commitments to harness these strengths to deliver growth. I would like to extend my gratitude to the 3M India leadership for reaffirming your company's commitment to sustainable growth. We remain optimistic and look forward in anticipation of positive developments in the years ahead.
- I also express my special thanks to our customers, dealers, suppliers, bankers, shareholders, 3M company U.S. and other 3M Group companies worldwide for the support and cooperation and last but not the least, on behalf of the Board of Directors of 3M India Limited, I thank you, dear shareholders for your constant and continued support and trust in us.
- I would now like Ramesh Ramadurai, Managing Director of the company, to address the shareholders on the performance and various of the initiatives of the company during the financial year 23-24 and on the first quarter performance. Over to you, Ramesh.
- **Mr. Ramesh Ramadorai -- Managing Director, 3M India Limited:**

- Thank you, Chairman. Good morning, ladies and gentlemen, Namaskara, Namaskar. My greetings to all of you. Welcome to the 37<sup>th</sup> Annual General Meeting of your company being conducted virtually. 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, as always, I'd like to reinforce our Safe Harbor statement. In today's presentation, there may be some predictive statements that reflects our current views about 3M India's future performance, but these are subject to risks and uncertainties.
- The recovery in the global economy continues to be buffeted by various geopolitical issues. Global economic growth was about 3.2% in 2023 and is projected to be stable around the same level in 2024. In this scenario, the Indian economy delivered a robust growth of over 8% in the financial year 23-24. The outlook for the Indian economy remains strong with numerous initiatives being undertaken across several sectors to sustain this momentum. As stewards of your company, we remain committed to delivering sustainable and quality growth, strengthening the capacity of the company to deliver such growth, creating value for our communities, and being a company our employees and partners are proud to be part of and of course, make our contribution to the growth of the nation. All combined, we aim to deliver a brighter future for all stakeholders, which is the theme of our financial year 23-24 Annual Report. Despite quarterly volatility in growth rates, we remain confident in the opportunities and the medium-term trajectory we can deliver on. I will highlight a few areas.
  - Infrastructure -- The government's allocation to infrastructure at over 3% of GDP provides several opportunities for your company in sectors such as roads, railways, metros, and airports. Building rail, automotive, and fleet films help improve brand imagery, customer experience, and helps reduce carbon footprint.
  - Automotive -- The automotive landscape is changing with increased adoption of SUV's, that is Sports Utility Vehicles and the focus on enabling infrastructure to increase electric vehicles adoption. Your company works closely with the automotive customers with its portfolio of solutions and adapting them as necessary, leveraging its R&D capabilities. The growing automotive industry also throws up opportunities both upstream and downstream. The company works closely with several companies who are leading suppliers to the automotive OEMs as well as we work closely in the aftermarket.
  - Manufacturing -- We expect growth in the manufacturing sector due to deepening of sectoral clusters and ecosystems, both due to the entry of global players as well as expansion by domestic companies. Such investments are being triggered by India's commitment to investments and infrastructure, renewable energy, semiconductors, consumer electronics, and more. Your company is investing in building technical capabilities through laboratory capabilities, training of our people, and other measures.

- Consumer -- Your company is elevating consumer experience in the cleaning category with premium products such as super strong. We are also broadening our portfolio with our mounting tapes portfolio.
  - Healthcare -- In July 2022, our parent company 3M USA announced its intent to spin off its healthcare business, creating two world class companies positioned for to pursue growth and innovation. As communicated in our Stock Exchange filing on April 1, 2024, 3M Company completed its spinoff of the healthcare business into a new company called Solventum and effective April 1, 2024, as the Chairman has already pointed out, 3M India operates as an exclusive licensed manufacturer and reseller as well as an independent distributor for Solventum's products in India. 3M's approach to creating sustainable value remains consistent. We leverage our fundamental strengths in technology, manufacturing, global capabilities and our strong brand. I spoke about this at last year's AGM, but I believe it is important enough to bear repetition. Our approach is based on five key principles. We aim to be the makers of what's next. We believe in science-based performance. We continue to build unparalleled expertise for excellent outcomes, leveraging such expertise from around the world from 3M parent and affiliated entities. We seek strength and collaboration not only with stakeholders, but also with other 3M entities and finally, we work towards change for the good.
- I will now turn to your company's performance in the financial year ended March 31<sup>st</sup>, 2024. For the year 23-24, your company posted consolidated revenues of ₹4,189 crore, registering a 5.8% growth over previous year. Profit before tax registered at 28.6% growth to ₹781 crores and profit after tax grew 29% to ₹583 crores with a PAT, profit after tax margin of 13.7%. Your company delivered improved margins by reducing material costs by about 230 basis points and total expenses by about 60 basis points. Material cost improvements were made possible by product mix management, several Kaizen or continuous improvement programs in the factories, and aided of course by some stabilization and input costs during the year - for part of the year.
  - As you know, your company operates in four business segments. For the year 23-24, on a consolidated basis, the safety and industrial business contributed 32% of the revenue mix, transportation and electronics contributed 40% of the revenue mix, healthcare 18%, and consumer about 10% of the revenue mix. All segments delivered growth with healthcare leading the growth at 16.2%. Transportation and Electronics segment delivered a 5.1% growth, consumer business segment grew at 4.5%, and safety and industrial at 2.5%.
  - Let me now turn to the first quarter of this financial year, that is namely 2024-25. Your company posted consolidated revenues of ₹1,047 crore in the first quarter of the current financial year 24-25, which was 0.3% lower than previous year. We delivered a profit before tax of ₹211 crores, an increase of nearly 21.8% over the previous year at 19.7% to sales. The market conditions remained relatively stable during the quarter and our portfolio saw essentially flat sales. Our teams stayed focused on improving our cost base, especially material cost. We delivered a 320

basis points improvement in material cost, which resulted in improved profit before taxes. While we are pleased with this improvement, we are also cognizant of recent volatility in international sea freight with elevated lead times and costs due to geopolitical developments.

- We have seen some impact due to this in the form of increased inventory levels in the current quarter. We will continue to keep a close watch on these developments and take appropriate actions as necessary as we have done in the past.
- Creating value for our communities. Building and nurturing meaningful connections with our local communities is an important part of your company's operations. Through our sustained CSR initiatives, we support underserved groups through education, community well-being, and environmental initiatives. During the year, our multiyear CSR program such as STEM initiatives like Nanhikali and Wonder Tinkering Labs, Solar powered healthcare infrastructure for public health centers continued to deliver positive impact.
- Finally, I'd like to provide an update on the 3M India Board. Mr. Biren Gabhawala will retire from the board of 3M India Limited on August 13, 2024 upon completion of 10 years as an Independent Director. During his tenure, Mr. Gabhawala has served as the Chairman of the Audit Committee, amongst other roles and provided invaluable guidance and leadership to the Board. On behalf of all of you, our shareholders, our Board of Directors, I would like to express our sincere gratitude to Mr. Gabhawala and wish him the very best and the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. N V Sivakumar and Mr. Andrew Bennett as additional Directors. Mr. Sivakumar joins as Non-Executive Independent Director and Mr. Bennett as Non-Executive Director, effective July 15, 2024. Both these appointments are subject to shareholder approval. We extend a very warm welcome to both of them. 3M India benefits substantially by being a part of the Global 3M network and having access to various capabilities such as the breadth of 3M technologies and differentiated product portfolio. We also leverage 3M's global processes and systems to gain the advantage of standardization and scale.
- We are guided by our culture of customer focus, innovation, agility, embracing and leading in diversity and inclusion, and a commitment to our code of conduct for doing business the right way. All this would not be possible without the passion and engagement of a strong team of our employees. I thank them for their commitment and contributions. In closing, I would like to express my gratitude to you, our shareholders, for placing your trust and confidence in the company. I thank the Board of Directors led by our Chairman, Mr. Bharat Shah for their guidance and support. I would like to express our sincere thanks to the Government of India, the state governments, and the various government agencies for their continued support. My thanks also goes to our customers, vendors, and partners and our employees for their invaluable support. Thank you very much. I now hand it back to the Chairman to continue with the rest of the proceedings.

- **Mr. Bharat Shah – Chairman, 3M India Limited:**
- Thank you, Ramesh. We will now resume the proceedings. MCA and SEBI circulars dispense to the requirement of dispatching the physical copies of the notice for this AGM. Hence, notice of this a GM has been sent through electronically to all members entitled to receive the same. I, therefore, ladies and gentlemen, with your permission, take the notice as read. As the notice is already circulated to all Members, may I please take the notice of the meeting as read. I now request Pratap to provide a summary of the audit report. Over to you, Pratap.
- **Mr. Pratap Rudra -- Company Secretary, 3M India Limited:**
- Thank you, Sir. The statutory auditors, M/s BSR & Co LLP and the secretarial auditor, Mr. Parameshwar G Bhat have expressed unqualified opinions in their respective audit reports for the financial year ended March 31, 2024. There were no qualifications or observations or adverse comments on the financial statements, both in standalone and consolidated and in the sectorial audit report, which have any material bearing on the functioning of the company. Copies of the statutory auditors report and the Secretary audit report are enclosed as part of the annual report. Thank you. I, now hand over to the Chairman to continue with rest of the proceedings.
- **Mr. Bharat Shah – Chairman, 3M India Limited:**
- Thank you, Pratap. With the consent of the members, I take the independent auditors report and secretarial auditor report as read. As per the secretarial standards, I will request Pratap to briefly explain the background of all 10 resolutions proposed to be passed at this AGM for the benefit of all the members present.
- **Mr. Pratap Rudra -- Company Secretary & Compliance Officer, 3M India Limited:**
- Thank you, sir. For your information, as required under section 108 of the Companies Act and the SEBI Listing Regulations, the Company has provided remote e-voting facility to the shareholders to cast their votes electronically in respect of all business mentioned in the notice calling this AGM. Brief description of the business to be transacted at this meeting is as follows. Resolution details –
  - **Ordinary business** adoption of standalone financial statements for the financial year ended March 31, 2024;
  - adoption of consolidated financial statements for the financial year ended March 31, 2024;
  - declaration of dividend for the financial year ended March 31, 2024;
  - reappointment of Mr. Amit Laroya, who retires by rotation as a Director.

- **Special business** - appointment of Mr. NV Sivakumar as a Non-Executive and Independent Director of the Company;
  - appointment of Mr. Andrew Bennett as a Non-Executive and Non-Independent director of the Company;
  - approval of material related party transactions with 3M Company, USA;
  - approval for payment of royalties to 3M Company, USA;
  - approval of material related party transactions with 3M Innovation Singapore PTE Limited;
  - ratification of remuneration payable to M/s Rao Murthy & Associates cost auditors for financial year 2024 to 2025.
- The text of the resolutions along with the explanatory statement are provided in the notice circulated to the members.
  - The e-voting facility was kept open for a period of three days, from Sunday 4<sup>th</sup> August 2024 from 09:00 AM to Tuesday 6<sup>th</sup> August 2024 till 05:00 PM. As per section 107 read with section 108 of the Companies Act, there will be no vote by show of hands at this annual general meeting. The members participating in the meeting through video conferencing, who have not already cast their votes by e-voting can exercise their vote using e-voting platform of NSDL. The results of the remote e-voting and e-voting during the AGM will be reconciled, and combined results will be declared later on. As per e-voting rules. The results will be placed on the website of the company. I now hand over to the Chairman to continue with the rest of the proceedings.
  - **Mr. Bharat D Shah – Chairman, 3M India Limited:**
  - Thank you, Pratap. Before proceeding for e-voting, I invite the members to offer comments and seek clarifications, if any, on the resolutions contained in the notice and registered speakers to raise their questions. Members are requested to keep their questions brief and specific. The moderator from NSDL will facilitate with the questions on the audio or video feature. Members are requested to mention their name and their folio ID or client ID before asking their questions. To avoid repetition, the Board will respond to all the questions, including the questions received through email at the end.
  - I now request the moderator to give general instructions to the members who are present and who wish to seek clarifications one by one.

- **Moderator:**
- Thank you, Chairman Sir. I would now like to invite our first speaker, Mr. K. Shastri. Mr. K. Shastri has not joined the meeting so, we will move to our next speaker.
- As per the queue, it is Ms. H. S. Patel. Ma'am, request you to unmute yourself and ask your query.
- **Ms. Hutokshi Sam Patel – Shareholder:**
- Our respected Chairman, respected Managing Director, all the eminent Directors on the board, our CFO and our company secretary, very good morning to all of you. First, I would like to thank very much Mr. Gabhawala, the Director who retires in this month. I wish him good luck and a happy retired life. I welcome on the Board Mr. Sivkumar and Mr. Andrew Bennett. Welcome on the Board. I hope that both of you all, definitely it goes without saying, will work hard to take the company to greater heights.
- Sir, the results have been very excellent. We are very happy with the working of the company. All your employees have worked very hard to give us a good result, the Board of Directors and the management team also. Your CSR activities have been quite good especially in terms of Nanhi Kali, STEM and various other things.
- Sir, I would like to know what Wonder Tinkering Labs is. Please throw some light on it. And I hope if the questions that we shareholders put forth are answered single shareholder wise it would be grateful. AGM is taking place only once in a year. We shareholders get chance to talk to discuss about the company' working only once in a year. And I'm sure our questions will be answered shareholder wise. Innumerable times at least in a year, maybe two three times analyst meet is organized but shareholders meet is not organized. Why is it so? Even in a city like Bombay there is always analyst meet. Analysts are not the people who invest in the company. We shareholders, our hard earned money, we invest in the company and we get only dividend. We don't get any other benefits from the company. So please see that instead of...or along with the analyst we shareholders also should get a chance to attend the analyst and investors meet whenever and wherever you are organizing. Whether it is in metropolitan cities like Bombay, Calcutta, Delhi, Bangalore or any other place, wherever you are organizing give chance even to the shareholders and investors to attend this meet. Once again I repeat that it is not the analysts who are putting their hard earned money they make or mar the company. But it is we shareholders, even if the company is little down, we stick to the company and we put our hard earned money and we stick whether it is up or down. So please give good return even to the shareholders.
- And even Directors meet is occurring every quarterly. So shareholders meet is only at the time of AGM and it is only two minutes, three minutes. We cannot complete a 270-280 pages book in two minutes, right? The Directors group, they take at least 45 minutes to 1 hour to discuss all that. And you are giving chance to the shareholders only two minutes. And it is very good that through OAVC you are conducting this so

that people from whole of India or even from abroad they can take part in your company.

- Bharat Shah sahib, thank you very much. (52.04 – 52.13 speaking in Gujrati). We are left on a string to dry the whole year. And when AGM is coming we are pulled down from the string and then we are given chance to speak. Also, Sir Ramesh Ramadurai please see to it that we shareholders get proper chance, proper justice. I would like to know what this Tinkering Lab is. I would also like to know what this Solventum is. *The company is licensed to manufacture, resell and distribute...what Solventum is dealing with, how it is, what it is.* Please throw some light so that we are enlightened about it.
- Your CSR activities have been quite good. Sir, I would like to stress here that your finances are very excellent. The company and the management team and even each and every employee of yours has worked very hard to give excellent results about the finances. CFO, you have given a very good financial details in your AGM in your annual report. And company secretary, I'm also very grateful for the help that you have extended. I would like to thank, I don't remember that the team which is organizing this OAVC, very helpful. Two days, three days in advance they ring us up, they tell us everything, they help us out. Even today they rang up saying 'madam, today's the meet. Please be prepared and be ready'. They have taken a lot of trouble for your AGM and I thank them very much.
- Sir, the results are excellent. Even the inventories this year has been lowered. From 61 it has come down to 53. It is really very good on the part of the management team. Expenses are also curtailed. Why? Expenses are also curtailed, they are also less than that of last year. In every way, the year is prosperous, very good. And, today your share price is quoted at 3-8-2-4-6 i.e. 38,246.80 - here and there up and down a little. On this 37<sup>th</sup> AGM sir, I would really like to add one thing that you are at Bangalore and I am speaking from Mumbai. So it is only on this day that I am able to know what the company is, how the company is. But your products are really excellent, too good products. It is not that just a useless one like how the medicines, pharmaceutical company makes the effect of the medicine last only for 3-4 hours. Your tape or anything that you manufacture, it is lasting for days and weeks. Your ordinary tape, cello tape or whatever it is, the tape be it ordinary or any other thing, right now I'm not able to recollect, they are excellent products. The product is lasting. The product is lasting for quite long time. This is the example that I set in when I speak at the other meetings, other AGMs and I tell them that this is the way the things has to be manufactured. It is not just a marketing gimmick that your share price has increased to 38,000. It is your product, your hard work that speaks about your shares. I congratulate. I thank all the people who have worked very hard to improve this 3M and increase its status in our country. I hope even in foreign countries, of course in USA it is there, and in other countries also should be there. Especially in Asian countries, if we can increase our market in foreign countries.
- Your foreign trade, foreign earnings and foreign expense made, that is also very good. I thank you very much for giving me this opportunity. And I wish all your

employees who have worked very hard. The management team and the Board of Directors to bring out excellent result have taken good decisions. Thank you very much. Please keep up to your standard. Keep up to your products. All the best to everybody. Mr. Bharat Shah and our MD Mr. Ramesh Ramadurai, Vidya Sarathy - CFO and our company secretary, good luck to you. All the best. And thank you for giving me an opportunity. This is Mrs. Patel here, from Mumbai.

- **Moderator:**

- Thank you ma'am. With this, we move to our next speaker Mr. Atul Gadodia. Sir, request you to unmute yourself and ask your questions.

- **Mr. Atul Gadodia – Shareholder:**

- Good morning everyone. I would like to thank the secretarial department for facilitating my participation. I've got just a couple of questions. Firstly, many MNCs are going for (not clear / inaudible) the stake of the promoter from 75% to 50 odd percent. So as (not clear / inaudible) in the USA faces huge liability for (not clear / inaudible) issues and all those things. So is there any plan of going for (not clear / inaudible) in India as well? And secondly, what is the status of the liabilities which the company (not clear / inaudible) facing. On this note, I would like to thank everyone for giving me an opportunity once again. Thank you.

- **Moderator:**

- Thank you, sir. We'll move to our next speaker, Mr. Manoj Kumar Gupta. Sir, request you to unmute yourself and ask your question.

- **Mr. Manoj Kumar Gupta – Shareholder:**

- Good morning respected Chairman, Board of Directors, fellow shareholders. My name is Manoj Kumar Gupta. I am an equity shareholder of 3M India Limited. So first of all, I thank you and your entire team of management for the excellent result of the company for the year 2023-2024. And thanks for your excellent dividend to the shareholders. And thanks to the company secretary and his team to help us to join this meeting through VC. Your secretarial services are very good, excellent. I've got two or three calls after I send my request to register as a speaker. So such type of services are there and that should be kept continued in the interest of the small shareholders (not clear / inaudible). Sir, I thank our beloved Chairman, Mr. Bharat Shah. And I wish to God for his healthy and prosperous safe, long life because he is the chairman of our Calcutta based Exide industries. He has run and chaired the company very smoothly in last 10 years. So we wish to God for his healthy and prosper, safe, long life.
- Sir, what's your future plan for 3M India and can you throw some highlight about the global impact in last six months on our company direct or indirect. Sir, do you have any plan to split the shares; either 5:1 or 10:1 to increase the liquidity and the market capitalization? That will be a good reward to the investors by the splitting of

shares either 5:1 or 10:1. Because the shareholder will get a reward and from their holding, can sell some shares or they can hold some shares. So that you can consider.

- And sir, you have a cash fund and you have cash in your books. How you will utilize that money? What's your plan? Have you any plan to bring Brownfield or Greenfield project to increase your products in the country, sir? And sir, from last three years I have been asking you to send some sample kit to the investors for their use. If you can consider your sample kit, that will better. And sir, is there any direct or indirect impact on our company due to the recent Bangladesh incident? (not clear / inaudible) country, is there any direct or indirect impact? And what is the impact on company through the current budget which was present by the Honourable Finance Minister in Lok Sabha? Can you throw some highlights?
- With this, I strongly support all the resolutions and once again, I thank to the company secretary and our beloved Chairman for his excellent Chairmanship. Thank you.
- **Moderator:**
- Thank you, sir. With this, we move to our last speaker shareholder of the day, Mr. Gokul Maheshwari. Sir, request you to unmute yourself and ask your question.
- **Mr. Gokul Maheshwari – Shareholder:**
- Good morning everyone, I am Gokul Maheshwari and an investor in your company since a long time. Prior to AGM, I had sent a list of eight questions pertaining to financials and businesses. But in considering that the management has been able to glance through it and in the interest of everyone's time, I won't be repeating the questions. But regarding your quarterly results, I had two more questions that I would like to add. First is with respect to the transportation and electronic segment. So for the last four quarters, from September 2023 quarter to June 2024 quarter, the transportation and electronics segment has seen a subdued growth like, in lower single digits. So this performance has been despite the industry performance in the auto sector which has been booming a lot. So, can you please provide the reasons of the performance and the outlook for the segment going forward?
- Second question is with respect to healthcare segment. The healthcare segment margins have been stable between 10 to 15% for last quite a few quarters. However, in Quarter 1 2025, the margins have improved to 22%. So what's the reason behind it? Is there any one off? And what's the sustainable outlook going forward? Lastly, my request to the management is to answer each of those prior eight and these two questions separately to get a better idea. Thanks a lot for providing me with this opportunity.

- **Moderator:**
- Thank you, sir. With this we have heard all the speaker shareholders for the day. I would now like to hand it over back to the management to take forward for further proceedings.
- **Mr. Bharat D. Shah – Chairman, 3M India Limited:**
- I will request Ramesh Ramadurai to respond and clarify to all your queries.
- **Mr. Ramesh Ramadurai – Managing Director, 3M India Limited:**
- Thank you, Chairman. My thanks to all the shareholders for your questions. First of all, I once again convey my appreciation and my gratitude for your participation and for your interest in raising these questions. As you requested, all of you or some of you have requested, I will take it individually and not combine them.
- The first one was on the Wonder Tinkering Labs. I will take the liberty of reading out because we have explained this on page 35 of our annual report. So, I will take the liberty of reading out a small section from the annual report for the benefit of Ms. Patel and others. The 3M Wonder Tinkering Labs program was launched in 2023 in collaboration with external partner called Learning Links foundation. The program operates in ten government schools in the Shirud district in rural Pune. With a mission to cultivate passion for STEM subjects among students. So this curriculum focuses on honing 21<sup>st</sup> century skills including collaboration, design thinking, problem solving and this is delivered through hands on sessions and mentorship from innovation coaches. The students participate in these programs in after school problem solving sessions where they identify local issues and come up with solutions using resources in the tinkering lab. So, equipped with do it yourself tinkering kits, the lab introduces students to areas like sensors, electronics, circuits, 3D printing technologies and fostering creativity and innovation. So broadly, this is what we do in these Wonder Tinkering Labs and our goal is to cultivate well rounded individuals equipped with the skills needed for today, the world of today and tomorrow. And recently we also expanded the program beyond Pune to ten schools in Anekal near our electronic city manufacturing site in Bangalore.
- So, I hope that provides you and I would welcome you to read our annual report where we have provided those details. Then the other question raised, we have noted your point Ms. Patel, about the investor shareholders participating in some of these meetings. Thank you for your compliments on the results and I think you are also trying to compliment the organizer of today's platform, NSDL. I think you are looking for the name. So, NSDL and I'm sure they appreciate your comment as well. I think I've broadly covered your points. You also had a question about Solventum and what was it? So Solventum is the name of the company. As I mentioned before, 3M Company spun-off its healthcare business globally in the US into a separate standalone company. The name of that new company is called Solventum. That is

pretty much what Solventum is. Just like our company is called 3M globally, the new healthcare company is called Solventum. And 3M India continues to represent Solventum in India for most of their healthcare products through various agreements.

- I'll move to the next shareholder. I think it was Mr. Atul Gadodia. Sir, we could not catch your first question but the second question you asked was on 3M Company's liabilities, the global company's liabilities. So the 3M Company continuously provides updates through the SEC filings on the liabilities and the progress towards resolving some of those. And it is also available in 3M parent company's website i.e. 3m.com So, I would request you to take a look at those sources of information because they would have the most up to date and current information. This is an evolving area and it would be best if we go by the filings that our company files with these authorities in the US, as well as disclosed in the website at 3m.com. The first question which I missed, I apologize for that, we could not hear you clearly. But please feel free to email the question to us and we will respond to your question.
- The next speaker was Mr. Manoj Kumar Gupta. Thank you once again, sir, for your participation. And I think your question was on the future plans for 3M India cash utilization, Bangladesh and budget impact. I think I'll start with the last one first, budget impact. The budget continues to be very positive for us. I think the emphasis on the investment areas that the government has been doing over the last two-three years continues. So, I already called out in my speech about the investments in infrastructure with positively benefit sectors such as roads, ports, airports, metro, rail, etc. So, we continue to see these as positives. The initiatives that the government undertook also towards, you know, areas like PLI, Production Linked Incentives. They will continue to have positive impact for the company in the medium term. So we see overall the budget as and the commitment to a fiscal co-path that the budget is also laid out is a benefit for the overall economy and therefore, you know, for the company as well, and for the company's operating in the country, not just 3M India. So, we see all this as a continuation of policy positions and as a benefit for the company.
- The Bangladesh incident is a very recent. We don't see any impact to our operations from this incident, but we will continue to keep a close watch on how impact if any at all for us.
- The cash utilization, I think, the board has considered this position, our investment plans for the future. And, I think, the board has taken certain decisions on dividend payment which you can see is also reflects on the cash utilization plan for the company. And with your approval of the dividend proposal, these will be paid out in the coming weeks as per statutory requirements.
- The future plan for 3M India, I've said that, you know, we have immense opportunities in the country. I've said, despite quarterly volatility, that we may see the long-term prognosis and the long-term opportunities for the company remain extremely strong in the country. We continue to invest in areas today, not only of

today, but also we could take positions for newer economies, newer technologies and opportunities that show up emerge in the future, and they emerge because of 3M's... the country's commitment to certain goals, such as environmental goals, you know, the desire to deepen the manufacturing base in the country, the country's desire to invest in and create world class infrastructure and the country's desire and aspiration to raise the quality of life for all of its citizens. So I think all of these pose opportunities for us. We are very uniquely placed because we have access to all of 3M's technologies, the product portfolio and we can utilize them and leverage them as it is appropriate for our market in India.

- We typically operate with a differentiated product portfolio, and we will continue to do that so that we can offer superior benefits to our customers, whether they be retail, whether they be, you know, or B2B customers. And we will continue to make the necessary investments in our Ranjangaon factory or the other Electronic City factory or our Ahmedabad factory, as required to take advantage of some of these opportunities that are coming up.
- As one of the shareholders has pointed out, I think it was, I'll come to Mr. Maheshwari's question or one of his questions was our level of CapEx spending, because of the advantages we gain from being part of the global 3M network are CapEx model is what you have seen it to be in the past. And I think that gives us a unique advantage and also an opportunity to deliver returns to our shareholders. So thank you for that question, Mr. Gupta.
- I'll turn to Mr. Gokul Maheshwari's questions. I'll first address the eight questions that he had emailed us, and then I'll come to the two additional ones he just raised a short while ago.
- His first question was on the pipe coating business. We have a 3M India operates in a pipe coating business and there has been some de-growth in the business and what were the reasons for underperformance and how is it doing this year? And what would be the revenue growth if you remove this from the previous two years? The pipe coating business, you know, these are epoxy coatings that we manufacture in our Ahmedabad factory used in the coating of our oil and gas, mostly oil and gas pipelines and some other areas as well. This business is comprised of large part of domestic sales and also some amount of exports. Exports is something we don't necessarily do directly, but our customers use this for projects that they win overseas. In 2023, I think there were some significant decline in the export component of the business which is what led to the reduction in this business. It is not an issue of losing market position or anything. There was a reduction in the export component of this business. And in 2024, I think even the first part of the year, the domestic piece of the business is also been relatively soft. And this business is typically cyclical, I mean, it kind of follows a 2–3-year pattern. So, at this point in time we are not unduly concerned. It is we are working through a cycle. It will bottom out at some point in time in the future, but we do see some erosion continuing because of the state of this in which this business cycle is right now. We

provide segment level sales and margin reporting. We do not provide additional levels of detail in terms of byproduct groups or product portfolios.

- The second question was on the consumer business, what is the revenue bifurcation between e-commerce, quick commerce and modern trade? What I can say here is, you know, we typically look at it as general trade, modern trade, e-commerce, including quick commerce. The e-commerce and especially the e-commerce segment has been growing very attractively over the last, you know, 2-3 years for us. The e-commerce including quick commerce and modern trade segments put together actually is a larger part of our mix than the general trade right now. General trade has been a little soft, while the other two, our point of sale has been very robust in modern trade as well as e-commerce. So I will leave it there.
- The next question was on sales contribution of products launched in the last five years. For 3M, I think, it's very critical that we continue to emphasize and drive our sales of new products, not only for providing differentiated value to customers, to continue to grow our business and also for improvements in our margin per position and the quantum of new products and the nature of new products vary by business segments, vary by product portfolios and customer portfolios. We have been doing a lot of the work in these areas in our automotive business, with our automotive OEM customers. We have been coming up with new products for our infrastructure, road safety customers and in many areas. We've been coming up with several new products with our industrial abrasives. We've been coming up with certain new products to improve productivity for our customers. Our robotics lab that we've talked about in our Bangalore facility at our R&D center also helps customers automate some of their processes with abrasives and other products. So a number of these areas we continue to emphasize on. In terms of specifics on the exact percentage of contribution, we have not been publishing that.
- The fourth question is on, can you throw some light on the investments done in the wet laid ceramic mat manufacturing technology for automotive applications? So this is the emission control products that I've talked about practically, I think, for the last couple of years, we've highlighted this. This investment has been completed and, you know, commercial production is going on and we are serving customers from our products manufactured from this investment that we've made. The question was, does it cater to commercial vehicles, buses, etc., and what is the size of the opportunity? Without getting into the size of the opportunity, it's attractive enough for us to move the needle. So that's why we've made the investment. Now in terms of... we started off this investment initially focused on commercial vehicles and the bulk of the sales today from this investment is towards the commercial vehicle segment. However, I think, we have opportunities to expand this into passenger vehicles also. And there is active work going on between our R&D teams and customer teams' to expand the applications into the passenger vehicle segment. So that's a really good question, and I thank you for that.
- Historically, we know that the growth relation of the parent to was to grow at a growth... I think a mission of the parent was to grow at 2x to 2.5 times the industrial

production index. What are we aspiring for in India? I think at 3M, we aspire to grow at a premium to the external macros. By external macros, I mean, whether it's automotive production, whether it is GDP, whether it's IIP. But I do have to say that with a caveat, because we have to be a little cautious when we compare it with the index of industrial production. Because large... if you look at the various sub segments that make up the IIP, there are many areas where we don't participate, okay. There are segments like petroleum, chemicals, bulk chemicals, special chemicals, etc., which form a fairly large weightage of the index of industrial production where we have very little exposure to. So, sometimes just comparing it without some additional layers of analysis with the IIP, while it's a helpful high level comparison but sometimes can be a little misleading. So we have to be a little cautious. What we try and do is like in the automotive business, we try and see if the passenger vehicle production is growing at x percent, how can we grow significantly higher than that? And that's something we have been delivering consistently in 3M India for several quarters now. And we do that by working very closely with our automotive customers to see how best our solutions can find applications in their new models. A lot of the work we do with them precedes the launch of the vehicle by at least 12 months to 18 months. So probably our teams are working now with them on models that may be launched in 2026.

- CapEx and working capital, Mr. Maheshwari had a question based on the analysis of financials, we understand the average CapEx is about 1%. So that was the comment I made in response to the earlier question speaker also. You know, we have the benefit of taking advantage of 3Ms global supply chains. We do not have to manufacture everything here in the country. So our CapEx requirements are more appropriate to, you know, the level of operations we have here. But having said that, you would have also noticed over the last 5 or 6 years, the local content in our sales has increased by about 600 basis points or so, and we are running somewhere in the 60 to 61% of our sales is currently manufactured in India. There is local value addition in manufacturing in India. And as some of these emerging sectors continue to evolve, we will make the additional investments to meet those requirements, not only to serve our customers more efficiently from a service standpoint, from a cost standpoint, but also take advantage of some of the Make in India opportunities.
- The next question is we've been observing that the working capital cycle of the company is significantly improved from 78 days to 20 days, and the shareholder has indicated that this is largely happened on the account of increase in payables to related parties from 268 crores to 620 crores. Please throw some light if there has been some change in the terms of trade. No, the answer is there is no change in terms of trade. It is purely a timing issue. So if you look at our accounts receivables and overall inventories, they've remained relatively stable as one of the other shareholders pointed out. And our payables just fluctuates. It's just a question of timing of remittance of the amount. There is no other changes.
- The eighth question was on the employee count has declined from 1388 in 2016 to 1033 in 2024, while this is good for the company from an efficiency standpoint, just wanted to ensure that the relevant investments are being made to capture the

growth going forward. Again, a very good observation, Mr. Maheshwari. I want to just point out that some of these reductions have been made possible because of 3M... We looked at standardization and centralization of several of our processes, okay. We also looked at portfolio prioritization. Sometimes you want to invest more in certain portfolios. Sometimes you want to reduce investments in certain portfolios. We also leverage our global and regional resources for benefiting from scale and then we continue. So these are all some of the areas which has provided us the efficiencies. There have been some reduction in, you know, account as you pointed out. And it's also improved our cost base and the way we serve customers. And finally, we do continue to invest as needed in people, technical capabilities, sales and marketing capabilities, other functional processes to take advantage of the growth opportunities that we have. So thank you for those.

- I'll now turn to the last two questions you asked about Q1 24-25. One is on the transportation and electronics growth. The transportation and electronics growth primarily has our automotive business and the infrastructure business, as I have pointed out in the past as well. Some of these are always subject to some timing of volatility, etc. If you look at the automotive production reported by SIAM, Society of Indian Automotive Manufacturers for the previous quarter, that is April, May, June, while it has grown somewhat from the previous year, but it has reduced 10% sequentially from the January, February, March quarter. So these things do have an impact on the timing of our sales. And then the big part is the infrastructure project. While our overall infrastructure business is grown, there is also, you know, timing of some of these projects, especially in the April, May, June quarter, combination of the heat conditions, etc., there will be some timing issues that come up. So I think that is why I pointed out a certain quarter on quarter volatility that may be there. However, we do anticipate that the opportunities are stronger going forward long term and even in the medium term.
- The healthcare margin increase was again a good catch by Mr. Maheshwari. Basically we've been taking actions on pricing and we did have to price actions to be able to improve the margin position of that segment. We've also had some benefits in the costs. Like in my opening remarks I talked about, we did have some benefit during the past year in the cost position for part of the year, input costs and some of that, I think, it was a delayed flow through as a function of inventories that we were holding, etc. So that was that was the other aspect of it. And the third aspect is the product mix also, which is probably contributed to a lower extent, but nonetheless was a small part of the contribution to the margin. So I think the idea is to try and keep it to a more stable margin level in the healthcare business segment as well.
- With these, I hope I have addressed the questions raised by the shareholders. If you have additional questions, as always please feel free to reach out to our company secretary, Mr. Pratap, and we will be able to address them as best as we can. So once again, dear shareholders, thank you very much for your participation, for asking your questions and giving me an opportunity to respond to them. Thank you very much.

- **Mr. Bharat Shah – Chairman, 3M India Limited:**

- Thank you, Ramesh. Members may note that the icon for e-voting is available on the screen, which will redirect you to a separate window of the e-voting portfolio, portal of NSDL. The e-voting facility will be active for the next 30 minutes, therefore, members who have not cast their votes yet are requested to do so. The Board of Directors have appointed Vijaykrishna K T, Practicing Company Secretary, as the scrutinizer to supervise the e-voting process. I hereby severally authorized Ramesh Ramadurai, Managing Director, Vidya Sarathy, Whole Time Director and CFO and Pratap Rudra, Company Secretary of the company to declare the results of the voting and place the results on the website of the company, NSDL and 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 have had many members participating today in the 37th AGM virtually. We are grateful to all our shareholders for attending the meeting, and I hereby declare the proceedings of this 37th AGM as closed. Thank you, dear shareholders, and see you next year. Bye.

**END OF TRANSCRIPT**