

# Delivering a brighter future



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# Delivering a brighter **future**

Driven by our identity as a science-based manufacturing company, we support an equitable pathway to development. Leveraging the transformative potential of science, technology, engineering and math (STEM) education, alongside environmental initiatives, we remain dedicated to empowering underserved communities, thereby delivering a bright future — brimming with promise and opportunity.



## On the cover

We believe in the power of collaboration to create enduring value for our stakeholders, while we simultaneously approach global challenges with a sense of urgency through continuous innovation. The tangible benefits of our cutting-edge solutions have the ability to transform quality of daily life and inspire excellence.

Concurrently, we are making decisive strides towards fulfilling our sustainability commitments. The dedication of all 3Mers is instrumental in helping deliver a brighter future.



Visit our [website](#) to know more





# Advancing our vision



## Our Vision

**Make what is indispensable to empower modern life, advance human progress, and deliver a brighter future through 3M Science.**



Our vision encapsulates the essence of what 3M represents as it charts its course for the future. Our trajectory is changing as we successfully execute our strategic priorities, which is transforming our future opportunity.

As a result, we have introduced a new, bolder vision for 3M: making what is indispensable to empower modern life, advance human progress and deliver a brighter future through 3M Science. This aligns with our strengths and will propel us forward.

Our innovation will remain at the heart of our business as we deliver value for our customers. In alignment with this, we are calibrating our approach to workplace engagement and how we work with customers, suppliers and other partners. Through it all, our sustainability strategy continues to evolve.



Corporate identity

# Accelerating our ambitions

We, at 3M India, are driven by a shared commitment to applying science collaboratively to make a positive impact on lives globally. With our cutting-edge technology, collaborative spirit and dedicated team, we persistently strive to innovate and improve the world around us. Whether it is developing new products, improving existing ones, or finding solutions to complex challenges, we are here to propel progress and create a brighter future for all.



## Our Purpose

Unlock the power of people, ideas and science to reimagine what's possible



## Our Promise

Improve lives by helping solve the world's greatest challenges



## Our Principles

Science-based performance

Unparalleled expertise, extraordinary outcomes

Makers of what's next

Strength in collaboration

Change for good





## Our global stature

3M brand is globally recognised for innovation, quality and trust. It featured on Interbrand's top 100 list of global best brands in 2022. Over the years, the 3M Group has received several global accolades and recognition, further highlighting the trust it commands. Below is a selection of recognitions received in CY 2023:

Among the

**Top 50**

Most Innovative  
Companies  
globally, by Boston  
Consulting Group

One of the

**Top 50**

World's Most  
Admired  
Companies,  
by Fortune

One of the

**World's  
Best**

Companies of  
2023, named  
by Time

The 2023

**World's  
Most**

Ethical Companies  
Honouree List, by  
Ethisphere







## Corporate identity (Continued)

# 3M India Limited in a nutshell

(Standalone)



**36+**  
Years of  
innovation in India

**₹35,139.5 Cr**  
Market capitalisation  
(as on March 31, 2024)



**1,033**  
Employee  
base





**3**Manufacturing  
sites**2**Innovation  
centres

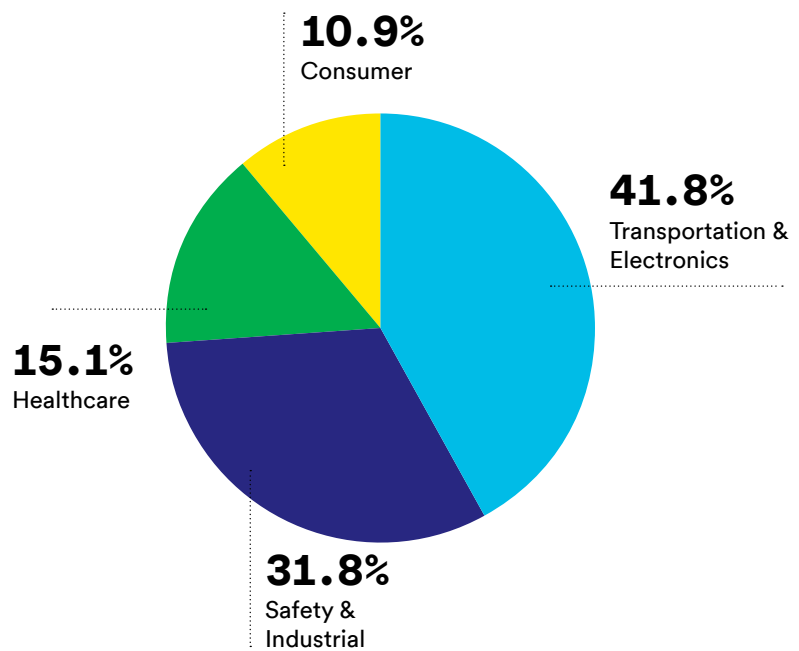
### Key financial highlights FY 23-24

(Standalone)

**5.2%**Revenue  
growth**23.9%**EBITDA  
growth**28.1%**Profit before  
tax growth

### Revenue from operations by segment

(%)

Read more about our market segments from **Page 16 to 25**



Chairman's insight

# A stable foundation for growth

**Dear Shareholders,**

As Chairman of 3M India Limited, I am honoured to present the Annual Report for the fiscal year 2023-24.

India's economy 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 its resilience.





**India delivered a GDP growth rate of 8.2% in FY23-24 and continues to be amongst the fastest-growing major economies. India's growth has been propelled by substantial investments in emerging sectors and sustained government investments. The nation continues to reap the benefits of digitalisation and enhanced physical connectivity, which have translated into gains in productivity. India is expected to maintain its positive economic momentum which augurs well for business.**

I am pleased to report that your Company continues to pursue a sustainable growth path. Our disciplined execution supported strong underlying margins, with a sales growth of 5.2% and Profit After Tax (PAT) growth of 28.9%.

It is heartening to see that your Company is prioritising 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.

**28.9%**  
Profit After Tax (PAT)  
growth

On April 1, 2024, your Company's parent company, 3M Company, USA successfully implemented the planned spin-off of its Healthcare business into a new stand-alone publicly traded US company called Solventum.

In India, 3M India Limited will be an exclusive Licensed Manufacturer and Reseller as well as an Independent Distributor, for most of Solventum's healthcare products. I thank the teams that dedicated significant time and effort to operationalise this arrangement.

Your Company places a lot of importance to engage with local communities, and extends necessary support to make an impact.

A few examples of such programmes include education for the girl child, STEM education in government schools, and

providing Public Health Centres with solar power. I am pleased to report that employees contribute to these programmes through volunteering activities. As India progresses on its sustainability commitments towards energy transition and reduction of emissions, 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 and a strong brand. I would like to thank the employees and management of the Company for their focus and commitment to harness these strengths to deliver growth.

Before I conclude I would like to express my sincere gratitude and appreciation to my colleague on the Board, Mr. Biren Gabhawala who will retire on August 13, 2024. His contributions have been of immense value.

On behalf of the Board of Directors, I thank you for your continued trust and confidence in your Company.

Thank you.

**Bharat D. Shah**  
Chairman of the Board



Managing Director's review

# Delivering consistent and profitable growth



The recovery in the global economy continues to be buffeted by various geopolitical issues. Global economic growth was 3.2% in 2023 and is projected to remain stable at 3.2% in 2024. In this scenario, the Indian economy delivered a robust growth of 8.2% in FY 23-24. The outlook for the Indian economy remains strong, with numerous initiatives being undertaken across several sectors to sustain this momentum.

## **Your Company's Performance**

Your Company delivered a revenue growth of 5.8% and PBT growth of 28.6% (on consolidated basis). Your Company achieved consolidated revenues of ₹4,189.3 crores, PBT of ₹781.2 crores and profit after tax of ₹583.4 crores. Your Company grew earnings per share by 28.9% over previous year (on a stand-alone basis) at ₹476.0 per share.

Consistent and profitable sales growth is vital for creating sustainable long-term value and delivering a brighter future for all stakeholders. The combination of an attractive and growing Indian market coupled with the breadth of 3M's technologies, provides your Company with significant headroom for growth.

## **Business Highlights**

The Automotive landscape is changing, with increased adoption of SUVs and a focus on enabling EV adoption. Your Company is well placed to take advantage of emerging automotive trends with several solutions. Your Company continues to work in collaboration with key customers in this industry.

**Dear Shareholders,**

I am honoured to present the Annual Report of 3M India Limited for FY 23-24 and share with you a few highlights of your Company's performance last fiscal.



**Infrastructure:** The Government's allocation to infrastructure at over 3% of GDP has been very well recognised and provides a significant multiplier to the economy. Investments in sectors such as roads, railways, metros and airports, provide very good opportunities for your Company's growth.

**Manufacturing:** To capitalise on the anticipated growth in manufacturing both due to the entry of global players and the impetus from the Production Linked Incentives, your Company is investing in building technical capabilities & increasing market coverage. A new Robotics Lab was established in Bangalore, as highlighted in our previous years' annual report. We are happy to report that this lab capability has helped us forge deeper relationships with customers.

**Consumer:** Your Company has invested in today's discerning consumer's demands by launching products catering to their needs across our cleaning, mounting and stationery product categories. As a result, we have seen growth across all products and channels during the year.

**Healthcare:** As disclosed in our Stock Exchange filing dated April 1, 2024, 3M India will be an exclusive licensed manufacturer and reseller as well as independent distributor for Solventum's healthcare products in India.

During the year the healthcare business continued its robust growth by focusing on prioritised market segments and product portfolios. This was reinforced by collaborating with various industry partners. Your Company continued its efforts to upgrade medical practices in hospitals, dental clinics and upskilling medical professionals.

### Creating Value for our Employees

With active engagement from employees, your Company has

solidified the hybrid working model called Work Your Way. In addition, the Company continued to place strong focus in the areas of Diversity & Inclusion by leveraging its Employee Resource Networks in the areas of Women's Leadership Forum, New Employee Opportunity Network, 3M Pride and Diverse Abilities Network. Employee well-being, particularly mental health and work-life balance played a focal role in engagement activities.

### Creating Value for our Communities

Building and nurturing meaningful connections with our local communities is fundamental to our strategy. Through our sustained CSR initiatives, we support underserved groups through education, community well-being and environmental initiatives. During the year our multi-year CSR programmes such as STEM initiatives like Nanhi Kali and Wonder Tinkering labs, solar-powered Healthcare infrastructure for Public Health Centres, continued to deliver positive impact.

I welcome you to read more details about our community programmes in the following pages.

### Environment, Social & Governance

Your Company draws inspiration and guidance from the parent company's ESG commitments and actions. Globally, 3M is committed to accelerate global climate solutions, decarbonise industry, and do more with less to strengthen the circular economy. We back initiatives that foster sustainable communities, including projects that promote STEM and education, protect ecosystems and support local communities. Our corporate governance practices serve the long-term interests of our shareholders, strengthen 3M's Board of Directors and management, and further enhance public trust in 3M.

### Update on 3M India Board

Mr. Biren Gabhawala, will retire from the Board of 3M India Limited on August 13, 2024, after serving for ten years as an Independent Director. During his tenure Mr. Gabhawala has served as the Chairman of the Audit Committee and provided invaluable guidance and leadership to the Board. On behalf of our shareholders and our Board of Directors, I would like to express our sincere gratitude to Mr. Gabhawala and wish him the very best.

### Appointment of Mr. N.V Sivakumar and Mr. Andrew Bennett as Directors

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. On behalf of our shareholders and our Board of Directors, I warmly welcome them to the Board. Mr. Sivakumar's appointment is subject to shareholder approval at the 37<sup>th</sup> Annual General Meeting for a 5-year term. Mr. Bennett's directorship will also be subject to shareholder approval.

In closing, I would like to thank the Board of Directors, led by our Chairman, Mr. Bharat D. Shah, for their guidance and support. Our sincere thanks to the Government of India, the State Governments, and the various Government agencies for their continued support. My sincere gratitude to all our customers, partners, vendors, and employees for their involvement, encouragement, and support throughout the year. Thank you, dear shareholders, for your continued trust in your Company.

Thank you.

**Ramesh Ramadurai**  
Managing Director



Innovation

# Sustaining the culture of innovation

At 3M India, we are propelled by our expertise in research and development, coupled with our commitment to innovation. This mindset brings agility; it enables us to effectively tackle emerging needs and address evolving challenges. Through the synergy of science, innovation and collaboration, we help solve existing hurdles and create new possibilities. Our pursuit of excellence empowers us to make meaningful contributions to society and create a brighter world through innovation.







Driven by an enduring commitment to scientific exploration, we seamlessly integrate sustainability into every aspect of our product development, processes, and packaging. Our Technology Platforms guide us toward a sustainable future, offering science-based solutions and innovative platforms. Passion for scientific discovery fosters collaboration across our Company, igniting innovative solutions. Despite formidable challenges, we leverage the transformative power of science.

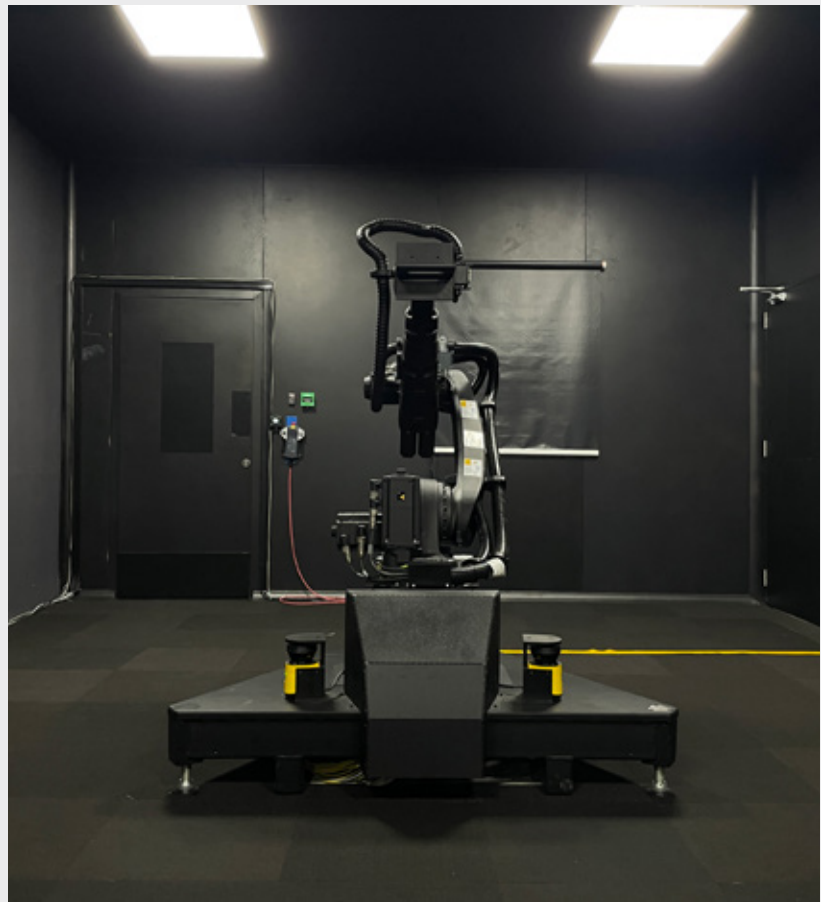
Annually, we allocate approximately 5%-6% of sales to global Research & Development, resulting in over 133,500 patents. This substantial investment fuels innovation, providing a distinct advantage across all sectors. Our integrated innovation model converges science and engineering, spawning new technologies and products.

## Bettering vehicle comfort and ride quality through advanced material science

Automotive OEM and component manufacturers seek appropriate solutions for vehicle mobility. Addressing this, 3M India developed 'MuPhony,' a multi-layered acoustic insulation system combining fibrous and liquid acoustics and recently, the Integrated Absorptive Barrier (IAB) was introduced, improved noise barrier and absorption. 3M India leads in noise control solutions, utilising recycled materials and producing Zero VOC Green Chemistry materials with renewable energy.

## A leap forward in road safety

At our R&D Centre in Bengaluru, we've set up an advanced photometry lab. This facility conducts detailed analyses of light properties to enhance the visibility and efficiency of road safety products. Through initiatives like this, we remain committed to driving technological innovations and making tangible contributions to creating safer, smarter cities.



### Key benefits

1

#### Superior reflective performance

Our equipment complies with ASTM D4956, ASTM E810, ASTM E809, EN12899, and CIE 54.2 standards, ensuring reliability and accuracy.

2

#### Compliance one can trust

It measures retro-reflectivity within observation angles of 0.1° to 4° and entrance angles ranging from -90° to 90°, guaranteeing meticulous evaluation



## Innovation (Continued)

### Robust Analytical Lab infrastructure

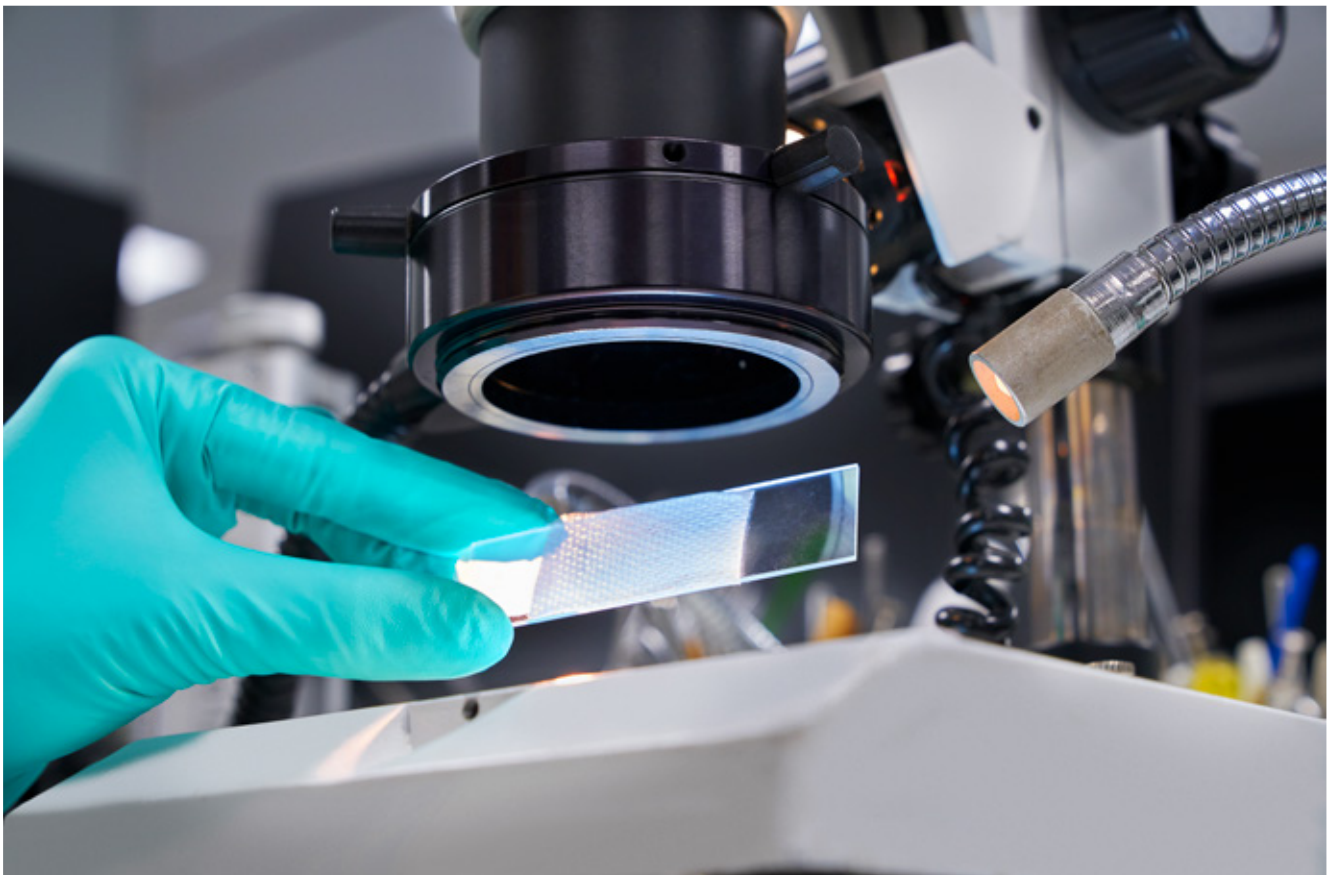
Our R&D facility boasts a cutting-edge analytical technology laboratory, housing chromatography, spectroscopy, thermal analysis, rheology, microscopy, and surface analysis techniques that is instrumental in addressing customer concerns. Guided by highly skilled professionals, the laboratory conducts analytical procedures and investigations, generating essential data for regulatory compliance and informed decision-making throughout the research and development processes.

### Moving Towards bridging the gap in sustainable mobility

India ranks as the world's fourth largest automobile market with an annual production of 2.8 crore production units in FY 23-24, which includes 2-wheeler, 3-wheeler, passenger cars and LCV. With a growing per capita income, India offers significant growth opportunities. To seize a strong foothold in this thriving automobile market, 3M strategically invested in advanced wet-laid ceramic mat manufacturing technology for automotive applications, branded

as Interam™. This investment led to the establishment of a dedicated manufacturing plant in Pune, India. FY 23-24 marked a milestone as the plant became fully operational and secured new business.

**2.8 crore**  
India's annual production in FY 23-24 (across 2W, 3W, passenger car and LCV segments)







## Revolutionising bonding in India's industrial sector

Our Industrial Adhesives and Tapes Division has introduced the next generation Structural Acrylic Adhesives with enhanced elongation properties. These adhesives provide increased strength, rapid curing, and the capability to bond challenging surfaces, along with

automation compatibility. This product launch in India has enabled new applications and specifications for bonding dissimilar low surface energy materials, prevalent in transportation and general industrial sectors.



## Spreading knowhow on personal safety

In FY 23-24, our Personal Safety Division raised awareness and educated workers across industries about health and safety, focussing on the importance of every employee returning home safely. We collaborated with industry bodies and occupational health organisations to showcase Personal Protective Equipment (PPE) advancements and organised health and safety conclaves for different industry segments.

## Elevating car ownership experience

Recognising the emotional connection Indians have with their cars, we position our Company effectively. Whether maintaining appearance, performance, or post-accident restoration, 3M is the go-to solution. We ensure standardised operating procedures, and regular audits. Additionally, we cascade industry best practices through multiple training formats like shop floor sessions, seminars, and virtual training. Last fiscal, we revamped our training centre with fully equipped state-of-the-art digital facility enabling real-time customer support and virtual interactions.

## Protecting pipes to last long

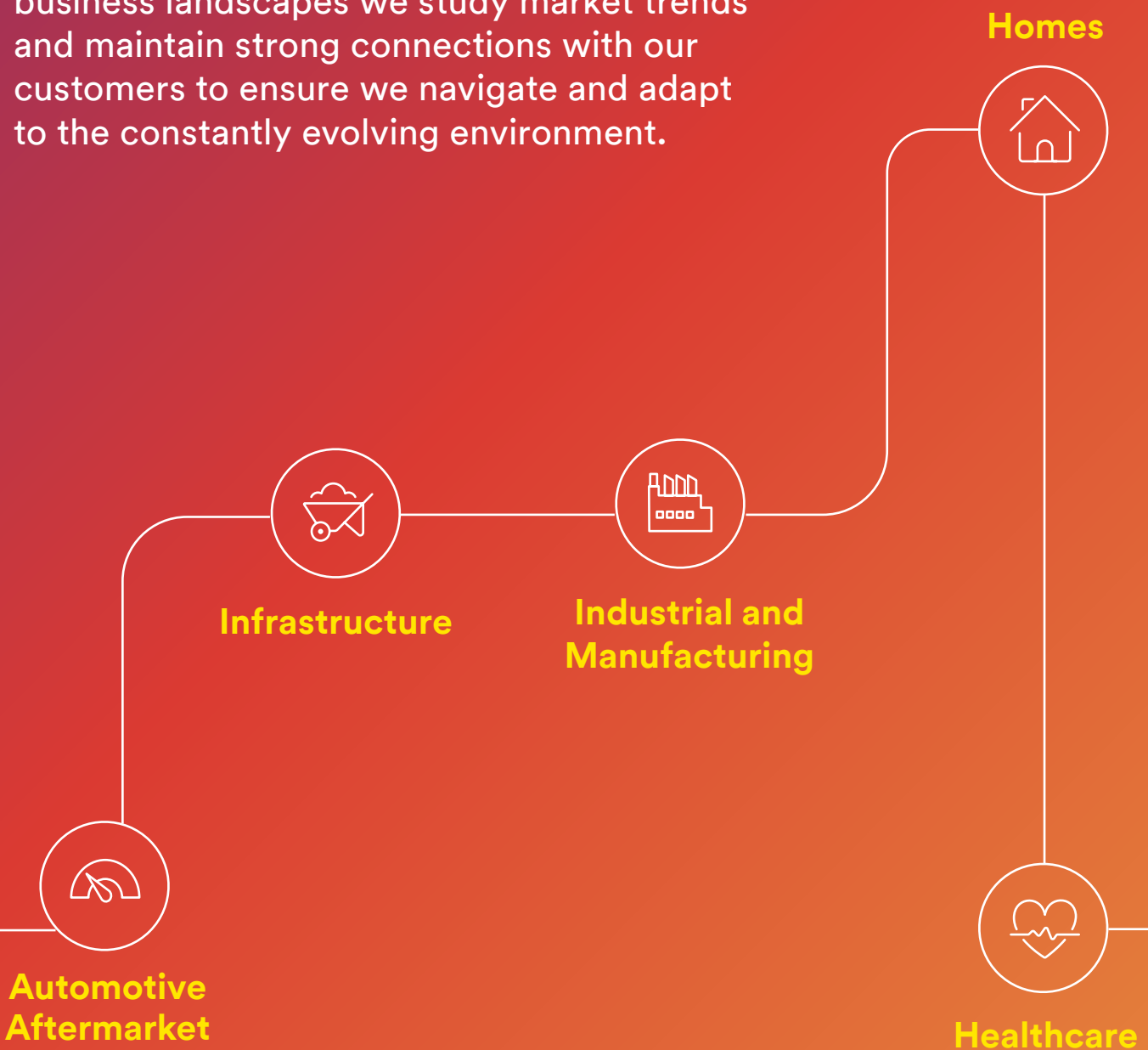
We achieved a significant milestone with the production of a specialised corrosion protection coating for aviation fuel pipelines at our Ahmedabad facility. This will cater to the growth in India's airport infrastructure.



## Market segment overview

# Crafting solutions for a brighter and safer tomorrow

The power of 3M lies in our ability to leverage our fundamental strengths in technology, manufacturing, global capabilities, and brand - all aimed at serving our customers better. In today's volatile business landscapes we study market trends and maintain strong connections with our customers to ensure we navigate and adapt to the constantly evolving environment.



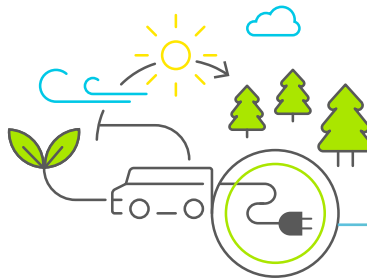


## 1 Automotive Aftermarket

**We leverage our extensive experience in the automotive industry to collaborate on engineering, refining, servicing and preserving present-day vehicles. We serve as the focal point for bringing together individuals, insights, scientific knowledge and technological advancements to sustain the vehicles currently on the road and contribute to shaping the vehicles of the future.**

### Sustaining the sheen of automobiles

3M's Premium Liquid Wax rejuvenates and protects car paint from the harsh effects of environmental exposure, regular washing, and daily wear and tear. Designed for ease of application, this wax delivers a high gloss finish, while forming a protective barrier against harmful UV rays. Our formula uses low volatile organic compound (VOC) levels which is a positive both for the car owner and the environment.





## Market segment overview (Continued)



### Building cleaner and more efficient shop floors

A clean shop can mean less rework, better cycle times, and peace of mind for improving the shop environment, for both technicians and customers. This led us to design the innovative 3M™ Clean Sanding System, tailored to offer a comprehensive solution, integrating dust extraction, random orbital sanders, abrasives and personal protective equipment. It also assists collision repair shops in achieving cleaner and faster repairs, while maintaining quality standards.



## 2 Infrastructure

**We take pride in our Commercial Solution portfolio that empowers businesses to gain competitive advantage through consistent brand imagery. In addition, our building, rail, automotive and fleet films help reduce carbon footprint and waste, while encouraging circularity.**



### **Changing the face of a train with vinyl graphics and wraps**

The success of rail transportation networks relies on more than just efficient mobility—it encompasses a holistic passenger and worker experience, including comfort, safety, and aesthetics. Maintaining the appearance of rail exteriors and interiors is vital for passenger engagement and loyalty, requiring solutions that are safe, easy to maintain, and have minimal VOC emissions. Our 3M Vinyl Graphics solutions offer quick-install films that reduce downtime, providing protective and lightweight coverings.

### **Enabling window treatment to reduce solar heat**

Our innovative window film products are crafted to allow natural light while mitigating heat and glare—a critical consideration in today's real estate realm where glass is integral for its aesthetic appeal and functionality. Sunlight passing through glass windows can create hot spots and glare, impacting energy consumption and occupant comfort. Our 3M™ Window Films reduce solar heat transmission, rejecting up to 97% of heat-producing infrared light. This enhances tenant comfort, conserves energy, and improves building comfort without compromising aesthetics.



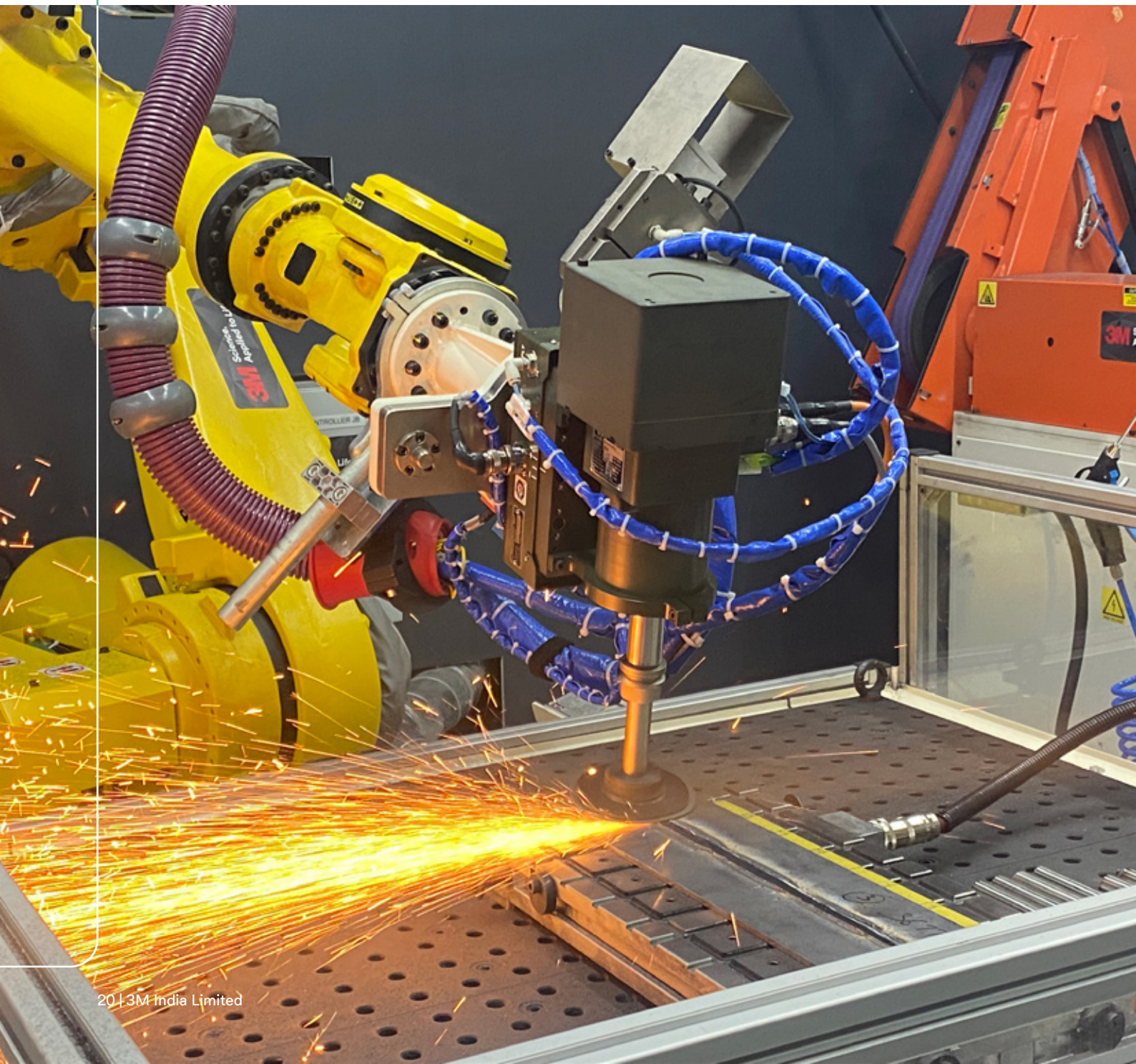




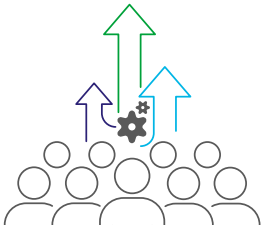
## Market segment overview (Continued)

### 3 Industrial and Manufacturing

**We understand the pivotal importance of optimisation of assembly lines and operational eco-system. Accordingly, we deliver solutions that streamline operations and enhance productivity for businesses.**







### Enhancing product aesthetics and durability through an assembly solutions approach and bonding continuum

Collaborating with stakeholders across design, process, manufacturing, and quality control, we tackled challenges in drop resistance, bond alignment, and accelerated ageing when bonding glass to ABS. With the existing solution failing due to narrow bond lines, we introduced 3M™ Structural Acrylic Adhesive. This solution improves assembly alignment, enhances productivity, and eliminates rejections.

### Assisting customers to improve productivity, worker safety and optimising automation

We introduced re-engineered Precision-Shaped Grain to meet the demands of industrial customers aiming for increased productivity and enhanced worker safety in manufacturing. This innovation enhances the speed and lifespan of 3M™ Cubitron™ Performance Abrasives, prioritising operator safety and sustainability while optimising efficiency. By using long-lasting, fast-cutting 3M™ Cubitron™ 3 Performance Abrasives, customers reduce abrasive changeovers and achieve long-term cost savings. Our latest generation 3M™ Cubitron™ 3 Fibre discs, portable bonded wheels, and belts cater to heavy grinding applications, offering versatility from bevelling to gate grinding.



### Embedding sustainability in additive manufacturing

We take pride in our latest offering, 3M™ Screen Printable Pressure Sensitive Adhesive SP7202—a unique UV-curable liquid, solvent-free, 100% solids PSA solution. This additive manufacturing process enables direct printing of shapes, eliminating the need for die-cutting and reducing waste.

With this breakthrough, we remain committed to our mission of innovating for industry decarbonisation, advancing climate solutions and reducing our environmental impact.

### Unlocking efficiency and performance with industrial tapes and adhesives

We leverage industrial tapes and adhesives for their substantial advantages over other industrial assembly methods, including the utilisation of thinner, lightweight materials. Lightweighting represents a megatrend across numerous industries. In the transportation sector, for instance, reducing component weight can boost fuel efficiency.



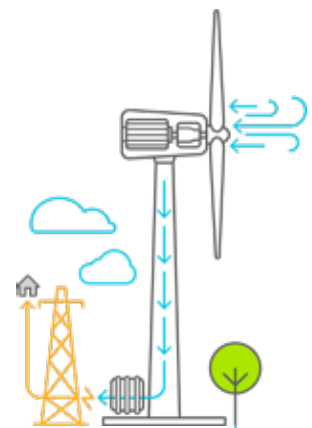


## Market segment overview (Continued)



### Empowering organisations to ensure employee safety and improve productivity at noisy workplaces

We address the issues faced by machine operators, working in a noisy workplace, with our innovative 3M™ PELTOR™ WST™ LiteCom safety communication device. This solution enables effective and efficient communication, while ensuring hearing protection, ultimately increasing productivity.



### Creating a cleaner and greener environment

The Government aims to invite bids for 50 GW of renewable energy capacity annually from FY 23-24 to FY 27-28, including 10 GW of wind power capacity per year. This aligns with India's commitment at COP26 to achieve 500 GW of electricity capacity from non-fossil fuel sources by 2030. Our Electrical Markets Division, with its diverse portfolio of electrical products, actively engages in these projects.





## 4 Homes

Through our market research we identified and addressed consumer requirements, and adapted our homecare solutions accordingly.

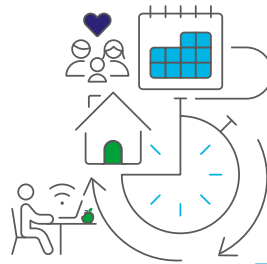
### Beyond the traditional scrub pad

We have reimagined the conventional scrub pad to meet the changing demands of modern cleaning.

- **Scrub Sponge:** Offering extended durability and superior cleaning for those who value both convenience and exceptional performance.
- **Super Strong:** A robust stain remover that ensures swift cleaning without risking hand injuries, perfect for intensive daily cleaning tasks.

We are also expanding our offerings across various segments:

- **Extreme Tape:** This weather-resistant tape is engineered for mounting heavy objects in diverse environments, including bathrooms and balconies.
- **Unboxing Scissors:** This ingenious design combines traditional cutting functionality with an integrated unboxing tool, eliminating additional equipment.



### Maximising living spaces with mounting applications

We introduce innovative command hooks and strips to the Indian market, promoting a shift towards cleaner, DIY mounting solutions. Driven by lifestyle changes and the rise of DIY home décor trends, this offering taps into the growing demand for adhesive-based mounting options among urban Indians. Our 3M™ Scotch™ Double-Sided Foam Tape, capable of bearing weights up to 4.5 kgs\*, facilitates the transition to mounting behaviours over traditional drilling and nailing methods.

\*Subject to product specifications.





## Market segment overview (Continued)

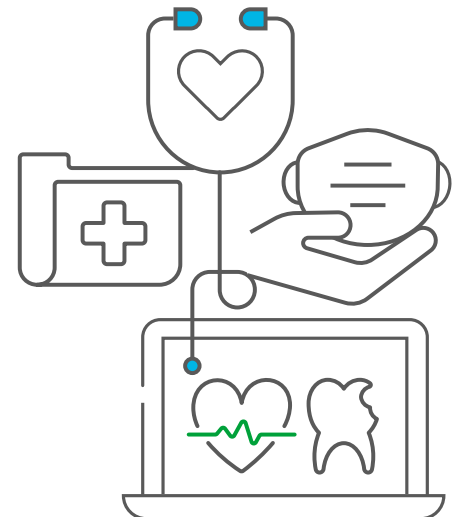
### 5 Healthcare

**We are harnessing the potential of the swiftly transforming healthcare landscape in India. With shifting reimbursement models, increasingly rigorous patient standards and innovative approaches to care delivery, we stand at the forefront of easing professionals' journey with dependable products and solutions. Our aim is to enable healthcare professionals to treat more patients cost-effectively, enhancing health outcomes across the board.**

#### **Revamp and accelerate Central Sterile Services Departments (CSSDs) towards excellence**

We emphasise the importance of awareness, best practices, and compliance standards while recognising excellence in CSSD practices. The pivotal role of CSSD in preventing infections and ensuring patient safety is undeniable. However, challenges persist due to insufficient formal training for

many personnel. Our quality initiative, Awareness-Compliance-Excellence (ACE), in partnership with the Consortium of Accredited Healthcare Organisations (CAHO), aims to address these challenges. By enhancing staff knowledge, upgrading CSSD practices, and promoting the adoption of best practices, ACE seeks to improve infection control in healthcare facilities.



#### **Awareness**

Support standardization, adoption of best practices in accordance with the international guidelines

1



#### **Compliance**

Measure compliance, gap analysis and process improvements by regular audits

2



#### **Excellence**

Reward and recognize Excellence

3

## Driving procedural campaign for dental restoratives

We educate on standardising procedures to minimise errors and deliver life-changing restorations, aiding dentists with better outcomes. We have curated knowledge-sharing sessions and distributed digital content via social media for broader awareness. Empowering our sales teams for clinically relevant discussions, we conduct hands-on workshops and integrate online and offline activities.







## ESG commitments

# Driving momentum with responsible growth

**3M India takes a science-based approach to reimagine what is possible as we rise to the most critical challenges facing our planet and its people—the imperative for responsible growth. By directing our attention to strategic areas where we can exert the greatest influence, we persist in expanding upon our global capabilities and diverse technologies. We are guided by our Strategic Sustainability Framework and harness the power of three foundational pillars of the Framework—Science for Circular, Science for Climate, and Science for Community—that enable us to drive forward-looking progress.**

We continue to build momentum around science and collaboration in our operations and our communities. We act with urgency to implement solutions that help us achieve our sustainability goals for the environment, our communities, and—most importantly—the people they impact.

Sustainability is at the core of our innovation engine. The strength of 3M's commitment to the planet and society at large is reflected in our sustainability goals and our environmental, social, and governance (ESG) metrics.



## Global sustainability goals

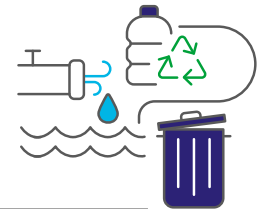
3M's Global Impact Report highlights the Company's sustainability efforts around the world and details the progress made against important sustainability goals.

### Science for Circular

All new products include a Sustainability Value Commitment (SVC), such as recyclability, energy and water savings, the use of renewable materials, reuse, and a core purpose of addressing environmental or social issues, such as improving air quality and personal safety.

Reduce dependence on virgin fossil-based plastic by 125 million pounds by 2025.

Reduce water usage at our facilities by 25% by 2030.

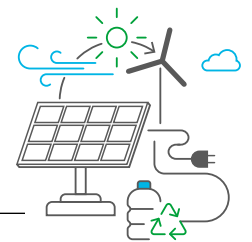


### Science for Climate

Reduce Scope 1 and 2 emissions by 50% by 2030, 80% by 2040, and achieve carbon neutrality in our operations by 2050.

Help customers reduce 250 million tonnes of CO2 equivalent emissions through the use of 3M products by 2025.

Improve energy efficiency by 30% by 2025, increase renewable energy use to 50% by 2025, and achieve 100% renewable energy use by 2050.

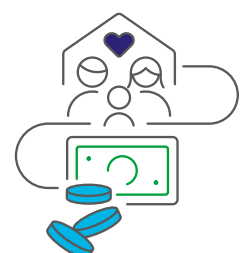


### Science for Community

Create five million unique STEM and skilled trades learning experiences for underrepresented individuals by the end of 2025.

Train five million people globally on worker and patient safety by 2025.

Double the pipeline of diverse talent in management by 2030.





## ESG dashboard (Continued)

### Reducing the use of virgin plastic in product packaging

#### 11.1 metric tonnes

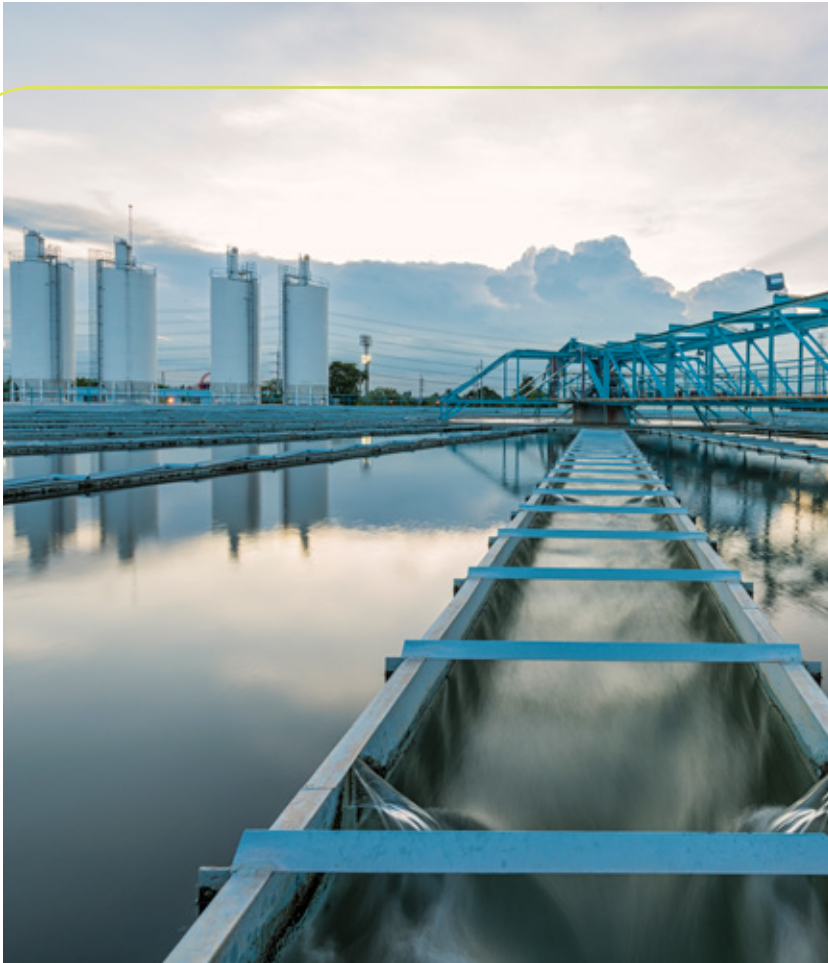
Reduction in virgin plastic consumption through the replacement of virgin LDPE with post-consumer recycled LDPE

We are dedicated to understanding and reducing our plastic footprint, recognising the environmental impact of fossil-based plastics. We are pioneering innovative product and packaging solutions to minimise plastic waste and promote sustainability. For example, we replaced plastic pails with corrugated boxes in our road-marking product line, eliminating 27.4 metric tonnes of plastic and reducing corrugated material usage by 22.6 metric tonnes.

Additionally, we have integrated recycled content into select product packaging, such as transitioning plastic bags containing electronics parts to 50% post-consumer recycled low density polyethylene (LDPE). This shift reduced our consumption of virgin plastic by 11.1 metric tonnes.







## Strengthening water conservation

We prioritise water conservation by repurposing water from our manufacturing processes, treating it for reuse and operating as zero water discharge facilities across all our sites. In Bengaluru's Electronics City plant, where we produce advanced products like 3M™ Thinsulate™ Acoustic Insulation for EVs, we emphasise water efficiency. This approach aligns our operations with environmental goals while delivering innovative solutions.

We offer products like the 3M™ Interam™ range for ICE vehicles, which focuses on reducing carbon

emissions. Despite the water-intensive production process of these products, our team ensures that 85-90% of process water is recycled, minimising waste and reducing our water footprint. Our commitment to water conservation underscores our dedication to sustainability across all facets of our operations.

## ~85-90%

Process water recycled in the manufacturing of 3M™ Interam™ products

## Reducing harmful emissions

We have achieved a significant milestone by transitioning our Electronic City plant in Bengaluru to 100% renewable electricity sourced from the grid, aligning with our global sustainability objective of reaching 100% renewable energy by 2030. Meanwhile, at our Ranjangaon, Pune facility, we have expanded our solar capacity with an additional 575 kWp of onsite panels, raising the total to 1,000 kWp. This expansion increases our renewable energy generation to 13,15,000 kW annually, contributing 12% of the plant's total energy. Additionally, we have switched from propane to natural gas, a cleaner fuel, at the Ranjangaon site and optimised shop floor design to maximise daylight usage, reducing reliance on artificial lighting.

## 1000 kWp

Onsite solar capacity at Ranjangaon



## Workforce

# Nurturing capabilities to sustain progress

**Our employees play a pivotal role in our advancement and success. We prioritise equity through targeted training, development, and recruitment initiatives. Our inclusive culture celebrates diversity and offers equal opportunities.**

**We foster an environment where every individual feels valued and equipped to drive success. Ensuring health and well-being for all is central to our ethos. Through our flagship programme, Healthier You, which includes webinars, contests, and activities we cover topics such as nutrition, physical health, financial well-being, and mental wellness.**

In FY 23-24, we emphasised organ donation awareness, mental well-being, and digital health check-ups for employees.

We enhanced insurance coverage for our workforce, and educated them on health risk management and financial planning.

Promoting gender diversity, we support working parents with initiatives like the Nanny and Creche Allowance policy. Our aim is to provide resources and time for self-care, ensuring employees have the tools to prioritise their well-being effectively.







## Accelerating diversity, equity and inclusion

We actively promote diversity and inclusion at 3M through our four Employee Resource Networks: **Women's Leadership Forum (WLF)**, **New Employee Opportunities Network (NEON)**, **PRIDE**, and **Diverse Abilities Network (DAN)**. Our goal is to align our workforce demographics with the broader talent pool and foster an inclusive culture that values diverse perspectives and abilities. Last fiscal year, we focused on increasing the representation of women and creating a disabled-friendly workplace.

**NEON** hosted a 'New Beginnings' event for new hires, while **WLF** celebrated International Women's Day by honouring frontline workers' contributions during the pandemic.

**WLF** also offers a programme for returning mothers and our women scientists' achievements were showcased in a prestigious CII compendium. **PRIDE** network conducts knowledge-building sessions and Pride month celebrations to raise awareness about LGBTQI+ communities.

**DAN** focuses on creating awareness about disabilities and drafted an Equal Opportunities policy aligned with the RPWD Act 2016. We collaborate with other organisations in this space to ensure a welcoming environment for all employees.



## Workforce (Continued)



### Broad based learning and development

Aligned with our focus on continuous learning, 3M Learn fosters a Growth Mindset among employees, emphasising the potential for ongoing improvement and adaptability essential in today's business landscape.

### People, culture and employee engagement

We actively engage our plant employees through various initiatives to enrich their experience. These include scholarships for their children, Kaizen events, and activities organised by the 3M Club, and activities organised by the 3M Club,

16 employee led 3M Clubs, play a significant role in building our culture, bringing employees and their families together for sports events and fostering family interactions.

Our 'Work Your Way' philosophy empowers employees to choose their optimal way of working, fostering work-life balance. We facilitate cross-functional collaboration through various platforms, accelerating ideation processes and enhancing productivity.

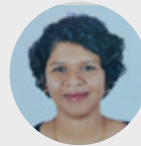






## Tushara Nair, a relatively new 3Mer, speaks...

*My introduction to 3M India began with their pioneering initiative nearly a decade ago to nominate an all-women group for a leadership development programme, a rarity at the time. This commitment to gender equality resonated with me, prompting me to seize the opportunity to join the organisation. In my 18-month journey with 3M, I've witnessed first hand the equal opportunities and respect afforded to women in the workplace. The significant representation of women leaders across the organisation serves as a source of inspiration and empowerment. Daily interactions are devoid of bias or stereotyping, focusing solely on performance and commitment. It's evident that 3M's open and merit-based culture fosters a sense of comfort and belonging for women professionals like me. #Proud3Mer #Women@3M.*

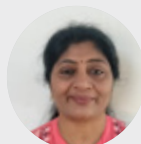


**Tushara Nair**  
General Manager  
(Marketing), Transportation &  
Electronics Business



## Pushpa Ravishankar, a career 3Mer, says this...

*My journey with 3M has been transformative. The organisation has been my pillar of support, accompanying me through every endeavour, both professionally and personally. The 3M community has become my extended family, providing guidance, encouragement, and camaraderie. Through challenges and triumphs, I've grown in my career and as an individual, thanks to invaluable lessons and friendships. 3M has played a pivotal role in shaping me into who I am today, instilling resilience, determination, and a deep sense of belonging. It's more than just a workplace; it's my first family, a nurturing environment where I've thrived and evolved.*



**Pushpa Ravishankar**  
Area FP&A Manager,  
Transportation &  
Electronics Business



Communities

# Empowering lives for a better tomorrow

We strive to create opportunities for those who are overlooked and underserved. Part of our sustainability strategy is grounded in a commitment to building and nurturing meaningful connections with local communities. By synergising the collective power of our people, products, and philanthropic efforts, we design various initiatives to support these communities. From advancing education in science, technology, engineering, and math (STEM) to cultivating a skilled workforce and implementing programmes focused on both community and environmental well-being, we dedicate our focus to making a meaningful impact at every level.







## Promoting 21<sup>st</sup>-century skill set through 3M Wonder Tinkering Labs Programme

We launched the unique 3M Wonder Tinkering Labs Programme in 2023 in collaboration with the Learning Links Foundation. This programme operates in 10 Government schools in Shirur district, rural Pune, with a mission to cultivate a passion for STEM subjects among students. The curriculum focuses on honing 21<sup>st</sup>-century skills, including collaboration, design thinking, and problem-solving, delivered through hands-on sessions and mentorship from innovation coaches.

Students participate in after-school problem-solving sessions, where they identify local issues and

devise solutions using resources in the tinkering lab. Equipped with DIY tinkering kits, the lab introduces students to sensors, electronics, circuits, and 3D printing technologies, fostering creativity and innovation. Beyond traditional education, the programme addresses global challenges like climate change and sustainability.

Over three years, our goal is to cultivate well-rounded individuals equipped with the skills needed to thrive in current and future job markets. We aim to ignite a passion for STEM subjects and encourage students to pursue higher education in these fields. In Pune alone, the programme benefits around 3,800 students. Recently, we expanded the initiative to 10 schools in Anekal, near our Electronics City manufacturing site in Bengaluru. Both programmes have positively impacted over 5,800 students.

# 3,800

Students  
benefitted in Pune

# 2,000

Students benefitted  
in Bengaluru





## Communities (Continued)



### Initiating Project Nanhi Kali, Ambegaon, Pune

We launched Project Nanhi Kali in collaboration with the K.C. Mahindra Education Trust in 2018. Since then, we have supported over 2,800 girls in Ambegaon, rural Pune, from primary to secondary school. Each year, we celebrate a growing number of graduates, with 87 in 2022, 143 in 2023 (including 15 scoring over 90%), and 171 in 2024. Over 400 graduates have pursued higher education, focusing on subjects like maths, science, and Marathi.

During the Covid-19 pandemic, we introduced digital tablets for remote learning and monitoring, ensuring continuity during difficult times. Students are also encouraged to participate in sports and co-curricular activities like the Toofan Games, where sponsored girls excelled and won accolades. Through Project Nanhi Kali, we have seen a significant decrease in dropout rates among girls. Empowered by the programme, these girls are confidently pursuing higher education and becoming role models in their communities. The project continues to inspire confidence and academic achievement, nurturing future leaders.





## Volunteering to spread impact under Visiting Wizards programme

The 3M Visiting Wizards programme aims to illustrate the application of scientific principles in everyday life, fostering greater interest in STEM or the Skilled Trades among students. In 2023, our R&D volunteers operationalised this programme, visiting five government schools catering to mixed-gender students aged 10-14, enrolled in classes 5<sup>th</sup>-8<sup>th</sup>. Approximately 1,000 students were reached through these events.

Using materials provided in the Visiting Wizards package, 3M volunteers conducted hands-on demonstrations complemented by theoretical teachings in the local language (Kannada). These activities facilitated a clear understanding of how scientific concepts apply in real-world scenarios. Sessions concluded with an engaging quiz and prize presentation for winners.

Additionally, all participants received stationery kits and chocolates, adding a fun element to the experience.

**1,000+**  
Students reached through this programme





## Governance

# Progressing with trust and transparency

We believe that good corporate governance practices serve the long-term interests of shareholders and enhance the trust 3M has earned by operating with uncompromising integrity and doing business the right way. That is how we do business on a daily basis enabling us to outperform and lead the way to sustainable growth.

Our governance principles provide a framework that defines the roles, rights and responsibilities of different groups within the organisation. Our Board of Directors oversees the Executive Directors and Senior Management (viz., the Leadership Team) including key managerial personnel and ensures that appropriate procedures and controls are in place covering the management's activities in operating our Company on ethical grounds on a day-today basis.

The Code of Conduct positions 3M for long-term growth and binds us together as 3M employees — across business groups and geographies.

The Code of Conduct at 3M also encompasses the **Respectful Workplace Principle**, which sets forth guidelines for fostering a workplace environment that is free from all forms of discrimination and harassment.

A global culture of compliance is supported by a robust deployment programme that is consistent worldwide and consists of the following components:

- A core set of business conduct principles.
- Awareness campaigns involving education, training and communication.
- Periodic evaluations, audits, risk assessments and procedures to measure effectiveness.
- A 24-hour global helpline and website that enable employees, customers, vendors and other external parties to report concerns and ask questions, with anonymity.
- Risk-based due diligence on business partners and others as appropriate.
- Investigation expertise.

A culture of transparency is actively fostered through the implementation of the **'Speak Up'** programme. This programme includes various measures such as establishing a whistleblower protection policy, providing multiple reporting channels, offering the option of anonymity, ensuring thorough investigation of all complaints and strictly discouraging any form of retaliation, as outlined in the non-retaliation policy.

The collective efforts of 3M employees worldwide have contributed to 3M Company being recognised as one of the **World's Most Ethical Companies by Ethisphere®** for ten consecutive years. This esteemed award reflects our unwavering commitment to conducting business in an ethical and principled manner.

## Be 3M

3M's Code of Conduct defines the expectations for how we work



Be Good



Be Honest



Be Fair



Be Loyal



Be Accurate



Be Respectful



# Board of Directors

## Sitting L-R

**1 Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer



**2 Bharat D. Shah**  
Chairman,  
Non-Executive  
Independent Director



**3 Biren Gabhawala**  
Non-Executive  
Independent Director



## Standing L-R

**4 Radhika Rajan**  
Non-Executive  
Independent Director



**5 Amit Laroya**  
Non-Executive Director



**6 Ramesh Ramadurai**  
Managing Director



**7 Yun Jin**  
Non-Executive Director

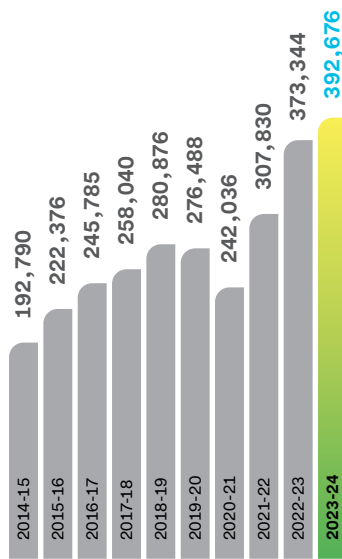




# Financial highlights (Standalone)

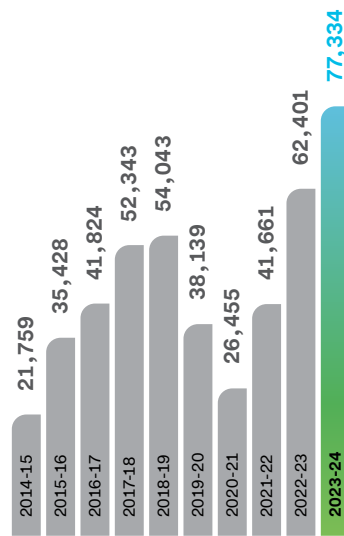
## Gross Sales

(₹ in lakhs)



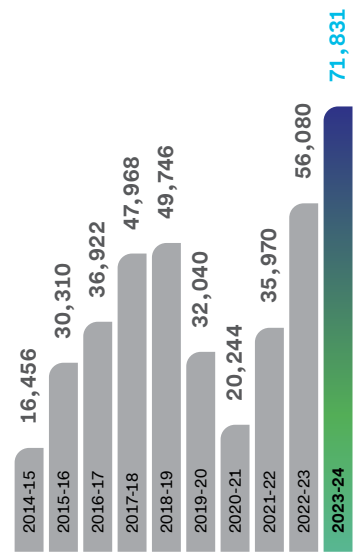
## Profit Before Depreciation, Interest and Tax (PBITDA)

(₹ in lakhs)



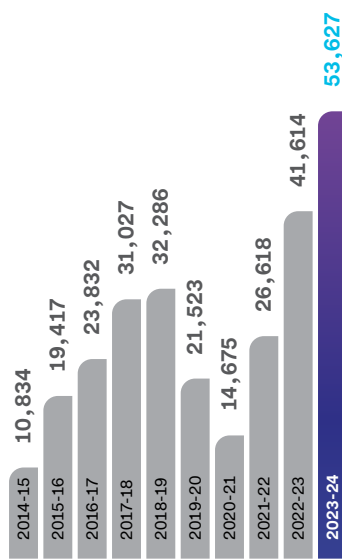
## Profit Before Tax (PBT)

(₹ in lakhs)



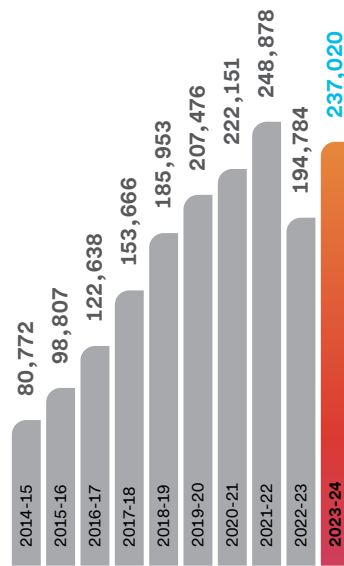
## Profit After Tax (PAT)

(₹ in lakhs)



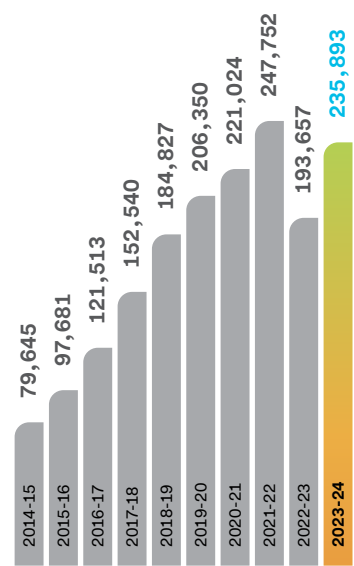
## Net Worth

(₹ in lakhs)



## Reserves & Surplus

(₹ in lakhs)





## 12 months ended (April to March) (Standalone)

(₹ in lakhs)

Sl. No.	Summary of Information	2014-15	2015-16@	2016-17@	2017-18@	2018-19@	2019-20@	2020-21@	2021-22@	2022-23@	2023-24@
1	Gross Sales*	192,790	222,376	245,785	258,040	280,876	276,488	242,036	307,830	373,344	392,676
2	Total Income	185,478	224,159	250,732	262,401	284,159	280,646	244,723	311,302	379,766	399,423
3	Profit Before Depreciation, Interest and Tax (PBITDA)	21,759	35,428	41,824	52,343	54,043	38,139	26,455	41,661	62,401	77,334
4	Profit Before Tax (PBT)	16,456	30,310	36,922	47,968	49,746	32,040	20,244	35,970	56,080	71,831
5	Profit After Tax (PAT)	10,834	19,417	23,832	31,027	32,286	21,523	14,675	26,618	41,614	53,627
6	Net Fixed Assets	38,905	34,873	31,467	28,491	26,927	24,277	22,380	26,503	29,296	29,731
7	Share Capital	1,126.51	1,126.51	1,126.51	1,126.51	1,126.51	1,126.51	1,126.51	1,126.51	1,126.51	1,126.51
8	Reserves & Surplus	79,645	97,681	121,513	152,540	184,827	206,350	221,024	247,752	193,657	235,893
9	Net Worth	80,772	98,807	122,638	153,666	185,953	207,476	222,151	248,878	194,784	237,020
10	Retained Earnings	10,834	19,417	23,832	31,027	32,286	21,523	14,675	26,727	41,659	53,501
11	Employee cost to sales	13.27	11.17	11.17	12.49	10.59	10.61	13.76	11.22	9.63	8.98
12	Net Deferred Tax Asset	966	837	780	1,135	2,347	1,666	2,561	2,735	2,222	2,241
13	Capital Investment	1,472	1,387	1,412	1,641	3,084	1,984	4,042	6,999	6,009	3,133
Sl No.	Ratio Analysis										
1	PBT to Total Income(%)	8.87	13.52	14.73	18.28	17.51	11.42	8.27	11.55	14.77	17.98
2	PAT to Total Income(%)	5.84	8.66	9.50	11.82	11.36	7.67	6.00	8.55	10.96	13.43
3	Return on Networkw (RONW)(%)	13.41	19.65	19.43	20.19	17.36	10.37	6.61	10.69	21.36	22.63
4	Return on Capital Employed(%)	20.37	30.68	30.11	31.22	26.75	15.44	9.11	15.46	29.76	30.21
5	Return on Equity(%)	13.41	19.65	19.43	20.19	17.36	10.37	6.61	10.69	21.36	22.63
6	EPS	96.17	172.89	213.72	275.66	286.72	194.38	132.53	236.28	369.41	476.05
7	No. of shareholders	10,723	12,974	16,290	18,607	23,240	31,047	29,720	38,503	30,854	30,092

### Notes/Glossary:

\* Sales before Excise duty charged up to FY 17-18.

@Ind AS

Previous year/period's figures have been regrouped/ reclassified wherever necessary to ensure uniformity.

Net worth=Share Capital+ Reserves & Surplus

RONW=PAT/ Networkw

Return on Capital Employed(%)=PBT/Capital employed

Return on Equity=PAT/Networkw



# Corporate information

## Board of Directors

**Mr. Bharat D. Shah**  
Chairman, Independent Director

**Mr. Ramesh Ramadurai**  
Managing Director

**Mr. Biren Gabhawala**  
Independent Director

**Ms. Radhika Rajan**  
Independent Director

**Mr. Amit Laroya**  
Non-Executive Director

**Ms. Yun Jin**  
Non-Executive Director

**Ms. Vidya Sarathy**  
Whole-time Director and  
Chief Financial Officer

## Committees of Board

### Audit Committee

Mr. Biren Gabhawala - Chairman  
Mr. Bharat D. Shah  
Ms. Radhika Rajan  
Ms. Yun Jin

### Stakeholders' Relationship Committee

Mr. Bharat D. Shah - Chairman  
Mr. Biren Gabhawala  
Ms. Radhika Rajan  
Mr. Ramesh Ramadurai

### Corporate Social Responsibility Committee

Mr. Bharat D. Shah - Chairman  
Ms. Radhika Rajan  
Mr. Ramesh Ramadurai  
Ms. Vidya Sarathy

### Nomination and Remuneration Committee

Mr. Biren Gabhawala - Chairman  
Mr. Bharat D. Shah  
Mr. Amit Laroya

### Risk Management Committee

Mr. Biren Gabhawala - Chairman  
Mr. Bharat D. Shah  
Ms. Radhika Rajan  
Mr. Ramesh Ramadurai

## Address for correspondence

**Registered Office**  
3M India Limited  
Plot Nos. 48-51, Electronic City,  
Hosur Road, Bengaluru – 560100

**Corporate Office**  
3M India Limited  
WeWork Prestige Central,  
3<sup>rd</sup> floor, 36 Infantry Road,  
Tasker Town, Bengaluru – 560001

## Registrar & Transfer Agent

KFin Technologies Limited  
Karvy Selenium Tower-B,  
Plot Nos. 31 & 32,  
Financial District, Gachibowli,  
Nanakramguda, Serilingampally,  
Hyderabad – 500 032

## Bankers

- BNP Paribas
- Citibank N. A
- Deutsche Bank AG
- HDFC Bank Limited
- ICICI Bank Limited
- The Hong Kong and Shanghai Banking Corporation Limited
- Sumitomo Mitsui Banking Corporation

## Statutory Auditor

Messrs. B S R & Co. LLP  
Chartered Accountants

## Cost Auditor

Messrs. Rao, Murthy & Associates

## Secretarial Auditor

Mr. Parameshwar G. Bhat

## Listing on Stock Exchanges

National Stock Exchange of India  
Limited (Stock Code: 3MINDIA)

BSE Limited (Stock Code: 523395)

International Securities  
Identification Number (ISIN):  
INE470A01017

Website: [www.3m.com/in](http://www.3m.com/in)  
E-mail: [investorhelpdesk.in@mmm.com](mailto:investorhelpdesk.in@mmm.com)

**Annual General Meeting will be held at 10.30 am (IST) on Wednesday, August 7, 2024 through Video Conferencing/Other Audio Visual Means**



The background of the slide features a vibrant green field on the left, which transitions into a series of flowing, wavy lines in shades of yellow and dark green on the right. These lines create a sense of movement and depth, resembling a stylized landscape or perhaps a close-up of a textured surface like a rug or fabric.

# Statutory Reports

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## 3M INDIA LIMITED

CIN: L31300KA1987PLC013543

Registered Office: Plot Nos. 48-51, Electronic City, Hosur Road, Bengaluru – 560100  
Phone: 080-22231414, Email: investorhelpdesk.in@mmm.com, Website: www.3m.com/in

**NOTICE** is hereby given that the Thirty Seventh (37<sup>th</sup>) Annual General Meeting (“AGM/eAGM”) of 3M India Limited will be held at 10.30 am (IST) on Wednesday, August 7, 2024 through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS:

**1. Adoption of Standalone Financial Statements for the financial year ended March 31, 2024.**

*To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:*

“**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, together with the Auditors’ Report thereon and the Board’s Report, be and are hereby received, considered and adopted.”

**2. Adoption of Consolidated Financial Statements for the financial year ended March 31, 2024.**

*To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:*

“**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the Auditors’ Report thereon, be and are hereby received, considered and adopted.”

**3. Declaration of Dividend for the financial year ended March 31, 2024.**

*To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:*

“**RESOLVED THAT** in terms of the recommendation of the Board of Directors of the Company, approval of Members of the Company be and is hereby accorded for declaration and payment of final dividend of ₹ 160/- (Rupees One Hundred and Sixty only) and a special dividend of ₹ 525/- (Rupees Five Hundred and Twenty Five only), aggregating to ₹ 685/- (Rupees Six Hundred and Eighty Five only) per equity share of face value ₹ 10/- each, for the financial year ended March 31, 2024, and be payable to all those shareholders whose names appear in the Register of Members as on the record date for payment of the Dividend.”

**4. Re-appointment of Mr. Amit Laroya (DIN: 00098933) who retires by rotation, as a Director.**

*To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:*

“**RESOLVED THAT** Mr. Amit Laroya (DIN: 00098933) Director, who retires by rotation at this Annual General Meeting, and being eligible, having offered himself for

re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

### SPECIAL BUSINESS:

**5. Appointment of Mr. Narumanchi Venkata Sivakumar (DIN: 03534101) as a Non-Executive and Independent Director of the Company.**

*To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:*

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 (‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Narumanchi Venkata Sivakumar (DIN: 03534101), who was appointed as an Additional Director of the Company w.e.f. July 15, 2024 by the Board of Directors, based on recommendations of the Nomination & Remuneration Committee, who holds office up to the date of Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as a Non-Executive and Independent Director of the Company to hold the office for a term of 5 (five) consecutive years i.e. from July 15, 2024 to July 14, 2029, not liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 read with Schedule V and any other applicable provisions of the Act and the rules made thereunder and applicable provision of SEBI Listing Regulations, Mr. Narumanchi Venkata Sivakumar be paid such fees and remuneration and profit related commission as the Nomination and Remuneration Committee and Board of Directors may approve from time to time and subject to such limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, expedient in order to give effect to this resolution.”

**6. Appointment of Mr. Andrew Paul Bennett (DIN: 10681735) as a Non-Executive and Non-Independent Director of the Company.**

*To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:*

“**RESOLVED THAT** Mr. Andrew Paul Bennett (DIN: 10681735) who was appointed on July 15, 2024 as an Additional Director and who, in terms of Section

161 of the Companies Act, 2013 holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company (Non-Executive and Non-Independent), liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, expedient in order to give effect to this resolution.”

**7. Approval of Material Related Party Transactions with 3M Company, USA.**

*To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:*

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including any statutory modifications(s) or re-enactments(s) thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (including any Committee thereof) to enter into Material Related Party Transactions with its Holding Company, 3M Company, USA, being related party as defined under Regulation 2(1)(zb) of the Listing Regulations, for an amount not exceeding in aggregate ₹ 934 crores (Rupees Nine Hundred and Thirty-Four Crores only) for the period from the 37<sup>th</sup> Annual General Meeting until the 38<sup>th</sup> Annual General Meeting of the Company on such terms as may be mutually agreed for between the Company and 3M Company, USA.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, expedient in order to give effect to this resolution.”

**8. Approval for payment of Royalties to 3M Company, USA.**

*To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:*

“**RESOLVED THAT** pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including any amendment(s) or modification(s) or re-enactment thereof), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (including any Committee thereof) for the payment of Royalties by 3M India Limited (“the Company”) to 3M Company, USA, being a related party, for an amount not exceeding ₹94 crores (Rupees

Ninety-Four Crores only), for the period from the 37<sup>th</sup> Annual General Meeting until the 38<sup>th</sup> Annual General Meeting of the Company, on such terms as may be mutually agreed for between the Company and 3M Company, USA.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, expedient in order to give effect to this resolution.”

**9. Approval of Material Related Party Transactions with 3M Innovation Singapore Pte Ltd.**

*To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:*

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modifications(s) or re-enactments(s) thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (including any Committee thereof) to enter into Material Related Party Transactions with 3M Innovation Singapore Pte Ltd, being related party as defined under Regulation 2(1)(zb) of the Listing Regulations, for an amount not exceeding in aggregate ₹ 446 crores (Rupees Four Hundred and Forty-Six Crores only) for the period from the 37<sup>th</sup> Annual General Meeting until the 38<sup>th</sup> Annual General Meeting of the Company, on such terms as may be mutually agreed for between the Company and 3M Innovation Singapore Pte Ltd.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, expedient in order to give effect to this resolution.”

**10. Ratification of remuneration payable to Messrs. Rao, Murthy & Associates, Cost Auditors for FY 2024-25.**

*To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:*

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof), the remuneration payable to Messrs. Rao, Murthy & Associates, Bengaluru (Firm Registration No. 000065), Cost Auditors, appointed by the Board of Directors based on the recommendation of the Audit Committee of the Company to conduct the audit





of the cost records of the Company for FY 2024-25 for ₹ 575,000/- (Rupees Five Lakhs Seventy-Five Thousand only) excluding applicable taxes and re-imbursement of out of pocket expenses incurred by them in connection with the audit of cost records, be and is hereby ratified and approved.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds,

matters and things as may be considered necessary, expedient in order to give effect to this resolution.”

By order of the Board  
**Pratap Rudra Bhuvanagiri**  
Company Secretary (ACS 22297)

Place: Bengaluru

Date: July 11, 2024

Registered Office: Plot Nos. 48-51, Electronic City,  
Hosur Road, Bengaluru – 560100

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AS AMENDED.**

The following statements set out all material facts relating to Ordinary/Special business proposed to be transacted under Item No. 5 to 10 of the accompanying Notice dated July 11, 2024 and shall be taken as forming part of the Notice.

### **Item No. 5: Appointment of Mr. Narumanchi Venkata Sivakumar (DIN: 03534101) as a Non-Executive and Independent Director of the Company.**

Based on the recommendations of the Nomination and Remuneration Committee, the Board at its Meeting held on May 28, 2024 had appointed Mr. Narumanchi Venkata Sivakumar (DIN: 03534101) as an Additional Director of the Company (categorised as Non-Executive and Independent Director), with effect from July 15, 2024 to hold office upto a period of 3 (three) months or the next General Meeting, whichever is earlier, and subject to such approval to hold office for a term of 5 (five) consecutive years, at remuneration as applicable to the Independent Directors of the Company.

Section 149 (10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to 5 (five) consecutive years on the Board. Further, Section 149 (13) of the Companies Act, 2013 states that the provisions relating to retirement of Directors by rotation shall not apply to the appointment of Independent Directors.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director.

Mr. Narumanchi Venkata Sivakumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received the consent and requisite declarations from Mr. Sivakumar as per the provisions of the Act and SEBI Listing Regulations including the declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. In terms of Regulation

25(8) of SEBI Listing Regulations, he has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. He is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

Mr. Narumanchi Venkata Sivakumar's appointment for the position of Independent Director of the Company was considered based on the recommendation of the Nomination and Remuneration Committee, based on identified criteria which included attributes such as qualification, expertise, experience, personal and professional standing, independence, time commitments and the skill sets required of the role. Mr. Narumanchi Venkata Sivakumar's overall profile and the strong skills sets in leadership, governance, corporate finance, mergers and acquisitions, audit and advisory roles were taken into consideration amongst the various factors supporting the recommendation. The appointment process also included personal interviews and interactions to assess suitability for the role and aligning expectations with the Company's needs. Feedback gathered during these interactions were also taken into consideration in the nomination process, which involved recommendations by the Nomination and Remuneration Committee and subsequent approval by the Board.

In the opinion of the Board, Mr. Narumanchi Venkata Sivakumar fulfills the conditions of appointment as an Independent Director as specified in the Companies Act, 2013, rules made there under and the provisions of Listing Regulations and is Independent of the Management. In the opinion of the Board, he has the integrity, expertise, experience and proficiency required for the role, and his appointment will be in the best interest of the Company.

A brief profile of Mr. Narumanchi Venkata Sivakumar, nature of his expertise in specific functional areas, names of

companies in which he holds directorships, memberships of the Board's Committees, shareholding in the Company and relationships between Directors inter-se, as stipulated as per the provisions of SEBI Listing Regulations are set out in the explanatory notes. Copy of the draft letter of appointment setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company and the same has been disclosed in the website of the Company. Accordingly, a Special Resolution seeking appointment of Mr. Narumanchi Venkata Sivakumar as an Independent Director of the Company is included in the Notice at Item No. 5.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr. Narumanchi Venkata Sivakumar may be deemed to be concerned or interested, directly or indirectly, in this resolution.

The Board recommends the Special Resolution set forth at Item No. 5 of the Notice, for the approval of the Members of the Company.

**Item No. 6: Appointment of Mr. Andrew Paul Bennett (DIN: 10681735) as a Non-Executive and Non-Independent Director of the Company.**

Based on the recommendations of the Nomination and Remuneration Committee, the Board on July 8, 2024 appointed Mr. Andrew Paul Bennett (DIN: 10681735), as an Additional Director of the Company (categorised as Non-Executive and Non-Independent Director) with effect from July 15, 2024 and who holds office up to 3 (three) months or up to the next General Meeting, whichever is earlier.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director.

Mr. Andrew Paul Bennett brings a wealth of international experience, spanning business leadership in the healthcare and automotive businesses. He also has deep experience in driving business transformation and growth initiatives. The Board believes that Mr. Andrew Paul Bennett's broad experience and skills would be a valuable addition to the Board and his appointment will be in the interest of the Company.

As a Non-executive and Non-Independent Director, he is liable to retire by rotation. No sitting fees shall be paid for attending the Meetings of the Board of Directors or Committees thereof.

Accordingly, an Ordinary Resolution seeking appointment of Mr. Andrew Paul Bennett as a Non-Executive and Non-Independent Director of the Company is included in the Notice at Item No. 6.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr. Andrew Paul Bennett may be deemed to be concerned or interested, directly or indirectly, in this resolution.

The Board recommends the Ordinary Resolution set forth at Item No. 6, for the approval of the Members of the Company.

**Item No. 7, 8 and 9: Approval of Material Related Party Transactions with 3M Company, USA; Payment of royalties to 3M Company, USA and Approval of Material Related Party Transactions with 3M Innovation Singapore Pte Ltd.**

The Company is the flagship listed company of 3M Company, USA in India. 3M Company, USA holds 75% equity stake, with the balance of the outstanding equity being held by public shareholders. 3M Company, USA is a diversified technology company with a global presence in the following businesses: Safety and Industrial; Transportation & Electronics; and Consumer. 3M and its group companies (3M Group) are among the leading manufacturers of products for many of the markets they serve. Most 3M products involve expertise in technology, product development, manufacturing, and marketing, and are subject to competition from products manufactured and sold by other technologically oriented companies. The Company manages its operations in four (4) operating business segments: Safety and Industrial; Transportation & Electronics; Health Care; and Consumer. The Company's four business segments bring together common or related 3M technologies which enhance the development of innovative products and services and provide for efficient sharing of business resources. The Company has 3 (three) Manufacturing Plants and a nationwide sales network in India.

In the ordinary course of its business, the Company enters into transactions for the sale and purchase of goods and raw materials with, for availing / rendering services from/to, and other commercial transactions with 3M Company, USA, being a related party as defined under Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), at arm's length basis. Among these related-party transactions, there has been an on-going intellectual property arrangement under which 3M Company, USA has granted the Company access to 3M Group's synergies, state of art products and technologies, competencies and "3M" and other 3M-owned brands in an increasingly global and competitive business environment.

In the absence of such arrangement and the full performance of the duties and obligations thereunder by the Company, the Company would no longer have access to 3M products or technologies or the use of the "3M" and other 3M-owned brands.

3M Company, USA is a Holding Company (Promoter) of the Company, and together with other members of 3M Group are "related parties" as per the definition under Regulation 2(1)(zb) of the Listing Regulations.





The details of actual transactions with all Related Parties with the 3M Group entities during past 3 (three) financial years are as under:

(₹ in crores)

Nature of Transaction	Actual Value of transaction for FY 2021-22	Actual Value of transaction for FY 2022-23	Actual Value of transaction for FY 2023-24
<b>INCOME</b>			
Income from Contract Research	16.11	14.58	12.50
Sale of Goods	23.89	81.22	89.34
Re-charge of expenses	53.15	38.04	48.80
<b>Total</b>	<b>93.15</b>	<b>133.83</b>	<b>150.64</b>
<b>EXPENDITURE</b>			
Purchase of Materials	1,116.91	1,453.74	1392.35
Royalty	44.48	57.45	76.76
Re-charge of expenses	2.37	-	-
Corporate Management Fee	103.27	117.71	118.43
<b>Total</b>	<b>1,059.44</b>	<b>1,629.90</b>	<b>1587.54</b>
<b>Grand Total</b>	<b>1,147.16</b>	<b>1,763.73</b>	<b>1738.18</b>

The proposal for which approval of the Members is being sought vide this notice is specific to the material related party transactions with **3M Company, USA** and **3M Innovation Singapore Pte Ltd**, in relation to estimated transactions after considering the historical level of such transactions, anticipated business and the business environment. The aforesaid activities have been essential for the Company to carry out its business operations and maximise its growth and performance.

**Members may kindly note the following-**

- (i) The estimated value of related party transactions with **3M Company, USA** and **3M Innovation Singapore Pte Ltd** are as under for a term from 37<sup>th</sup> Annual General Meeting to 38<sup>th</sup> Annual General Meeting:

(₹ in crores)

Nature of Transaction	3M Company, USA	3M Innovation Singapore Pte Ltd
<b>INCOME</b>		
Income from Contract Research	19	-
Sale of Goods	4	-
Recharge of Expenses	14	2
<b>Total</b>	<b>37</b>	<b>2</b>
<b>EXPENDITURE</b>		
Purchase of materials	886	444
Recharge of expenses paid (expense)	11	-
<b>Total</b>	<b>897</b>	<b>444</b>
<b>Grand Total</b>	<b>934</b>	<b>446</b>
<b>Royalty expenses</b>	<b>94*</b>	<b>-</b>

\*Royalty expense is wholly attributed to estimated volume in manufacturing activities. There are no changes in terms of royalty payment previously disclosed to Members, vide the postal ballot notice dated September 29, 2023. ₹ 94 crores include approx ₹ 6 crores of Royalty for activities attributable to 3M Electro & Communication India Private Limited, a Wholly Owned Subsidiary of the Company, in view of anticipated merger of the subsidiary with the Company during the year. In the event of merger not happening during the period of validity of the aforesaid resolution, the limits shall be not utilised by 3M India Limited. In prior years, royalty paid by subsidiary was disclosed in the consolidated financial statements.

- (ii) Whilst the approval of the Members is being sought for the total value of related party transactions, the value shown against various categories of nature of transactions at Sl. (i) above are indicative and may vary inter se. However, the total value of related party transactions will remain within the overall limit as may be approved by the Members.
- (iii) The Company continues to have related party transactions with several other 3M Group companies and the aggregate estimated value of transactions with such companies for the proposed period is estimated to be ₹ 1,048 crores (Rupees One Thousand Forty-Eight Crores only), and do not individually cross the materiality threshold as per Regulation 23 of the Listing Regulations with any of the companies in the 3M Group.

- (iv) The payment of royalty to 3M Company, USA has been carved out as a separate resolution. The intent is to separate the payment of royalty from the other transactions which pertain to ongoing purchase and sale of goods, income from ongoing contract research activities, and cost recharges from ongoing business operations.
- (v) Members may kindly note that in terms of SEBI Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2022/40 dated March 30, 2022 and SEBI/HO/CFD/ CMD1/CIR/P/2022/47 dated April 8, 2022, the approval of Members is sought to the aforesaid material related party transactions for a period commencing from the 37<sup>th</sup> Annual General Meeting to the 38<sup>th</sup> Annual General Meeting of the Company.
- (vi) Information on the Intellectual Property agreement entered by the Company with 3M Company, USA, basis for Royalties and benefits derived by the Company from the Intellectual Property Agreement and Royalty payment:
- 3M Company, USA has granted the Company access to 3M Group's synergies, state of art products and technologies, competencies and "3M" and other 3M-owned brands which are very critical and essential for the Company to carry out its business operations and maximise its growth and performance in an increasingly global and competitive business environment.
  - The Intellectual Property agreement with 3M allows the Company to access and rights to manufacture using the parent company's licensed technologies, product portfolio and the "3M" brand. The parent company, 3M Company, USA and 3M Group has a broad portfolio of products across multiple technology platforms protected by Intellectual Property Rights. 3M Company, USA owns 51 technology platforms, which cover platforms such as adhesives, abrasives, ceramics, nanotechnology and several more. 3M Company, USA and its affiliates invested about 5.6% of its sales in R&D (2022). The consistent investment in R&D over the years helped produce more than 3,500 patents each year (previous 5-year average) and a steady stream of unique products for customers that are accessible to 3M India. New products have been introduced in all the four business segments.
  - The "3M" brand was among the top 100 list of global best brands ranking, by Interbrand in 2022. Further, 3M Company, USA along with its global affiliates, is highly regarded in the business world as well as with stakeholders. The 3M Group has received several global accolades and recognition. To name a few, 3M Company was recognised as:
    - i. Among the Top 50 Most Innovative Companies globally, by Boston Consulting Group, in 2023.
    - ii. One of the Top 50 World's Most Admired Companies, by Fortune, in 2023.
    - iii. One of the World's Best Companies of 2023, named by Time.
    - iv. The 2023 World's Most Ethical Companies® Honoree List, by Ethisphere.
  - Such global recognition earned over several years, gives the 3M brand a strong value in the marketplace, which the Company benefits from. Access to and use of the "3M" brand has benefited the Company to gain business and customers for its innovative products and deliver business growth.
  - As a result of the IP agreement, the Company has significantly increased its manufacturing footprint in India over the past several years.
    - Two-thirds of the incremental growth delivered over the last six years was contributed by the increase in manufacturing activities. This increase in manufacturing is dependent on access to 3M Company's intellectual property, product portfolios and the 3M brand.
    - As at March 31, 2014 locally manufactured products contributed 52.9% to total sales. The contribution of locally manufactured products increased to 61.5% of total sales as at March 31, 2024. During the same period, the Company's profit before tax increased from 3.9% to sales in FY 2013-14 to 18.3% in FY 2023-24. This represents a compounded growth rate in the value of profit before tax by 26.4%.
  - Effective April 1, 2023, the Company does not pay any royalties on trading sales and royalties are paid on sales of manufactured products only, on net sales value. This change in royalty arrangement aligned the royalty payment closely with the increase in the mix and sales of locally manufactured products and aligned 3M India with 3M Group's royalty arrangement across entities/affiliates in the Group. Additionally, this benefits the Company in the medium to long-term to increase the local manufacturing footprint and build sustainable competitive moats in the marketplace.
  - The Company is strengthening the Profit Before Tax (PBT) since the Company is able to penetrate better by accessing the technologies of 3M which is clearly seen in PBT growth and topline growth.





- The aforesaid particulars were more elaborately detailed by the Company in the Postal Ballot Notice dated September 29, 2023 pursuant to which the Company sought Members approval for payment of Royalties of ₹ 86 crores (for a period of one year, which was approved by the Members on November 4, 2023).
- As per the agreement, the rate of royalty for (a) Manufactured Products and Services is 3.25% of Net Sales (b) Other Software – 17.5% on Net Sales.
- For FY 22-23, the royalty paid was ₹ 57.45 crores (1.54 % to sales) and for FY 23-24, the royalty paid was ₹ 76.76 crores (1.95 % to sales).

(vii) Transactions relating to Corporate Management Fee:

- The Company has established an inter-company services agreement with 3M Global Service Center Management Company, USA (3M GSC), aimed at leveraging technical expertise, usage of various IT platforms, market intelligence to drive business growth, sales strategy, product customisation support based on business needs, technical support and product training and familiarisation to end customers, transaction processing in various areas such as sourcing, accounting, IT and wide range of support services, thus benefiting from the operational capabilities and cost efficiencies through economies of scale. These services are competitively provided, optimising cost efficiencies and capitalising on 3M's expertise in international business management and diverse product portfolios.
- Under the 3M global support services arrangement the Company receives and also renders support services.
- The services received and rendered are in the nature of:
  - Laboratory, Technical assistance and Manufacturing
  - Selling and Marketing
  - Strategic and Managerial
  - Information Technology
  - Routine Administration
  - Foreign Services Employees Expenses and
  - Outsourced Services of Transaction Processing on competitive conditions.
- Basis for Corporate Management Fee:
  - The Company incurs support service charges in the mentioned areas, calculated based on the hours dedicated by employees from other 3M Group companies to 3M India.

- The cost allocation of the common IT platforms (such as ERP, office, HR, security applications etc.), infrastructure and security ecosystem expenses housed globally, incurred by 3M group and being utilised by 3M India are allocated on the basis of sales ratio / utilisation.
- Globally, 3M operates captive shared service centers responsible for handling a spectrum of transactional activities, including Source to Pay, Record to Report, HR, and Customer Service. For 3M India, these essential activities are managed by outsourcing to 3M's Shared Service Centers. Costs incurred in this process are meticulously allocated to 3M India, based on actual time spent and capacity utilisation.
- On similar lines 3M India also recharges for the services rendered by 3M India to other 3M global entities based on the time spent.
- Therefore, resulting in both recharge of expenses by 3M India to 3M GSC accounted as revenue from Operation (refer note 18 of Consolidated Financial Statements and recharge of expenses by 3M GSC to 3M India, accounted under 'Other expenses – Corporate Management Fee' (refer note 25 of Consolidated Financial Statements).
- It is pertinent to note that, while 3M India pays a Corporate Management Fee of 3% of Consolidated revenues from operations for FY 23-24, if the same is adjusted for similar recharge from 3M India to 3M GSC, then the cost of net Corporate Management Fee will be 2.13% of the consolidated revenue from operations. Further, if the cost of transactional process outsourcing (which is 0.5% of sales) is adjusted being a direct cost, the net cost of Corporate Management Fee to revenue from operation will be only 1.63%.
- The Company's continued arrangement with 3M Global Service Center Management Company, USA includes services like sales strategy development, product customisation, technical support, and transaction processing across multiple areas. By doing so, 3M India benefits from operational efficiencies and cost saving owing to economies of scale. This partnership has allowed 3M India to lower its expenses on the back of total sales, thereby leading to improved profitability.
- The Corporate Management Fee as a percentage to sales has been reducing over the last 3 years, while contributing to the Company's growth.

- The above services are availed on a continuous basis and benefit the Company to continue delivering consistent, competitive and profitable growth.
- (viii) It is clarified that the proposal in Item No. 8 pertains only to payment of royalties to 3M Company, USA, and is not for payment of corporate management fee.
- (ix) The Company had obtained the approval of the Members through postal ballot notice dated November 9, 2022 for material related party transactions with 3M Company, USA and 3M Innovation Singapore Pte Ltd effective December 22, 2022 for the period of 1 year. The Company obtained the approval of the Members at the 36<sup>th</sup> Annual General Meeting held on August 25, 2023 for material related party transactions with 3M Innovation Singapore Pte Ltd for the period of 1 year i.e., upto the ensuing 37<sup>th</sup> Annual General Meeting. Through postal ballot notice dated September 29, 2023, the Company obtained approval of Members for material-related party transactions with 3M Company, USA and payment of Royalties to 3M Company USA, on November 4, 2023 to be valid for a period of 1 year. The approvals conferred by Members aforesaid continue to be in force for the term of such approval.
- (x) Details of the proposed related party transactions between the Company, 3M Company, USA and 3M Innovation Singapore Pte Ltd including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/ CFD/ CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

Sl. No	Description	Details	Details
1.	Details of Summary of information provided by the management to the Audit Committee		
	a. Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	3M Company USA	3M Innovation Singapore Pte Ltd
	b. Type, material terms, monetary value and particulars of the proposed RPTs.	Transactions in the nature of contract research, sale of goods, purchase of materials, royalty and recharge of expenses for an amount not exceeding in aggregate ₹ 934 crores (and royalty of ₹ 94 crores) for a period from the 37 <sup>th</sup> Annual General Meeting to the 38 <sup>th</sup> Annual General Meeting of the Company. These transactions are in the ordinary course of business and are on an arm's length basis.	Transactions in the nature of purchase of materials and recharge of expenses for an amount not exceeding in aggregate ₹ 446 crores for a period from the 37 <sup>th</sup> Annual General Meeting to the 38 <sup>th</sup> Annual General Meeting of the Company. These transactions are in the ordinary course of business and are on an arm's length basis.
	c. Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs	RPTs (other than royalty) 22.29% Royalty 2.24%	10.65%
2	Justification for the proposed RPTs.	As set out in the explanatory notes, pursuant to Section 102(1) of the Companies Act, 2013.	As set out in the explanatory notes, pursuant to Section 102(1) of the Companies Act, 2013.
3	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary	NA	NA



Sl. No	Description	Details	Details
4	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	All the transactions are on arm's length basis. Valuation report wherever required will be obtained for proposed related party transaction(s) and will be made available to the shareholders on request.	All the transactions are on arm's length basis. Valuation report wherever required will be obtained for proposed related party transaction(s) and will be made available to the shareholders on request.
5	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.

The proposed related party transactions are in the ordinary and normal course of business and on arm's length basis and play a significant role in the Company's business operations. Accordingly, the Board, based on the recommendation and approval of the Audit Committee, recommends the Ordinary Resolutions set forth at Item No. 7, 8 and 9 for approval of the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested, directly or indirectly, in the resolution set out at Item No. 7, 8 and 9 of the Notice convening the Annual General Meeting.

However, it may be noted that Mr. Ramesh Ramadurai, Ms. Yun Jin and Mr. Amit Laroya represent 3M Company, USA on the Board of the Company.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolutions set forth in this Notice, whether the entity is a Related Party to the particular transaction or not.

**Item No. 10: Ratification of remuneration payable to Messrs. Rao, Murthy & Associates, Cost Auditors for FY 2024-25.**

The Board of Directors of the Company at its meeting held on May 28, 2024 had on the recommendation of the Audit Committee, approved the re-appointment and remuneration of Messrs. Rao, Murthy & Associates, Cost Accountants, Bengaluru, (Firm Registration No. 000065), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025 for the products

covered (as per the details below) as per the Companies (Cost Records and Audit) Rules, 2014, on a remuneration of ₹ 575,000/- (Rupees Four Lakhs Seventy-Five Thousand) plus applicable taxes and out of pocket expenses at actuals.

In terms of the provisions of Section 148(3) of the Act read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. The proposed remuneration to the Cost Auditor will commensurate with the size and complexity of the Business. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors as set out in the resolution for the aforesaid services to be rendered by them.

None of the Directors or Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested, directly or indirectly, in this resolution.

The Board recommends the Ordinary Resolution set forth at Item No. 10 of the Notice for the approval of the Members of the Company.

*By order of the Board*  
**Pratap Rudra Bhuvanagiri**  
 Company Secretary  
 (ACS 22297)

Place: Bengaluru  
 Date : July 11, 2024  
 Registered Office: Plot Nos. 48-51, Electronic City,  
 Hosur Road, Bengaluru – 560100



## ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT/RE-APPOINTMENT PURSUANT TO SECRETARIAL STANDARD-2 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

### Item No. 4: Re-appointment of Mr. Amit Laroya (DIN: 00098933) who retires by rotation, as a Director.

Information in relation to re-appointment of Mr. Amit Laroya as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards:

<b>Name of the Director</b>	Amit Laroya
<b>Director Identification Number</b>	00098933
<b>Category</b>	Non-Executive and Non-Independent Director
<b>Date of Birth</b>	September 29, 1964
<b>Nationality</b>	Indian
<b>Qualification</b>	Economics Honors graduate from the University of Delhi and MBA in Marketing and Finance from XLRI, India
<b>Brief Profile of the Director</b>	Mr. Amit Laroya was appointed as a Non-Executive and Non-Independent Director of the Company with effect from June 1, 2016. Mr. Amit Laroya was the President and Managing Director of 3M Korea Limited from June 1, 2016 to December 31, 2019. He was the Managing Director of the Company from October 1, 2013 to May 31, 2016. He has been appointed as Senior Vice President – Asia for Transportation and Electronics Business Group with effect from January 1, 2020. Mr. Amit Laroya started his career at Asian Paints and moved to 3M India in 1990 as the Division Head of Traffic, Safety and Security. He has held positions in 3M India as the Country Business Leader in Safety & Graphics, Industrial, Electro and Telecommunication in addition to being the first Master Black Belt for India region. He has also held positions as the M&A Manager for India region and General Manager of 3M Lanka. His previous assignment as the Managing Director of 3M Indonesia and 3M India Limited made him well suited to understand emerging market needs. He also has good understanding of global corporate strategies at 3M having worked in St Paul, USA, as the Global Director for 3M Strategy & Corporate Development & the Director of International Strategic Planning & M&A.
<b>Date of first appointment on the Board</b>	June 1, 2016
<b>No. of Board Meeting attended during financial year 2023-24</b>	7 (Attended all Board meetings held during the year)
<b>Shareholding in 3M India Limited including shareholding as a beneficial owner</b>	Nil
<b>Expertise in specific functional areas</b>	Marketing, Mergers and Acquisitions, Finance and General Management of Business
<b>Last Remuneration drawn as Non-Executive Director</b>	NA
<b>Details of Remuneration sought to be paid</b>	NA
<b>List of Directorships held in other companies</b>	Kennametal India Limited
<b>Resignation from the directorship of the listed companies in the past three years</b>	Nil
<b>Memberships / Chairmanships of Committees of Boards in Companies (Including 3M India Limited)</b>	3M India Limited – Member of Nomination and Remuneration Committee
<b>Disclosure of relationships between Directors/KMP inter-se</b>	Nil

This Statement may also be regarded as a disclosure under the Listing Regulations.



**Item No. 5: Appointment of Mr. Narumanchi Venkata Sivakumar (DIN: 03534101) as a Non-Executive and Independent Director of the Company.**

A brief profile of Mr. Narumanchi Venkata Sivakumar, nature of his expertise in specific functional areas, names of companies in which she holds directorships, memberships of the Board's Committees, shareholding in the Company and relationships between Directors inter-se, as stipulated under the provisions of the Listing Regulations are exhibited below:

<b>Name of the Director</b>	Narumanchi Venkata Sivakumar
<b>Director Identification Number</b>	03534101
<b>Category</b>	Non-Executive and Independent Director
<b>Date of Birth</b>	February 1, 1963
<b>Nationality</b>	Indian
<b>Qualification</b>	Bachelor of Commerce (Honors) and Chartered Accountant
<b>Brief Profile of the Director</b>	<p>Mr. Narumanchi Venkata Sivakumar is a Chartered Accountant by profession. An institution builder and a trusted business adviser, Mr. Sivakumar has been with PricewaterhouseCoopers Private Limited for over 22 years assuming varied roles within the Advisory Line of Service (2001-2023) serving a diverse set of domestic and international clients. Prior to that he was with Lovelock and Lewes, Chartered Accountants (1982 - 2001) rendering audit and advisory services to varied clients. He retired from PricewaterhouseCoopers Private Limited on March 31, 2023.</p> <p>In his role as Entrepreneurial and Private Business Leader at PricewaterhouseCoopers Private Limited, Mr. Narumanchi Venkata Sivakumar has extensively worked with family businesses, advising them on ownership issues (governance, succession planning and structuring) and business issues (strategy and business transformation, deals and growth, risk and regulation, talent and profitability). He played an active role in the roll out of the PwC global thought leadership studies (Family Business Survey and NextGen Survey) and also actively engaged with CII-FBN in their annual Family Business and NextGen conventions.</p> <p>As a Global Client Partner on large accounts, Mr. Narumanchi Venkata Sivakumar spearheaded the engagement with the clients at the promoter / board / senior executive level and ensured that advisory services were seamlessly delivered.</p> <p>With his functional expertise in Mergers and Acquisitions, Mr. Narumanchi Venkata Sivakumar led the Deals practice at PricewaterhouseCoopers Private Limited for four years overseeing rendering of deals strategy, corporate finance, valuation and transaction advisory services for clients in India and Overseas.</p>
<b>Date of first appointment on the Board</b>	July 15, 2024
<b>No. of Board Meeting attended during financial year 2023-24</b>	NA
<b>Shareholding in 3M India Limited including shareholding as a beneficial owner</b>	Nil
<b>Expertise in specific functional areas</b>	Refer Explanatory Statement to Agenda Item No. 5
<b>Last Remuneration drawn as Non-Executive Director</b>	NA - since it is proposed to appoint Mr. Sivakumar as Independent Director for his first term on the Company's Board.
<b>Details of Remuneration sought to be paid</b>	Sitting fees and Commission as approved by the Board and within the limits of the applicable laws
<b>List of Directorships held in other companies</b>	Refer note below
<b>Resignation from the directorship of the listed companies in the past three years</b>	Nil
<b>Memberships / Chairmanships of Committees of Boards in Companies (Including 3M India Limited)</b>	Refer Note below
<b>Disclosure of relationships between Directors/KMP inter-se</b>	Nil

**Names of companies in which Mr. Narumanchi Venkata Sivakumar holds directorships and membership of Committee of the Board:**

Sl. No.	Company Name	Committee	Chairman /Member
1	TMF Holdings Limited	Audit Committee	Chairman
		Corporate Social Responsibility Committee	Member
		Stakeholders Relationship Committee	Member
		Risk Management Committee	Member
		IT Strategy Committee	Member
2	TMF Business Services Limited (Formerly Tata Motors Finance Limited)	Audit Committee	Member
3	Tata Motors Finance Limited (Formerly Tata Motors Finance Solutions Limited)	Audit Committee	Member
		Corporate Social Responsibility Committee	Member
		Stakeholders Relationship Committee	Member
		IT Strategy Committee	Member
		Risk Management Committee	Member
		Lending Committee	Member
4	Capital Foods Private Limited	Audit Committee	Chairman
		Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member

This Statement may also be regarded as a disclosure under the Listing Regulations.

**Agenda Item No. 6: Appointment of Mr. Andrew Paul Bennett (DIN: 10681735) as a Non-Executive and Non-Independent Director of the Company.**

Information in relation to re-appointment of Mr. Andrew Paul Bennett as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards:

<b>Name of the Director</b>	Andrew Paul Bennett
<b>Director Identification Number</b>	10681735
<b>Category</b>	Non-Executive and Non-Independent Director
<b>Date of Birth</b>	February 29, 1968
<b>Nationality</b>	United Kingdom
<b>Qualification</b>	Bachelor of Economics (Honors) and Postgraduate Certificate in Education from the University of Leeds
<b>Brief Profile of the Director</b>	<p>Mr. Andrew Paul Bennett has extensive senior leadership experience of 3M and its International operations over a career spanning more than 27 years most recently in his role as Senior Vice President Country Governance and Emerging Markets reporting direct to the CFO. Prior to that Mr. Andrew Paul Bennett served as Global Vice President Automotive Aftermarkets and before that was Vice President North Europe. He also has significant experience in Business Transformation leading 3Ms implementation of SAP in North Europe and is a certified Six Sigma Black Belt and Master Black Belt. Mr. Bennett's career has enabled him to live all over the world with assignments in US, Germany, Switzerland, Japan, Australia and Brazil.</p> <p>He brings a wealth of broad knowledge on 3Ms operations and Global Strategy including leadership roles in IT, Sourcing and Customer Service across its multiple business groups including Healthcare, Safety, Industrial and Automotive.</p>
<b>Date of first appointment on the Board</b>	July 15, 2024
<b>No. of Board Meeting attended during financial year 2023-24</b>	NA





<b>Shareholding in 3M India Limited including shareholding as a beneficial owner</b>	Nil
<b>Expertise in specific functional areas</b>	Mergers and Acquisitions, Finance and General Management of Business
<b>Last Remuneration drawn as Non-Executive Director</b>	NA
<b>Details of Remuneration sought to be paid</b>	NA
<b>List of Directorships held in other companies</b>	Nil
<b>Resignation from the directorship of the listed companies in the past three years</b>	Nil
<b>Memberships / Chairmanships of Committees of Boards in Companies (Including 3M India Limited)</b>	Nil
<b>Disclosure of relationships between Directors/KMP inter-se</b>	Nil

## NOTES TO E-AGM NOTICE:

1. Pursuant to General Circular nos. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, Circular No. 02/2021 dated January 13, 2021, General Circular No. 02/2022 dated May 5, 2022, General Circular 10/2022 dated December 28, 2022, General Circular No. 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs (MCA) (collectively “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/ HO/ CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/ HO/ CFD/CMD2/CIR/P/2022/62 on May 13, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by the Securities and Exchange Board of India (collectively referred to as ‘SEBI Circulars’) permitted the holding of the Annual General Meeting (‘AGM’) through VC/OAVM, without the physical presence of the Members. In compliance with the provisions of the Companies Act, 2013 (‘the Act’), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘the Listing Regulations’), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of Members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. As per the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Pursuant to the Circulars, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Bodies Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM, participate thereat and cast their votes through e-voting. Since this AGM is being held pursuant to the above MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. The Proxy Form and Attendance Slip are not annexed to this Notice.
3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Explanatory Statement pursuant to Section 102 of the Act in respect of Special Business is annexed hereto.
5. The Shares of the Company are mandated by Securities and Exchange Board of India for trading in dematerialised form by all investors. Members holding Shares in physical form are advised to dematerialise their Shares to avoid the risks associated with the physical holding of such Share Certificates.
6. The Registrar and Transfer Agent: KFin Technologies Limited, KFinTech Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serlingampally Mandal, Gachibowli, Hyderabad – 500 032 is handling registry work in respect of Shares held both in physical form and in electronic/ demat form.
7. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are

registered with the Company/ Depositories. The Company shall send physical copy of the Annual Report for FY 23-24 to those members who request for the same at investorhelpdesk.in@mmm.com and rajeev.kr@kfintech.com mentioning their Folio No./DP ID and Client ID. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and NSDL at <https://www.evoting.nsdl.com>.

8. Members may refer to additional information on Directors recommended for appointment/re-appointment under the provisions of Listing Regulations.
9. Members holding Shares in electronic form are requested to register their e-mail addresses with their respective Depository Participants and Members holding Shares in Physical form are requested to register their e-mail address with the Company's Registrar and Transfer Agents and participate in the "Green initiative" launched by the Ministry of Corporate Affairs in future. As per rule 3 of the Companies (Management & Administration) Rules, 2014, Registers of Members of all the Companies now should have additional details pertaining to e-mail, PAN/ CIN, UID, Occupation, Status, Nationality. The Company seeks from all the Members of the Company to update their details with their respective Depository Participants in case of Shares held in electronic form and with the Company's Registrar and Transfer Agents in the case of physical holding immediately.
10. Members holding Shares in physical form are requested to notify to the Company's Registrar and Transfer Agent of any change in their address and update their Bank account details. Members holding Shares in electronic form are requested to notify any change of address and update bank account details to their respective Depository Participants directly.
11. Pursuant to Section 72 of the Act, Shareholders holding Shares in physical form may file nomination in the prescribed Form SH- 13 with the Company's Registrar and Transfer Agent. In respect of Shares held in electronic/ demat form, the nomination form may be filed with the respective Depository Participant.
12. Electronic copy of the Notice of the 37<sup>th</sup> Annual General Meeting of the Company inter-alia indicating

the process and manner of e-voting is being sent only to all the Members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes.

13. e-AGM: The Company has appointed National Securities Depository Limited (NSDL), to provide VC/OAVM facility for the AGM and the attendant enablers for conducting of the e-AGM.
14. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
15. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with **National Securities Depository Limited (NSDL)** for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the day of the AGM will be provided by NSDL.
16. The Company has appointed Mr. Vijayakrishna K.T, Company Secretary in practice (C.P. No. 980, Membership No. FCS 1788), who in the opinion of the Board is a duly qualified person, as Scrutiniser who will collate the electronic voting process in a fair and transparent manner, provided that the Scrutiniser so appointed may take assistance of a person who is not in employment of the Company and who is well-versed with the electronic voting system.

#### **17. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING e-AGM ARE AS UNDER:**

The remote e-voting period begins at **9.00 am (IST) on Sunday, August 4, 2024 and ends at 5.00 pm IST on Tuesday, August 6, 2024**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, July 31, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up Equity Share Capital of the Company as on the cut-off date, being Wednesday, July 31, 2024.



## How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

### Step 1: Access to NSDL e-Voting system

#### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"><li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li></ol> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div></div>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at <b>022 - 4886 7000</b>
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. <b>1800 22 55 33</b>



**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 129235 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to Mr. Vijayakrishna K.T. at vijaykt@vjkt.in with a copy marked to evoting@nsdl.com. Institutional shareholders (other than Individuals, HUF, NRI, etc.) can also upload their Board Resolution/Power of Attorney/Authority letter etc., by clicking on "Upload Board Resolution/Authority Letter" displayed under 'e-voting' tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call at 022-48867000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self- attested scanned copy of Aadhar Card) to investorhelpdesk.in@mmm.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the Resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investorhelpdesk.in@mmm.com.





4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**Members questions prior to e-AGM:** Shareholders who desire to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorhelpdesk.in@mmm.com till **5.00 pm (IST) on Friday August 2, 2024**. The same will be replied by the Company suitably at the AGM. Please note that only those Members who continue to hold shares as of cut-off date as on Wednesday, July 31, 2024 will be entitled to this facility. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/send their queries in advance mentioning their name demat account number/folio number, email id, mobile number at investorhelpdesk.in@mmm.com. Questions/queries received by the Company till 5.00 pm IST on Monday, August 5, 2024 shall only be considered and responded during the AGM.

**Speaker Registration for e-AGM:** Members who would seek to express their views or ask questions during the AGM may register themselves as a speaker by using the login method explained at note no. 1A i.e, under the sub head “Step 1: Access to

NSDL e-Voting system” till 5.00 pm (IST) on Friday, August 2, 2024. After successful login, Members will be able to register themselves as a speaker shareholder by clicking on the link available against the EVEN of 3M India Limited. Members may also send request for speaker registration to email ID investorhelpdesk.in@mmm.com.

#### **OTHER IMPORTANT GENERAL INSTRUCTIONS:**

- (a) The Company urges Members to support 3M’s commitment to environmental protection by choosing to receive the Company’s communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants and members holding shares in physical mode are requested to update their email addresses with the Company’s RTA, KFin Technologies Limited at einward\_ris@kfintech.com to receive copies of the Annual Report 2023-24 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the Annual Report.
- (b) Members may note that the VC/OAVM Facility, provided by NSDL, has capacity to allow participation of at least 1,000 Members on a first-come first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 37<sup>th</sup> AGM without any restriction on account of first-come first-served principle.
- (c) Pursuant to Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations and Secretarial Standards on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Wednesday, July 31, 2024 are entitled to vote on the Resolutions set forth in this Notice. **The remote e-voting period will commence at 9.00 am (IST) on Sunday, August 4, 2024 and ends at 5.00 pm IST on Tuesday, August 6, 2024.** It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility and a Member may avail of the facility at his/ her/its discretion, subject to compliance with the instructions prescribed in the notes. The Company has engaged the services of NSDL for facilitating remote e-voting for the Annual General Meeting. The Members desiring to vote through remote e-voting

mode may refer to the detailed procedure on e-voting provided in the notes.

- (d) Once the vote on the Resolution is cast by the Shareholder, he shall not be allowed to change it subsequently.
- (e) The voting rights of the Shareholders shall be in proportion to their Shares of the Paid-up Equity Share Capital of the Company as on the cut-off date i.e. Wednesday, July 31, 2024.
- (f) The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Wednesday, July 31, 2024, are entitled to vote on the Resolutions set forth in this Notice.
- (g) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes Member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Wednesday, July 31, 2024, may obtain the login ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022-48867000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Wednesday, July 31, 2024 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
- (h) A Member may participate in the AGM through VC/OAVM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- (i) The Scrutiniser shall, within 2 (two) working days of the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and submit a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman or designated Director or Key Managerial Personnel of the Company.
- (j) The Results shall be declared within 2 (two) working days from the date of AGM. The results declared along with the Report of the Scrutiniser shall be placed on the website of the Company [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/) and on NSDL immediately after the result is declared by the Chairman (or a person authorised by him). The Company shall, simultaneously, forward the results to the Stock Exchanges where the Shares are listed.
- (k) In case of joint Shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (l) Institutional members (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc., to the Scrutiniser through e-mail at [vijaykt@vjkt.in](mailto:vijaykt@vjkt.in). File naming convention should be 'Corporate Name'. The documents should reach the Scrutiniser on or before the close of working hours on Tuesday, August 6, 2024.

#### **Webcast facility:**

The Company is pleased to provide the facility of live webcast of the proceedings of AGM. Members who are entitled to participate in the AGM can view the proceeding of AGM at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) using their secure login credentials. Members are encouraged to use this facility of webcast.

Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager at [evoting@nsdl.com](mailto:evoting@nsdl.com) or call 022-48867000.

#### **Procedure for Inspection of documents:**

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and all the documents referred to in the accompanying Notice and Explanatory Statements will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. August 7, 2024. Members seeking to inspect such documents can send an email to [investorhelpdesk.in@mmm.com](mailto:investorhelpdesk.in@mmm.com).



# Report of the Board of Directors

To the Members of  
**3M India Limited,**

Your Directors are pleased to present the Thirty Seventh (37<sup>th</sup>) Annual Report of the Company. The Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 are prepared in compliance with the applicable provisions of the Companies Act, 2013 including Indian Accounting Standards. The audited Standalone and Consolidated Financial Statements together with the Auditors' Report thereon form a part of the Annual Report.

## FINANCIAL HIGHLIGHTS – STANDALONE AND CONSOLIDATED

(₹ in lakhs)

Particulars	Standalone			Consolidated		
	Year ended March 31, 2024	Year ended March 31, 2023	% increase / decrease (-)	Year ended March 31, 2024	Year ended March 31, 2023	% increase / decrease (-)
Revenue from Operations	392,676.43	373,344.21	5.18	418,936.24	395,936.77	5.81
Of which -Export Sales	1,562.08	2,188.81	(28.63)	1,643.76	2,207.81	(25.55)
Other Income, net	6,746.99	6,422.12	5.06	7,829.09	6,809.59	14.97
<b>Total Income</b>	<b>399,423.42</b>	<b>379,766.33</b>	<b>5.18</b>	<b>426,765.33</b>	<b>402,746.36</b>	<b>5.96</b>
Less: Expenditure	322,089.23	317,365.04	1.49	343,028.70	335,507.61	2.24
<b>Profit before Interest and Depreciation</b>	<b>77,334.19</b>	<b>62,401.29</b>	<b>23.93</b>	<b>83,736.63</b>	<b>67,238.75</b>	<b>24.54</b>
Less: Finance costs	320.26	709.96	(54.89)	321.65	727.03	(55.76)
Less: Depreciation and amortisation expense	5,183.33	5,611.72	(7.63)	5,293.56	5,767.91	(8.22)
<b>Profit before Taxation</b>	<b>71,830.60</b>	<b>56,079.61</b>	<b>28.09</b>	<b>78,121.42</b>	<b>60,743.81</b>	<b>28.61</b>
Less: Tax expense	18,203.43	14,465.22	25.84	19,779.74	15,641.89	26.45
<b>Profit for the year</b>	<b>53,627.17</b>	<b>41,614.39</b>	<b>28.87</b>	<b>58,341.68</b>	<b>45,101.92</b>	<b>29.36</b>
Items that will not be re-classified subsequently to profit or loss	(126.35)	44.41	(384.53)	(133.32)	40.95	(425.59)
<b>Total Comprehensive income for the year</b>	<b>53,500.82</b>	<b>41,658.80</b>	<b>28.43</b>	<b>58,208.36</b>	<b>45,142.87</b>	<b>28.94</b>

## DIVIDEND

The Board is pleased to recommend a dividend of ₹ 685/- per equity share (final dividend of ₹ 160/- per equity share and special dividend of ₹ 525/- per equity share) at its meeting held on May 28, 2024. This payment is subject to the approval of the Members in the ensuing Annual General Meeting of the Company. The dividend will be paid to all those equity shareholders of the Company whose names appear in the Register of Members and whose names appear as beneficial owners as per the beneficiary list furnished for the purpose by National Securities Depository Limited and Central Depository Services (India) Limited as on record date fixed for this purpose.

The Board of Directors approved the Dividend Distribution Policy on February 9, 2017 in terms of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The Policy is available at [https:// www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/) and the same is annexed as “Annexure J”, which forms part of this report.

Transfer of dividend to the Investor Education and Protection Fund, if any: NA

## TRANSFER TO RESERVES

The Company does not propose to transfer any amounts to general reserves.

## STATE OF COMPANY'S AFFAIRS

India's economy remained stable and demonstrated robust recovery across all sectors, despite facing challenges from global macro-economic conditions. Despite headwinds such as supply chain constraints, rising inflation, and energy costs, among other factors, the Company continued to create value for all stakeholders through strong performance, achieving growth in both topline and bottomline. This performance was made possible by several enabling external factors, coupled with a sharp focus on addressing customer issues, managing costs and prioritising tasks.



### Strong growth in automobile and industrial market segments

India's automotive industry plays a crucial role in both the country's GDP and manufacturing sector. Furthermore, the increasing uptake of electric vehicles has created avenues for the Company to introduce innovative products and solutions. Alongside, the Company's offerings in the automotive value chain encompass a range of solutions, including adhesives, abrasives, and products tailored for the automotive aftermarket segments. Demonstrating the commitment to growth, the Company expanded the presence across diverse segments of the broader industrial market.

### Increased Government spending on infrastructure projects

The heightened capital expenditure allocations in the Government's budget, aimed at modernising roads, railways, developing regional airports, and undertaking key infrastructure projects, have presented growth opportunities for the Company. Specifically, these initiatives have bolstered demand for the Company's transportation safety solutions as well as commercial and industrial offerings.

### Attractive policy initiatives for emerging sectors

The government's policy initiatives, particularly the Product Linked Incentive (PLI) schemes, aimed at investing in growing sectors like mobile phones, electronics manufacturing, and defense, have positively influenced the manufacturing ecosystem. The Company has strategically aligned with key manufacturing firms by supplying materials, thereby contributing to the promotion of manufacturing activities.

### Growth in modern trade and e-commerce channels

During the fiscal year, there was a notable improvement in domestic consumption, which significantly fueled the expansion of modern trade and ecommerce channels. This uptick in consumption played a pivotal role in boosting the penetration of various consumer products from the Company's home improvement and cleaning portfolio, consequently driving market share forward.

### Discipline in operational execution

The Company successfully maintained a stable cash position and effectively managed costs across all facets of the business. To mitigate the impact of inflation, we implemented strategic price adjustments and proactively streamlined costs to navigate other constraints throughout the year.

### Managing supply chain and raw material

During FY 23-24, the Company's sourcing operations continued to monitor the markets and optimised the costs across the goods and services, including raw materials procured.

On a standalone basis, the Company's revenue from operations increased by 5.18% at ₹ 392,676.43 lakhs for the financial year ended March 31, 2024 compared to ₹ 373,344.21 lakhs in the previous financial year. The Profit before Interest and Depreciation is ₹ 77,334.19 lakhs compared to ₹ 62,401.29 lakhs for the previous financial year. Profit before Tax is ₹ 71,830.60 lakhs compared to ₹ 56,079.61 lakhs for the previous financial year. The operating margin for the current year is 19.36% compared to 16.43% for the previous financial year. Total Comprehensive Income is ₹ 53,500.82 lakhs compared to ₹ 41,658.80 lakhs for the previous financial year. Export Sales is ₹ 1,562.08 lakhs for the financial year ended March 31, 2024 compared to ₹ 2,188.81 lakhs in the previous financial year, a decrease of 28.63% due to lower demand in the global market.

On a standalone basis, the Safety and Industrial business increased by 1.53%; Transportation business increased by 5.70%; Health Care business increased by 14.51%; and Consumer business increased by 4.46%.

The Earnings Per Share (Basic and Diluted) of the Company for FY 23-24 was ₹ 476.05 per share as compared to ₹ 369.41 per share in the previous financial year, with an increase of 28.87%. Detailed analysis of the performance has been discussed in the Management's Discussion and Analysis Section of the Annual Report.

### Portfolio Management

On April 1, 2024, 3M Company, USA completed the planned spinoff of its Health Care business, formally launching Solventum Corporation as an independent company. As disclosed in the Company's Stock Exchange filing dated April 1, 2024, the Company will be an exclusive licensed manufacturer and reseller as well as independent distributor for Solventum's healthcare products in India.

### Scheme of Arrangement between the Company and 3M Electro & Communication India Private Limited

The Board of Directors of the Company and of 3M Electro & Communication India Private Limited (3M E&C), wholly owned subsidiary of the Company at their Meetings held on September 17, 2021 had approved the Scheme of Amalgamation of 3M E&C with the Company under Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Scheme of Amalgamation of 3M E&C with the Company has been filed with Hon'ble National Company Law Tribunal (NCLT) to amalgamate the wholly owned subsidiary. Hon'ble National Company Law Tribunal, Chennai, vide its order dated August 25, 2023, has sanctioned the aforesaid scheme. As on date of approval of financial statements, the Scheme is pending with Hon'ble National Company Law Tribunal, Bengaluru for Orders.



### Information Technology

The Company operates an Information Security Management System (ISMS), centered at the Head Office, St. Paul, USA which is certified to the requirements of ISO/IEC 27001:2013 and has continued to meet the certification requirements since 2014. In 2022, we added ISO/IEC 27017:2015 requirements for cloud services. Enhancing and optimising cybersecurity protection continues to remain one of the top priorities. The Company conducts monthly social engineering simulation assessments for all users globally to increase their knowledge on how to identify and report phishing attempts. Training is delivered to employees worldwide on an annual basis to mitigate human-based cybersecurity risk. Awareness efforts include relevant communications disseminated on various channels to promote a secure culture within 3M. Other frameworks include NIST CSF (The National Institute of Standards and Technologies, Cybersecurity Framework) which is a cross-industry standardised framework that several organisations use to manage their cybersecurity programmes. NIST CSF provides a common language and lifecycle approach to understand, manage and express cybersecurity risks. It helps identify and prioritise actions to reduce risk and aligns policy, business and technology approaches to manage that risk. The cybersecurity landscape is constantly evolving and new threats and challenges emerge. The Company consistently reviews and re-evaluates its capabilities to identify and respond to these threats.

### Supply Chain

Global transportation which improved considerably till Q3' FY 23-24, faced headwinds due to geopolitical tensions in Red Sea region during Q4' FY23-24, impacting shipping timelines and freight, needing continued vigilance and planning to migrate risk associated with sea transit routes.

### Contribution to Exchequer

During FY 23-24, the Company paid various taxes on account of its business/operation viz., CGST, IGST, Direct Taxes and Customs Duty amounting to ₹ 130,333 lakhs in aggregate.

### Investments

Capital Investments during FY 23-24 was ₹ 3,133.33 lakhs (Net of capital work-in-progress and capital advances) (FY 22-23: ₹ 6,009.47 lakhs).

### INFORMATION ON THE FINANCIAL PERFORMANCE/FINANCIAL POSITION OF THE SUBSIDIARIES/ ASSOCIATES/JOINT VENTURE

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statement of the Subsidiary Company in Form AOC-1 is provided as “Annexure K”, which forms part of this report.

### 3M Electro & Communication India Private Limited (3M E&C)

During the year under review, the revenue from operations of 3M E&C increased to ₹ 33,631.55 lakhs compared to ₹ 28,525.29 lakhs in FY 22-23. The Profit before tax for FY 23-24 was ₹ 6,290.82 lakhs as against ₹ 4,682.33 lakhs in FY 22-23. The Profit after tax for FY 23-24 was ₹ 4,714.51 lakhs as against ₹ 3,505.66 lakhs in FY 22-23. The Total Comprehensive Income was ₹ 4,707.54 lakhs for FY 23-24 as against ₹ 3,502.20 lakhs in FY 22-23.

In accordance with the third proviso to Section 136(1) of the Companies Act, 2013, the Audited Financial Statements of the Subsidiary Company for FY 23-24 have been placed on the website of the Company [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/).

### MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and/or commitments affecting the financial position of the Company since the close of the financial year and till the date of this report.

### CHANGE IN THE NATURE OF BUSINESS

There were no changes in the nature of business during the year under review.

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report is annexed herewith as “Annexure A”, which forms part of this report.

### CORPORATE GOVERNANCE AND SHAREHOLDER INFORMATION

A separate Report on Corporate Governance in terms of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) along with a Certificate from a Practicing Company Secretary regarding compliance to the conditions stipulated under Chapter IV of the Listing Regulations is provided as “Annexure B”, which forms part of this report.

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

A separate section on Business Responsibility and Sustainability Report (BRSR) is annexed as “Annexure C” and forms a part of this report as required under Regulation 34(2)(f) of the Listing Regulations.

### SHARE CAPITAL EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS

The Company has only one class of Share, i.e. Equity Share with a face value of ₹ 10/- each. The Authorised/Issued/ Subscribed and fully Paid-up Share Capital as at March 31, 2024 is ₹ 112,650,700 (divided into 1,12,65,070 Equity Shares of ₹ 10/- each).

During the year under review, the Company has not issued Equity Shares nor Shares with differential voting rights nor granted Stock Options nor Sweat Equity.

### LISTING WITH STOCK EXCHANGES

The Company has to date paid the requisite listing fee to the National Stock Exchange of India Limited and BSE Limited where the Company's Equity Shares are listed.

### BOARD OF DIRECTORS

#### Appointment and Re-appointment:

The following appointment and re-appointment were made during the financial year till the date of the report:

- Mr. Amit Laroya (DIN: 00098933) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The details of Mr. Amit Laroya are provided in the Notice of the Annual General Meeting. The Board of Directors recommends his re-appointment.
- The Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at its meeting held on May 28, 2024 has appointed, Mr. Narumanchi Venkata Sivakumar (DIN: 03534101) as an Additional Director in the category Non-Executive Independent Director of the Company with effect from July 15, 2024. Pursuant to provisions of Regulation 17(1C) of Listing Regulations the approval of Members for the appointment of Mr. NV Sivakumar to the Board is being sought at the 37<sup>th</sup> Annual General Meeting of the Company.

#### Resignation:

As also indicated in the last year's Annual Report, Mr. James Ernest Falteisek (DIN: 08792857) resigned as a Director of the Company from the close of India business hours of May 30, 2023 consequent upon his retirement from the 3M Group. The Board places on record its appreciation for the contributions made by him to the progress of the Company during his tenure as Director of the Company.

### KEY MANAGERIAL PERSONNEL (KMP)

As at the financial year ended March 31, 2024, Mr. Ramesh Ramadurai, Managing Director, Ms. Vidya Sarathy, Whole-time Director and Chief Financial Officer and Mr. Pratap Rudra Bhuvanagiri, Company Secretary and Compliance Officer, were the Key Managerial Personnel of the Company.

### DECLARATIONS FROM INDEPENDENT DIRECTORS

The Company has received necessary declarations from each Independent Director of the Company under the provisions of Section 149(7) of the Companies Act, 2013, that they meet the criteria of Independence laid down under the provisions of Section 149(6) of the Companies Act, 2013 read with Listing Regulations. All the Independent

Directors have also confirmed under Regulation 16(b) of SEBI (LODR) Regulations, 2015 that they are not Non-Independent Director of another Company on the Board of which any Non-Independent Director of the listed entity is an Independent Director.

### DETAILS OF BOARD AND COMMITTEE MEETINGS DURING THE FINANCIAL YEAR

During FY 23-24, Seven (7) Meetings of the Board were held. The Company has Five (5) Board Committees. The composition and number of Meetings attended by each Director/Committee Member are furnished in the Corporate Governance Report.

### COMPOSITION OF AUDIT COMMITTEE

As on the financial year ended March 31, 2024, the Audit Committee of the Company consisted of Three (3) Non-Executive Independent Directors and One (1) Non-Executive Director and all of them have financial and accounting knowledge. The Members of the Committee as on March 31, 2024, are Mr. Biren Gabhawala (Chairman), Mr. Bharat D. Shah, Ms. Radhika Rajan and Ms. Yun Jin. The Committee comprises majority of Independent Director. The Board has accepted all the recommendations made by the Audit Committee during the year under review.

### NOMINATION AND REMUNERATION COMMITTEE POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a Policy for the selection and appointment of Directors, Senior Management and other employees and their remuneration. The Policy is available at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/).

The composition, criteria for selection of Directors and the terms of reference of the Nomination and Remuneration Committee is stated in the Corporate Governance Report.

### ANNUAL BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and Directors pursuant to the requirements of the Companies Act, 2013, Listing Regulations and as per the Guidance Note issued by SEBI. Further, the Independent Directors, at their separate meeting held during the year, reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### DETAILS OF REMUNERATION OF DIRECTORS

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as "Annexure D", which forms part of this report.





## REMUNERATION RECEIVED BY MANAGING/ WHOLE TIME DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANY

During the year under review, no Commission or Remuneration was paid to the Executive Directors from Holding/ Subsidiary Companies.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of the knowledge and belief and according to the information and explanations obtained, your Directors state in terms of Section 134 (5) of the Companies Act, 2013 (the Act):

- (a) that in the preparation of the annual financial statements for the year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (b) that they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date.
- (c) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) that they had prepared the annual financial statements on a going concern basis.
- (e) that they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company's Internal controls are aligned with 3M Global's internal control over financial reporting which is based on the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Controls — Integrated Framework (2013). This framework essentially has two elements: (1) structures, policies and guidelines designed to achieve efficiency and effectiveness in operations and compliance with laws and regulations and (2) an assurance function provided by Internal Audit.

The Directors have laid down internal financial controls to be followed by the Company and such policies and procedures are adopted by the Company for ensuring the orderly and efficient conduct of its business, including

adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company has in place adequate systems of internal controls commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of corporate policies.

The Company, through its own Corporate Internal Audit Department, carries out periodic audits to cover all the offices, factories and key areas of business segments based on the plan approved by the Audit Committee and bring out any deviation to internal controls procedures. The Internal Auditor functionally reports to the Audit Committee and administratively to the Managing Director. The observations arising out of audit are periodically reviewed and compliance ensured. The summary of the Internal Audit observations and status of the implementation is submitted to the Audit Committee of the Board of Director. The status of implementation of the recommendations is reviewed by the Committee on a regular basis and concerns, if any, are reported to the Board.

## DISCLOSURE REGARDING FRAUDS

During the year under review, there were no frauds reported by the Auditor to the Audit Committee or to the Board.

## DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not given any Loans, provided any guarantees or made any Investments covered under Section 186 of the Companies Act, 2013.

## RELATED PARTY TRANSACTIONS

All Related Party Transactions (RPTs) which were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All RPTs are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are foreseeable and repetitive in nature. A statement exhibiting details of all actual RPTs versus the approval is placed before the Audit Committee for approval on a quarterly basis. A Policy on RPTs as approved by the Board is available at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/).

The Company being a part of 3M conglomerate, has rights to carry out the business within India and accordingly, has access to the Group's synergies, state of the art products and technologies, competencies and "3M" brand name which are very critical and

essential to carry out its business operations more efficiently in an increasingly globalised and competitive scenario. As a part of its regular business, the Company purchases, avails/renderers services from/to 3M Company, USA and/or its group companies at arm's length basis. None of the Directors and the Key Managerial Personnel has any pecuniary relationships or transactions vis-à-vis the Company.

The RPTs are necessary, normal to business and play a significant role in the Company's business operations and also form an integral part of the Company's business. An analysis of all the RPTs entered into and by the Company and the basis of charge was undertaken through a third-party professional firm.

The Company had obtained the approval of the Members through postal ballot notice dated November 9, 2022 for material related party transactions with 3M Company, USA and 3M Innovation Singapore Pte Ltd effective December 22, 2022 for the period of 1 year. The Company obtained the approval of the Members at the 36<sup>th</sup> Annual General Meeting held on August 25, 2023 for material related party transactions with 3M Innovation Singapore Pte Ltd for the period of 1 year i.e., upto the ensuing 37<sup>th</sup> Annual General meeting. Through postal ballot notice dated September 29, 2023, the Company obtained approval of Members for material related party transactions with 3M Company, USA on November 4, 2023 to be valid for a period of 1 year.

The Company proposes to seek approval of the Members for material related party transactions to be entered by the Company with 3M Company, USA and 3M Innovation Singapore Pte Ltd at the 37<sup>th</sup> Annual General Meeting, commencing from the date of Members' approval at the 37<sup>th</sup> Annual General Meeting to the 38<sup>th</sup> Annual General Meeting. The estimated/proposed RPTs are in the Ordinary and normal course of business and on Arms' Length basis and accordingly the Board recommends the Ordinary Resolution set forth in the Notice for the approval of the Member.

Details of the related party transactions as required under Section 134(3)(h) read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "**Annexure E**", which forms part of this report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is committed to supporting communities in India through education, community and environmental programmes, with a focus on underrepresented and underserved communities. The Company helps build sustainable communities through strategic CSR investments and partnerships around the geographical areas of operation. Programmes are implemented in accordance with the activities listed under Schedule VII of the

Companies Act, 2013. During FY 23-24, more than 60% of the CSR funds were allocated and spent towards education programmes, 27% on community programmes and 8% on environmental initiatives. The main project interventions under each of the focus areas have been highlighted below:

### EDUCATION:

As a science-based company, 3M is motivated to support equitable pathways to science and technology education. During FY 23-24, the Company implemented a STEM Scholarships programme for undergraduate girls, expanded the existing STEM education programme to Government schools in other locations and continued to support the education of girl students in rural areas.

#### 1. Project Nanhi Kali: Educating the Girl Child:

The Company has been supporting the Girl Child Education initiative in partnership with K.C. Mahindra Trust since 2018. In FY 23-24, the Company continued to invest in the education of 2861 girls under the Project Nanhi Kali initiative, in 189 Academic Support Centers in the rural blocks of Ambegaon and Khed in Pune District, Maharashtra. Over the years, the programme has introduced several interventions to improve learning levels and increase the confidence of the students to pursue higher education. Digital learning aids were introduced which has enhanced learning outcomes. Life skills and physical education curriculum were introduced to provide all round learning to the students.

During the year, approximately 450 hours of training was provided to each girl in the project and 50 hours of training to every Community Associate.

To encourage an interest in sports, Project Nanhi Kali conducts the annual Toofaan Games at the village, district and National levels across all the Academic Support Centers in India. 9 Nanhi Kalis supported by the programme were selected to participate at the National level of the Games with one girl bagging a gold medal, and another girl winning a bronze medal in the 50m race.

The retention rate is an important metric to ensure the programme helps the girls stay in school and complete their education. The overall retention rate for the year was 91%.

Each year, the number of students appearing for the 10<sup>th</sup> standard examination has been on the rise. During FY 23-24, 171 girls appeared for the exam in March 2024.

The Company also felicitates the graduates of the programme every year to motivate the students to pursue higher education. Last year, the Company felicitated 93 graduates out of the 139 students who completed Class 10. Most of the graduates passed with distinction. Two students (scoring 91% and 81%) received the Mahindra All India Talent Scholarship.



This programme has ensured that the 2861 girls committed for funding continue their education and are not taken out of schools to send off to work in the fields or engage in housework or sibling care. The parents are motivated to see their girls shine in school and are supportive of their higher education, which is a promising outcome of this long standing initiative.

## **2. 3M Wonder Tinkering Labs Programme to encourage and promote Science:**

During FY 23-24, the Company continued to invest in the Wonder Tinkering Lab initiative initiated in FY 22-23. The programme was formally launched in 2023 at Pune. In partnership with Learning Links Foundation, this programme is currently running in 10 Government schools in Shirur district, in rural parts of Pune. The programme was introduced to bridge the learning gap, ignite curiosity and a passion for science, technology, engineering and maths. The pedagogy is imparted through a skill building approach inculcating some of the 21<sup>st</sup> century skills like collaboration, design thinking, problem solving and critical thinking. Presented as an after-school programme, students are encouraged to identify local problems, apply learnings from the sessions and use the tinkering lab as a space to develop innovative solutions. Students receive mentorship through an innovation coach who acts as a guide. The tinkering lab or studio is also equipped with DIY tinkering kits that are fun learning aids, introducing students to the world of sensors, electronics, circuits and 3D printing technologies.

During the year, the programme was expanded to Bangalore, with Tinkering Labs set up at 10 schools in Anekal, close to the Company's manufacturing site in Electronics city. Together, both interventions are impacting close to 6000 students. In March, the Pune programme completed one year of implementation, culminating with a Science Fair that showcased various prototypes developed by students from all the 10 schools. The winning projects were selected through an inter school competition, demonstrating how science is applied to real world problems faced in the communities.

## **3. STEM Scholarship programme for Girls:**

During FY 23-24, The Company strengthened its commitment to STEM education by introducing a new programme to provide economic empowerment to academically brilliant girls from underprivileged backgrounds through scholarships.

With its focus on emerging STEM fields, like healthcare, AI, Data Science, Computer Science, Electronics, Material Science and Biotechnology, the programme aims to increase the number of women in STEM fields, thereby contributing to a more diverse and innovative workforce. Through internships and job opportunities at the Company, the project can actively contribute to increasing the representation of women scholars in STEM fields.

## **COMMUNITY:**

Community initiatives include interventions addressing specific community needs related to health, infrastructure, skilling and livelihood in underserved communities, in and around the geographical areas of operation or the Company's response to natural disasters.

**Smile on Wheels:** Providing diagnostic and preventive healthcare access to rural communities:

During FY 23-24, the Company continued to support the Mobile Primary Healthcare programme in partnership with Smile Foundation in some of the aspirational districts. This multi-year programme has completed more two years of operations at four locations, Siddharthnagar in Uttar Pradesh, Balangir in Odisha, Goalpara in Assam and Ranjangaon in Maharashtra. The vans provide preventive, promotive and curative healthcare facilities to underserved communities in the villages in these districts.

The vans average over 6,000+ patient consultations every month and have covered about 163,012 beneficiaries since operations began in September 2021. During FY 23-24, a total of 60,357 beneficiaries benefitted from the programme at all four locations.

## **ENVIRONMENT:**

Our environment commitments extend to our communities through interventions to promote water conservation in water-stressed areas and transitioning to renewables in rural areas. We are working with local communities to promote water recycling and conservation since our manufacturing sites are located in water stressed regions. Ultimately, we aim to help these communities build and manage their own water efforts in the future.

### **Community Water resilience:**

The Company operates in a water-stressed area in Ranjangaon, Pune. During FY 23-24, the Company initiated a pilot project to establish a multi-year water conservation and management programme in the village of Kendur and other neighboring hamlets. Surface water plays an important role in the regulation of groundwater and provides scope for various hydrological activities. Sustainable management and development of soil and water resources contribute to tangible groundwater supply and arrest further degradation of soils. A series of watershed interventions were undertaken during the year, to put in place infrastructure to conserve and harvest rainwater during the monsoons and help the local communities build and manage their own water efforts in the future. All these activities aim to influence agricultural production by developing enhanced irrigation due to water level elevation in the aquifers. The potential impact of this initiative will benefit more than 1000 households and a population of 4800+ people residing in this area.

The Annual Report on CSR activities is annexed herewith as "Annexure F", which forms part of this report.



## DETAILS OF REMUNERATION OF EMPLOYEES

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing details of the top Ten (10) employees in terms of remuneration drawn during the financial year and other employees of the Company employed throughout the year and employees employed for part of the year who were in receipt of remuneration of ₹ 1.02 crores or more per annum and ₹ 8.50 lakhs or more per month respectively is annexed herewith as “Annexure G”, which forms part of this report.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 is annexed as “Annexure H”, which forms part of this report.

## RISK MANAGEMENT POLICY

The Company has a Risk Management Policy pursuant to the requirements of Listing Regulations. The details of the Risk Management Committee and its terms of reference are set out in the Corporate Governance Report forming a part of the Board's Report.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed during FY 23-24 by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has an effective vigil mechanism by way of the Business Conduct Concern Reporting Policy (Whistle Blower Policy) for upholding 3M's Code of Conduct. The details of the said Policy are stated in the Corporate Governance Report and also available at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/). During the year, the Company reached out to employees through e-learning modules to create greater awareness with respect to Fair Competition and Anti-Bribery and Corruption. This has helped in achieving a high level of engagement and compliance among the employees.

## STATUTORY AUDITOR

Messrs. BSR & Co. LLP, Chartered Accountants, Bengaluru (ICAI Firm Registration No. 101248W/W-100022) were re-appointed as the Statutory Auditor of the Company at the 34<sup>th</sup> Annual General Meeting held on August 26, 2021 to hold office for a second term of five (5) years i.e. from

the conclusion of the 34<sup>th</sup> Annual General Meeting till the conclusion of the 39<sup>th</sup> Annual General Meeting to be held in the year 2026.

## COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the cost audit records maintained by the Company in respect of the products covered under the said rules are required to be audited by a Cost Accountant. Accordingly, the Board of Directors of the Company at its Meeting held on May 28, 2024 on the recommendation of the Audit Committee, approved the re-appointment of Messrs. Rao, Murthy & Associates, Cost Accountants, Bengaluru, (Firm Registration No. 000065), to conduct the audit of the cost records of the Company for FY 24-25 at a remuneration of ₹ 575,000/- (Rupees Five lakhs Seventy-Five Thousand only) plus taxes as applicable and out of pocket expenses at actuals.

The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members at the General Meeting for their ratification. Accordingly, a resolution seeking ratification of the remuneration payable to Messrs. Rao, Murthy & Associates, Cost Accountants, Bengaluru is included in the Notice convening the Annual General Meeting.

For the financial year ended March 31, 2023, the Cost Audit Report submitted by Messrs. Rao, Murthy & Associates, Cost Accountants, Bengaluru, was filed with the Ministry of Corporate Affairs, well within the due/extended date. Messrs. Rao, Murthy & Associates, has confirmed the cost records for the financial year ended March 31, 2023 are free from any disqualifications as specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act.

## SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Parameshwar G. Bhat, Company Secretary in practice (FCS: 8860, CP: 11004) to undertake the Secretarial Audit of the Company for FY 23-24. The Report of the Secretarial Audit Report is annexed herewith as “Annexure I”, which forms part of this report.

The Company had undertaken an audit for FY 23-24 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.



## EXPLANATIONS IN RESPONSE TO AUDITORS' QUALIFICATIONS

During the year under review, there were no qualifications, reservations or adverse remarks made by the Statutory Auditors / Secretarial Auditor in their respective Reports.

## COMPLIANCE WITH SECRETARIAL STANDARDS

During FY 23-24, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the draft of the Annual Return in Form MGT 7 of the Company for the financial year ended March 31, 2024 is uploaded on the website of the Company and can be accessed at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/).

## DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has a Prevention of Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is available on the website of the Company [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/). Internal Complaints Committees (ICC) have been set up to redress complaints received regarding sexual harassment.

### Status of Complaints during FY 23-24:

1. Number of complaints of sexual harassment received During FY 23-24: Nil
2. Number of complaints disposed off during FY 23-24: NA
3. Number of cases pending at the end of the financial year: Nil
4. Number of workshops or awareness programmes carried out: 3 (Three)
5. Remedial measures taken by the Company:
  - A mandatory interactive virtual training session was conducted for employees on "Sexual Harassment at the Workplace". This session reinforced the understanding of what constitutes sexual harassment, complaint process and behavioral do's and don'ts at the workplace.
  - In-depth capacity building training was conducted for all Internal Committee member
  - Train the Trainer session was conducted for all Internal Committee members. This session equipped participants with the knowledge & resources to conduct general awareness sessions at their respective locations.

## HUMAN RESOURCES

During FY 23-24, the Company undertook many initiatives to increase organisational capability and productivity to be value driven and future ready. As on March 31, 2024, the Company had an employee strength of 1,033 personnel.

## OTHER DISCLOSURES

During the financial year under review, the Company:

1. has not bought its own Shares nor has it given any loan to the employees (including KMPs) of the Company for purchase of the Company's Shares.
2. has not issued any Shares to trustees for the benefit of employees.
3. there was no revision in the Financial Statements.

## ENVIRONMENT, HEALTH AND SAFETY

The people who work in the Company's sites and live in the communities where the Company operates deserve nothing less than world-class environment, health, and safety performance – and the Company's goal is to improve the safety and well-being of everyone touched by 3M. The Company is committed to environment, health and safety improvements throughout our operations and products. The Company's highest priority is the safety of our employees and the public. The responsibility extends to the environment in and around our operations through robust environmental management systems, conservation and efficient use of resources and ensuring that pollution is prevented at source.

The Company has three (3) manufacturing plants operating in India. All three plants have Environmental Management Systems (EMS) certified to the ISO 14001: 2015 environmental management systems standard and ISO 45001:2018 for Occupational Health and Safety Management System. We continue to be guided by our global Responsible Operations framework, comprising of Core Safety, Environment, Process Hazard Management, Industrial Hygiene, Occupational Health and Wellbeing elements which provides consistency and structure for implementing programmes and helps us be proactive to mitigate the risks.

### 1. RESPONSIBLE OPERATIONS DRIVING EHS CULTURE ACTIVATION

Driving Responsible operations was one of the key aspects which 3M took global implementation in 2023. Responsible Operations expands the Company's approach to EHS through a focus on seven core elements. Impacting these seven elements was necessary to reduce injuries and incidents and drive right behaviors to set forth EHS performance to world class. The Seven focus areas were,

- a. Leadership, Behavior and Accountability
- b. Standards and Systems
- c. Employee Training and engagement

- d. Design Control and Maintenance
- e. Infrastructure and technology use
- f. Governance and Compliance
- g. Organisation Staffing model.

The path of EHS excellence through Responsible Operations is attained, with factory's draw up a EHS Facility Plan focusing on three key areas,

- a. Leadership Behavior & Accountability:
- b. Standards & Systems
- c. Employee Training & Engagement

The Company is committed to managing risks responsibly. The Company has refined its management system focusing on Leadership, Behavior and Accountability as the corner stones to drive Responsible operations.

## 2. EHS MANAGEMENT STANDARDS AND SYSTEMS

The 3M Environment, Health, and Safety Management Standard (EHS-MS) provides the basis to address EHS risks and compliance obligations applicable to all workers and their 3M operations. 3M locations and workers understand, manage, and mitigate their EHS risks and comply with all applicable 3M and government requirements. The EHS-MS was developed to provide a standard system to manage these requirements. All manufacturing, including the research & development, locations maintain a EHS self-assessment of the elements that apply to the operations and workers.

Technology is important in achieving excellence and EHS is no exception to this. Some of the Systems and tool to enable EHS management programme implementation are:

- CAMMS: A portal which is customised to 3M requirements to track and monitor all applicable EHS compliance and legal obligations.
- EHS 360: Used for documenting, reporting, investigating and action item tracking related to workplace incidents, potential hazards or near miss events.
- EHS Global Audits: All the three plants have successfully completed 3M's EHS Global Audits based on the complexity of the site, without any primary audit finding.
- Guarding and Prioritization (GAP): The Guarding Assessment and Prioritization (GAP) tool was implemented at all the Company Sites, this provides a systematic method for assessing risk to workers from machine hazards. All the Company Facilities implemented GAP tool to analyze the risk posed from machine operations and budget was set apart to improve the guarding of the machines.

- Management of Change (MoC): Revised MOC was implemented at the Company Sites which went online to track all the changes made at facilities, processes, materials, equipment, procedures and/or utility. This helps to ensure changes do not inadvertently introduce new hazards or unknowingly increase the risk of existing hazards.

To mitigate Environmental Risk following systems are utilised in the Company.

- Environmental Inventory Toolkit: EIT is a set of tools and templates to maintain a consistent inventory of foundational manufacturing process and equipment information, specifically Process Flow Diagrams (PFD) and Equipment Inventory (EI) to enable various EHS related programmes.
- Pollution Prevention Pays (3P): The Pollution Prevention Pays (3P) Program began in 3M, USA in 1975 with the goal of eliminating or reducing sources of pollution in 3M products and processes. The programme has been recognised the world over for its innovation in environmental management by focusing on pollution prevention, rather than pollution control.

## 3. CORE SAFETY

Zero Lost Time Injury is a key metric to uphold the safety performance. All manufacturing sites were able to maintain Zero Lost time injuries during the year due to continuous focus on preventive actions, EHS Element ownership through leaders with representation from supervisors and technical associates alike. Applicable Core Safety programmes at the Company sites are Static Management, Machine Guarding, Electrical Safety, powered industrial vehicle, fire protection and prevention, vehicle safety, Lock out and Tag out, Hoist systems for overhead material handling, work at height, confined space entry, flammable liquid handling and storage etc, Also certain campaigns were run with aim of improving the safe work behaviors and minimising the risk of injuries those were

We strongly believe that, Safety Starts with every individual, while the

- Behavior of every individual defines the culture of the organisation.
- All accidents and injuries are preventable.
- Everyone in organisation is accountable for the safety performance

Some Safety initiatives in 2023 to promulgate Safety in workplaces are as follows:

- a. **EHS Culture excellence through See and Act**  
Initiatives of behavioral-based safety improvements through 'See & Act' programme continued in 2023. These EHS walkthroughs enables us to strengthen the safety culture. The





focus is not just the identification of Unsafe Acts and Conditions but to understand the root cause of their occurrence. The Company has a resolution rate of above 80% of problems identified through the SEE & ACT programme.

**b. EHS Commitment**

The EHS Commitments are a simple way to describe 3M's key environment, health, and safety expectations based on 3M's Code of Conduct, Policies, and Standards. There is a shared responsibility for EHS and to keep each other safe. Safety Always campaign was implemented across all facilities Worker safety, health, and wellbeing are important to 3M. The initiative focused on simple acts of behavior correction. Since the launch of Safety Always we have seen reduction in Slip-trip and fall. Safety is each worker's responsibility. The Company strives to continuously improve performance and foster a safety culture that engages entire workforce to help prevent incidents, injuries, and occupational illnesses.

**c. Recognitions:**

The Company's facility in Electronic City, Bangalore has received a State Level Recognition from Department of Factories, Boilers, Industrial Safety and Health, Government of Karnataka under the Large category industries for the following two categories,

1. The Manufacturing facility has secured Third Place in State Level Safety Award
2. An Advanced Technical Associate from EHS Department has been recognised with "Best Worker Award", he has secured Second place.

Team was awarded with this prestigious honor as part of National Safety Day celebration from the regulatory body. The Company was also invited to present the "3M's EHS Culture activation journey" to all the industry leaders at the same event.

**4. ENVIRONMENT**

The Company follows the Environmental Management programme framework which comprises of 18 elements mainly focusing on Air Quality, Water Quality, Land Management, Waste management all these are tracked through Environmental target database.

**a. Air Quality Management:**

The purpose is to identify the requirements necessary to minimise the impact to air quality/ atmosphere by having right programmes with sufficient resources in place, following are some of the programmes for Air quality at our sites.

- Air Emission Control Operation and Maintenance
- Air Emission Reduction Program (AERP)
- Greenhouse Gas Management
- Refrigerant Management
- Thermal Oxidizer Optimisation

**b. Water Quality:**

The Company embraces commitment to water conservation for our own operations, following a Global Water Stewardship Standard. 3M operations worldwide manage their water resources through compliance with regulatory requirements, conservation, and reuse, reporting water usage internally as well complying with the law of the land. Water framework focuses on the following,

- Water Management Standard (WMS)
- Stormwater Management
- Wastewater Emission Control Operation and Maintenance
- Wastewater Management

**c. Land Management**

Ensuring operations do not impact the land and to prevent possible contaminations 3M globally has deployed the following programmes and the Company sites too adhere and excel in them-

- Aqueous Film Forming Foam (AFFF) management
- Asbestos management
- Sewer management
- Spill and release prevention
- Underground and Aboveground Storage Tanks

**d. Waste management**

The Company practices waste minimisation whenever practical to reduce the volume and hazards of waste materials generated. All 3M locations are required to manage all returned, recycled, and waste materials from the time of generation until reused, recycled, treated, or disposed. The programme encompasses all the Onsite Waste Management & Offsite Waste Management Processes including but not restricted to Activities, Processes Products & Services. The Waste management programme encompasses the following,

- Waste collection, Storage, Disposal,
- Waste Identification, Characterisation and Documentation

- Identification of applicable regulations and requirements & ensuring compliance
  - Compliance with 3M Environment policies, standards, guidelines and procedures
  - Proper handling, labelling, and storage of wastes
  - Preparation of waste transportation documents, necessary approvals and Record keeping
  - Training programmes
  - Audit and Approval of Waste Management Companies
  - Ensuring Contracts and Agreements for waste disposal are in place with agencies
- Projects taken up in 2023- 24 for Environmental management are as follows:
- Preprocessing of Liquid and solid Hazardous wastes (20% of total wastes)
  - At source Hazardous waste reduction in Non Woven Maker stream. Resulting in reduction of 10 MT Hazardous wastes per month.
  - Water Management improvements to attain Net Water Balance to achieve “Zero Liquid Discharge (ZLD) facility.
  - MEE (Multiple Effect Evaporator, MEE) with capacity 10 CMD installed for RO rejects with recycling option.

#### e. Industrial hygiene

Industrial hygiene is process referring to the recognition and evaluation of the occupational health hazard at workplace. The Company has competent industrial hygienist at each site work in very close collaboration of 3M corporate team to priorities monitoring of the health-related issues at individual sites and schedules monitoring accordingly.

- Year 2023 has been very fruitful in terms of critically evaluate such various hazardous ranging from chemical exposure to physical hazards like noise, heat, and illumination and ergonomic.
- Proactive Preventive approach of 3M Team at regional facility has able to replace some manual activity into mechanicalised at certain sections, Improvements in ventilation system for more comfortable to workforce.
- Team effort of the 3M Ahmedabad team adopted latest technology of drum filling in close loop filtering and transferring of highly viscous material for the EMD liquids operations has reduced exposure to workforce and introduction

of contemporary sleeve hood has minimised risk of exposure to flammable vapor.

#### 5. ERGONOMICS

3M applies ergonomics risk assessment tools globally for the identification and assessment of ergonomics risk in the industrial environment. Ergonomics addresses the interaction between employees and their workplaces. The successful application of ergonomics promotes worker health and well-being, improve quality, increase production, lower turnover, and reduce human error by providing employees with appropriate tools, workstations, and environments. All the 3 sites have completed ergonomics risk reduction project to meet corporate requirement.

#### 6. HEALTH AND WELLNESS EFFORTS

3M believes in the philosophy that “your health matters as much as your work”. 3M is about collaboration as well as innovation, especially when it comes to employee’s health. In 2023 there were several initiatives that promoted aspects of health & wellness of employees at the factories: Elaborative Medical Surveillance Programme was provided: -

- At all sites Vision test was conducted
- At Ranjangaon site, Audiogram in calibrated audiometry booth for Noise Conservation areas was conducted.
- At Ranjangaon site, Skin evaluation, Complete Eye test and Chest X-ray are done to rule out Tuberculosis as a part of Pre-Employment Medical Check Up for new hires to Microbiology Lab.
- At all sites a medical checkup is done for Food Handlers
- A health checkup of the Emergency Response Team members at Bangalore site. Employee cab drivers are provided with Vision and hearing check up.

#### AWARDS AND RECOGNITION

- Global Recognition: 3M brand is globally recognised for innovation, quality and trust. It featured on Interbrand’s top 100 list of global best brands in 2022. Over the years, the 3M Group has received several global accolades and recognition, further highlighting the trust it commands. Below is a selection of recognitions received in 2023:
  - Among Top 50 Most Innovative Companies globally, by Boston Consulting Group.
  - One of Top 50 World’s Most Admired Companies, by Fortune
  - One of the World’s Best Companies of 2023, named by Times



- The 2023 World's Most Ethical Companies Honouree List, by Ethisphere.
- Bioprocessing Excellence Award: Based on voting from the biopharma community, the Company was awarded for Bioprocessing Excellence Award for India, 2023.
- Corporate Social Responsibility: The Ranjangaon Industrial Association recognised the Company for contributions to local communities through the implementation of multiple CSR programmes including the solar-powered health center infrastructure initiative in Shirur Taluk, Ranjangaon.
- Customer Recognition: The Company's Automotive & Aerospace Solutions Division received the "Overall Supply Cost Development Delivery Quality Best Supplier Award" and "Special Recognition Award" from its customers. The Company has also been recognised by key automotive customers for achieving Quality targets.
- Manufacturing Excellence: The Company's manufacturing site at Electronics City, Bengaluru received recognition from The Department of Factories, Boilers, Industrial Safety and Health, Government of Karnataka.
- The Department of Factories, Boilers, Industrial Safety and Health, Government of Karnataka awarded an employee with the "Best Worker Award". This state-level recognition is the highest honor bestowed on manufacturing workers for their focus on safety at the workplace.

- The Company's Chief Financial Officer was recognised as "CFO for the Year 2023" by UBS Forum.
- The Company's General Counsel was recognised as one of the "Top 100 General Counsels" in India by BW Legal World General Counsel Conclave 2023 and has been included in the "Legal 500 GC Power list" for India, 2023.

Over the year, the Company employees received internal accolades for excellence in sales, marketing, technical and support functions, winning recognition from 3M Company, as well as Business and Area level awards.

### ACKNOWLEDGEMENT

Your Directors thank and acknowledge with gratitude the co-operation, assistance and support received from the Central Government, State Governments of Karnataka, Maharashtra and Gujarat, Bankers, Shareholders, Dealers, Vendors, Promoters of the Company and all other Stakeholders.

The Directors also wish to place on record their sincere appreciation and gratitude towards the contribution made by every employee

#### On behalf of the Board of Directors

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

Place: Bengaluru  
Date: May 28, 2024



## ANNEXURE 'A' TO THE REPORT OF THE BOARD OF DIRECTORS

### Management Discussion and Analysis Report

#### Cautionary Statement:

Members and Investors are cautioned that the discussion in this section of the Annual Report may contain statements that involve risks and uncertainties. Forward-looking statements mentioned may involve risks and uncertainties that could cause results to differ materially from those projected. Consequently, actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no obligations, assumptions and expectations of future events and trends that are subject to risks and uncertainties. Actual future results and trends may differ materially from historical results or those reflected in any such forward- looking statements depending on a variety of factors.

#### THE COMPANY

The Company is the flagship listed Company of 3M Company, USA in India. 3M Company, USA is a diversified technology and science company with a global presence in the following businesses: Safety and Industrial; Transportation & Electronics; Health Care; and Consumer and is among the leading manufacturers of products for many of the markets it serves. Most of its products involve expertise in technology, product development, manufacturing and marketing and are subject to competition from products manufactured and sold by other technologically oriented companies.

The Company has manufacturing facilities in India at Ahmedabad, Bengaluru, Pune. Its Corporate Office and Customer Innovation Center (R&D Center) are located at Bengaluru. As on March 31, 2024, the Company had an employee strength of 1,033 personnel. As on March 31, 2024, the Company was ranked 200 (PY: 177) based on Market Capitalisation @ ₹ 35,13,953 lakhs (PY: ₹ 25,86,894 lakhs) and is among the top 500 Companies based on Market Capitalisation (Source: NSE). The Company manages its operations in four (4) operating business segments: Safety and Industrial; Transportation & Electronics; Health Care; and Consumer. The Company's four business segments bring together common or related 3M technologies, enhancing the development of innovative products and services and providing for efficient sharing of business resources.

3M products are sold through numerous distribution channels, including directly to users and through numerous e-commerce and traditional wholesalers, retailers, jobbers, distributors and dealers in a wide variety of trades. Management believes that the confidence of wholesalers, retailers, jobbers, distributors and dealers of 3M and its products — a confidence developed through long association with skilled marketing and sales representatives — has contributed significantly to 3M's position in the marketplace and to its growth.

The Company is committed to creating long-term value to shareholders. Accordingly, the Company is dedicated

to achieving high levels of operating performance, cost competitiveness, enhancing the productive asset and resource base and striving for excellence in all areas of operation. The Company firmly believes that its success in the marketplace and good reputation are among the primary determinants of shareholder value. Its close relationship with customers and a deep understanding of their challenges and expectations drive the development of new products and services. With many decades of expertise and know-how, the Company offers its customers solutions that enhance their projects and builds trust. Anticipating customer requirements early and being able to address them effectively requires a strong commercial backbone. The Company continues to develop this strength by institutionalising sound commercial processes and building world-class commercial capabilities across its marketing and sales teams. The Company uses different innovative approaches in the development of its products and services, as well as execution of growth opportunities. The Company is also committed to creating value for all its stakeholders by ensuring that its corporate actions positively impact all the dimensions of sustainable development viz., economic, social and environment.

#### GLOBAL ECONOMIC OVERVIEW

Looking ahead, while the global economic environment remains relatively balanced, uncertainties persist. Geopolitical tensions could disrupt energy exports, potentially raising crude oil prices.

Global growth, reaching 3.2% in 2023, is projected to remain stable through 2024 and 2025, albeit falling short of the historical average of 3.8%. This is attributed to restrained monetary policies, reduced fiscal aid, and sluggish productivity growth. However, global headline inflation is expected to moderate, decreasing from an annual average of 6.8% in 2023 to 5.9% in 2024 and further to 4.5% in 2025, mainly due to a more front-loaded decrease in advanced economies.

Advanced economies are poised for a slight uptick, primarily driven by the recovery in the Euro Zone, with growth rates projected to climb from 1.6% in 2023 to 1.7%



in 2024 and 1.8% in 2025. Conversely, emerging markets and developing economies are forecasted to sustain stable growth at 4.2% during 2024 and 2025. Regional disparities persist, with growth moderation in Asia balanced by growth in the Middle East, Central Asia, and Sub-Saharan Africa.

Looking ahead, while the global economic environment remains relatively balanced, uncertainties persist. Geopolitical tensions could disrupt energy exports, potentially raising crude oil prices and impacting interest rates and asset values. Divergent rates of price decreases in major economies could lead to currency fluctuations, affecting financial sectors. Additionally, high interest rates and household debt levels, coupled with adjustments to fixed-rate mortgages, may strain financial stability.

### INDIA ECONOMIC OVERVIEW

India has solidified its position as the world's fifth-largest economy and the most populous nation, showcasing significant economic output and robust demographic vitality. Notably, the country has surpassed China to become the fastest-growing major economy globally.

For FY 24, India's GDP is projected to grow at an impressive rate of 7.6%, marking the third consecutive year of growth exceeding 7%. This enhanced growth is anticipated to be fueled by a narrowing gap between rural and urban consumption and a balance in private-public capital expenditure. However, this anticipated slowdown is due to a tightening of monetary and fiscal policies, essential to bring inflation down. Despite challenges, India's economic vitality is backed by various factors, including strengthening consumer buying power due to lower inflation, a thriving start-up culture, anticipated strong agricultural outputs, and a resurgence in private capital spending. Additionally, efforts by the Government to boost rural incomes and increase infrastructure spending reinforce the country's position as the world's fastest-growing major economy.

Looking ahead, the Indian economy is poised to reach greater heights in the coming years, projected to touch the USD 7 trillion mark by 2031, solidifying its standing to emerge as the world's third-largest economy. This growth is likely to be driven by capital and productivity enhancements facilitated by comprehensive integration of digital and physical infrastructure. Furthermore, the manufacturing sector is expected to undergo a resurgence, propelled by global opportunities, supportive domestic policies, and a focus on transitioning to green energy. The future holds the possibility of strong growth in capital expenditure, propelled by industrial strength and effective infrastructure development. This positive trajectory is likely to be supported by several factors such as the robust financial health of Indian companies, consistent revenue growth, and a favourable outlook for commodity prices. Additionally, the Government's Production Linked Incentive

(PLI) scheme aims to enhance India's manufacturing capabilities on the global stage, facilitated by a strong banking sector and innovative financing options.

### STANDALONE RESULTS OF THE OPERATIONS OF THE COMPANY

On a standalone basis the Company's revenue from operations increased by 5.18% at ₹ 392,676.43 lakhs for the financial year ended March 31, 2024 compared to ₹ 373,344.21 lakhs in the previous financial year. The Profit before Interest and Depreciation is ₹ 77,334.19 lakhs compared to ₹ 62,401.29 lakhs for the previous financial year. Profit before Tax is ₹ 71,830.60 lakhs compared to ₹ 56,079.61 lakhs for the previous financial year. The operating margin for the current year is 19.36 % compared to 16.43% for the previous financial year. Total Comprehensive Income is ₹ 53,500.82 lakhs compared to ₹ 41,658.80 lakhs for the previous financial year. Export Sales is ₹ 1,562.08 lakhs for the financial year ended March 31, 2024 compared to ₹ 2,188.81 lakhs in the previous financial year, a decrease of 28.63 %, due to less demand in the global market.

#### Other Income:

The other income is ₹ 6,746.99 lakhs for FY 23-24 compared to ₹ 6,422.12 lakhs for the previous FY 22-23.

#### Cost of Goods sold:

The % of cost of raw material consumed as against sales for FY 23-24 is lower by 2.57% at 59.04% as against 61.61% for the previous FY 22-23, due to product mix and decrease in foreign currency exchange rate.

#### Employee Benefits Expense:

Employee cost as a % of sales for FY 23-24 stood at 8.98% (previous financial year was 9.63%) at ₹ 35,856.69 lakhs (previous financial year: ₹ 36,553.40 lakhs). Sales per employee has increased by 12.81% to ₹ 386.66 lakhs (no. of employee's 1,033) in the current FY 23- 24 from ₹ 342.75 lakhs (no. of employees 1,108) for the previous FY 22-23.

#### Finance Cost:

The interest cost for FY 23-24 is ₹ 320.26 lakhs compared to ₹ 709.96 lakhs in the previous FY 22-23. The interest cost is on account of lease rentals of vehicles and office equipment.

#### Interest earned:

The Company earned ₹ 5424.38 lakhs on the surplus during FY 23-24 when compared to ₹ 3,962.68 lakhs during FY 22-23 by keeping the funds in deposits with the Banks.

#### Earnings per Share (EPS):

The EPS (Basic and Diluted) of the Company for FY 23-24 was ₹ 476.05 per Share as compared to ₹ 369.41 per Share in the previous FY 22-23, a increase of 28.87%.

**Share Capital:**

The Authorised/Issued/Subscribed and Paid-up Capital as on March 31, 2024 is ₹ 112,650,700 (divided into 1,12,65,070 Equity Shares of ₹ 10/- each). During the year under review, the Company has not issued Shares with differential voting rights nor granted Stock Options nor Sweat Equity.

**Reserves & Surplus:**

₹ 53,500.82 lakhs is retained in profit and loss account for the year ended March 31, 2024. The Reserves & Surplus is ₹ 235,893.06 lakhs including the current financial year retained profit.

**Shareholder's Fund:**

The total shareholder funds increased to ₹ 237,019.57 lakhs as at March 31, 2024 from ₹ 194,783.82 lakhs as of the previous FY 22-23, representing an increase of 21.68% mainly because of profits for the year.

**Depreciation:**

The depreciation charge for the current financial year is lower at ₹ 5,183.33 lakhs when compared to ₹ 5,611.72 lakhs of previous FY 22-23.

**Fixed Assets-Capital Expenditure:**

The gross Fixed Assets as at March 31, 2024 was ₹ 59,166.36 lakhs as compared to ₹ 55,223.13 lakhs of previous FY 22-23. Capital Investments during FY 23-24 were at ₹ 3,133.33 lakhs (Net of capital work-in-progress and capital advances) (FY 22-23: ₹ 6,009.47 lakhs) an decrease of 47.86% year on year.

**Inventories:**

Inventory as at March 31, 2024 amounted to ₹ 49,800.89 lakhs as compared to ₹ 56,760.33 lakhs of previous FY 22-23. The inventory ratio has increased to 77 days as at March 31, 2024 from 89 days of previous FY 22-23.

**Trade Receivables:**

Trade Receivables as at March 31, 2024 amounted to ₹ 67,901.14 lakhs as against ₹ 59,510.20 lakhs of previous FY 22-23. The debtor's turnover ratio is 63 days (previous financial year: 58 days).

**Cash and Bank balances:**

The total balance of cash and bank balances as at March 31, 2024 was ₹ 85,903.81 lakhs as compared to ₹ 63,198.06 lakhs as at March 31, 2023.

**Key Financial Ratios:**

During the year, the significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarised below:

Particulars	March 31, 2024	March 31, 2023	% Change	Reasons for Variance
1 Debtors Turnover (Days)	63	58	8.62	
2 Inventory Turnover (Days)	77	89	(13.48)	
3 Interest Coverage Ratio	225.29	79.98	181.68	Due to reduction of interest expenses on lease and Interest on income tax matters
4 Current Ratio	2.38	2.04	16.66	
5 Debt Equity Ratio	0.76	1.37	(44.53)	Due to reduction in lease liability
6 Operating Profit Margin (%)	19.36	16.43	17.83	
7 Net Profit Margin (%)	13.86	11.29	22.78	
8 Return on Net Worth (%)	22.57	21.36	5.66	





#### Overall analysis of the Profit and Loss (Standalone):

Particulars	Year Ended March 31, 2024		Year Ended March 31, 2023	
	₹ in lakhs	%	₹ in lakhs	%
Revenue from operations	392,676.43	98.31	373,344.21	98.31
Other income, net	6,746.99	1.69	6,422.12	1.69
<b>Total Revenue</b>	<b>399,423.42</b>	<b>100.00</b>	<b>379,766.33</b>	<b>100.00</b>
Cost of Materials consumed	149,871.89	37.52	156,580.77	41.23
Purchases of stock-in-trade	82,161.94	20.57	81,310.30	21.41
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,785.42	0.95	(3,914.37)	(1.03)
Employee benefits expense	35,856.69	8.98	36,553.40	9.63
Other Expenses	50,413.29	12.62	46,834.94	12.33
<b>Profit before Finance costs and Depreciation</b>	<b>77,334.19</b>	<b>19.36</b>	<b>62,401.29</b>	<b>16.43</b>
Finance Costs	320.26	0.08	709.96	0.19
Depreciation and amortisation expense	5,183.33	1.30	5,611.72	1.48
<b>Total Expenditure</b>	<b>327,592.82</b>	<b>82.02</b>	<b>323,686.72</b>	<b>85.23</b>
<b>Profit before Tax</b>	<b>71,830.60</b>	<b>17.98</b>	<b>56,079.61</b>	<b>14.77</b>
Tax	18,203.43	4.56	14,465.22	3.81
<b>Profit for the year</b>	<b>53,627.17</b>	<b>13.43</b>	<b>41,614.39</b>	<b>14.77</b>
Items that will not be reclassified subsequently to profit or loss	(126.35)	0.03	44.41	0.01
<b>Total comprehensive income for the year</b>	<b>53,500.82</b>	<b>13.39</b>	<b>41,658.80</b>	<b>10.97</b>

#### Overall analysis of the Profit and Loss (Consolidated):

Particulars	Year Ended March 31, 2024		Year Ended March 31, 2023	
	₹ in lakhs	%	₹ in lakhs	%
Revenue from operations	418,936.24	98.17	395,936.77	98.31
Other income, net	7,829.09	1.83	6,809.59	1.69
<b>Total Revenue</b>	<b>426,765.33</b>	<b>100.00</b>	<b>402,746.36</b>	<b>100.00</b>
Cost of Materials consumed	159,946.30	37.48	163,479.56	40.59
Purchases of stock-in-trade	85,928.13	20.13	87,856.71	21.81
Changes in inventories of finished goods, work-in-progress and stock-in-trade	4848.31	1.14	(5,305.47)	(1.32)
Employee benefits expense	39,184.88	9.18	40,034.14	9.94
Other Expenses	53,121.08	12.45	49,442.67	12.28
<b>Profit before Finance costs and Depreciation</b>	<b>83,736.63</b>	<b>19.62</b>	<b>67,238.75</b>	<b>16.70</b>
Finance Costs	321.65	0.08	727.03	0.18
Depreciation and amortisation expense	5,293.56	1.24	5,767.91	1.43
<b>Total Expenditure</b>	<b>348,643.91</b>	<b>81.69</b>	<b>342,002.55</b>	<b>84.92</b>
<b>Profit before Tax from continuing operations</b>	<b>78,121.42</b>	<b>18.31</b>	<b>60,743.81</b>	<b>15.08</b>
Tax	19,779.74	4.63	15,641.89	3.88
<b>Profit for the year</b>	<b>58,341.68</b>	<b>13.67</b>	<b>45,101.92</b>	<b>11.20</b>
Items that will not be reclassified subsequently to profit or loss	(133.32)	(0.03)	40.95	0.01
<b>Total comprehensive income for the year</b>	<b>58,208.36</b>	<b>13.64</b>	<b>45,142.87</b>	<b>11.21</b>

## SEGMENT-WISE PERFORMANCE:

On a standalone basis, the Safety and Industrial business increased by 1.53% Transportation & Electronics business increased by 5.70%; Health Care business increased by 14.51%; and Consumer business increased by 4.46%.

### 1. Safety and Industrial Business:

This business segment serves the core industrial, electrical, vehicle maintenance and safety markets and offers a range of solutions including personal safety products, industrial adhesives and tapes, abrasives, electrical products and products for the automotive aftermarket.

		(₹ in lakhs)	
		March 31, 2024	March 31, 2023
Financial Highlights	Segment Revenue	125,057.93	123,171.72
	Profit Before Interest & Tax	15,712.15	12,056.87
	Capital Employed	22,425.01	23,518.60
Highlights of Safety and Industrial Business	<ul style="list-style-type: none"> <li>• Abrasive: The Company introduced the new Cubitron 3™ Performance Abrasives Portfolio, designed to enhance productivity, ensure user safety, and seamlessly integrate with automation systems. The Company actively supports the adoption of robotic and automation solutions for labor-intensive material removal and finishing applications.</li> <li>• Electrical Products: The Company continues to provide broad range of solutions to its customer base. The Company gained new biz in solar renewable space.</li> <li>• Automotive Aftermarket: The year continued to see sustained growth with new products such as Ceramic Coating, Gloss Boost etc. The Company also embarked with the Brand Refresh of the 3M Car Care Studios across India.</li> <li>• Industrial Adhesives &amp; Tapes Division: The team has been successful in developing new applications for EV batteries which will deliver future growth.</li> <li>• Personal Safety Division: In addition to growth from Pharma &amp; Heavy Machinery Segment, the business has increased penetration in MSME Segment.</li> </ul>		

### 2. Healthcare Business:

This segment will continue providing products and services such as medical and surgical supplies, oral care solutions (dental and orthodontic products) and filtration. On April 1, 2024, the Company's parent company, 3M Company, USA successfully implemented the planned spin-off of its Healthcare business into a new stand-alone publicly traded US company called Solventum Corporation. In India, 3M India Limited will be an exclusive Licensed Manufacturer and Reseller as well as an Independent Distributor, for most of Solventum's healthcare products.

		(₹ in lakhs)	
		March 31, 2024	March 31, 2023
Financial Highlights	Segment Revenue	59,179.78	51,681.49
	Profit Before Interest & Tax	4,101.35	5,438.34
	Capital Employed	9,900.91	10,296.02
Highlights of Healthcare Business	<ul style="list-style-type: none"> <li>• Elective surgeries and dental procedures have continued to increase leading to the growth of the hospital facing and dental businesses.</li> <li>• Excellent leverage of strong partnerships with professional bodies such as CAHO (Consortium of Accredited Healthcare Organizations), INS (Infusion Nurses Society), IDA (India Dental Association) and AORN (Association of Peri Operative Registered Nurses) to upgrade medical practices in hospital settings &amp; dental clinics. This also led to upskilling of medical professionals and technical staff. The adoption and compliance of guidelines and protocols resulted in better penetration of the Company's solutions.</li> <li>• A strong clinical specialist team backed by better understanding of guidelines and protocols helped the healthcare facilities and dental clinics in complying to them resulting in greater adoption of healthcare solutions.</li> </ul>		



### 3. Transportation and Electronics Business:

This business segment serves global transportation and electronic original equipment manufacturers (OEM) with products for automotive and aerospace, commercial solutions, advanced materials and solutions for transportation safety.

		(₹ in lakhs)	
		March 31, 2024	March 31, 2023
Financial Highlights	Segment Revenue	163,964.78	155,128.67
	Profit Before Interest & Tax	36,806.38	23,661.33
	Capital Employed	34,546.23	36,729.92
Highlights of Transportation Business	<ul style="list-style-type: none"> <li>The share of transportation and infrastructure increased by 11% in interim Union Budget 2024 which also included the highest outlay till date for roads and railways.</li> <li>Development of regional airports, metro and urban infra projects continue to offer growth opportunities for 3M's Commercial Branding Solutions.</li> <li>The Company's graphics solutions saw sustained demand in the transportation, fleet and corporate branding segments.</li> <li>Automotive industry delivered robust growth with premiumisation, which created opportunities for the Company's products.</li> </ul>		

### 4. Consumer Business:

This business segments serves consumers with home care, office supply and stationery, home improvement and consumer healthcare products.

		(₹ in lakhs)	
		March 31, 2024	March 31, 2023
Financial Highlights	Segment Revenue	42,795.93	40,967.55
	Profit Before Interest & Tax	8,083.50	8,255.56
	Capital Employed	3,496.38	4,008.76
Highlights of Consumer Business	<ul style="list-style-type: none"> <li>Increased penetration of the Scouring portfolio through trade up programmes.</li> <li>The year saw strong growth in Q-commerce channels with strong partnerships.</li> <li>Grew penetration in Scotch® Mounting tapes and damage free Command™ Hooks with several demand generation activities.</li> </ul>		

## OPPORTUNITIES AND THREATS

3M Company's wide range of technologies and product offerings has enabled it to maintain its leading market positions. We strongly believe in 3M's brand equity and its ability to deliver innovative solutions to customers. Global campaigns and brand-building efforts continue to drive business growth in India.

Operating in a highly competitive and volatile market, the Company may face pressure on both the top and bottom lines. The Company's products require expertise in product development, manufacturing, and marketing, and face competition from technologically oriented companies both domestically and internationally. Additionally, challenges such as rupee depreciation and fluctuating oil and commodity prices require focused attention.

## RISKS AND CONCERNS

Provided below are cautionary statements outlining what the Company believes to be the most important risk factors applicable to the Company:

- The Company's results are affected by competitive conditions and customer preferences.
- Foreign currency exchange rates and fluctuations in those rates may affect the Company's ability to realise projected growth rates in its sales and earnings.
- The Company's growth objectives largely depend on the timing and market acceptance of its new product offerings, including its ability to continually renew its pipeline of new products and bring those products to market.



- The Company's future results are subject to fluctuations in the costs and availability of purchased components, compounds, raw materials, and energy, including oil, natural gas, and their derivatives, due to shortages, increased demand, supply interruptions, currency exchange risks, natural disasters, and other factors like the global pandemic.
- Security breaches and other disruptions to the Company's information technology infrastructure could interfere with the Company's operations, compromise information belonging to the Company or its customers, suppliers, and employees, exposing the Company to liability that could adversely impact the Company's business and reputation.
- The Company's strategy for growth, future revenues, earnings, cash flow, uses of cash, and other measures of financial performance and market position.
- The Company's future results may be affected by its operational execution, including scenarios where the Company generates fewer productivity improvements than estimated.
- Asset impairments.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

All key functions and divisions of the Company are independently responsible for monitoring risks associated with their respective areas of operations such as production, supply chain, marketing, finance, accounting, treasury, legal and other areas like health, safety and environment. The Company has identified various risks through an internal self-assessment compliance checklist and has laid out necessary procedures to mitigate the same.

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance with corporate policies. The Company, through its own Corporate Internal Audit Department, carries out periodic audits to cover all the offices, factories and key areas of business segments based on the plan approved by the Audit Committee and bring out any deviation to internal control procedures. The Internal Auditor functionally reports to the Audit Committee and administratively to the Managing Director. The observations arising out of the audit are periodically reviewed and compliance is ensured. The summary of the Internal Audit observations and status of the implementation is submitted to the Audit Committee of the Board of Directors. The status of implementation of the recommendations is reviewed by the Committee on a regular basis and concerns, if any, are reported to the Board.

## DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

### Learning and Development:

The Company continued to advance its goal of transforming the way we look at Learning at 3M. Learning in the flow of work meant that the Company continued to enhance the features in the Global learning platform – 3M Learn. This was done with the intention of making relevant content available to employees when they needed it and in the way that they needed it. Through the year, 3M Learn consolidated all the resources available in 3M on to one common platform to facilitate ease of learning. 3M Learn gave employees the opportunity to learn and master content that interested them, was relevant to them and may be even introduce them to topics that had nothing to do with their roles, but something that was fascinating and engaging.

3M Learn houses 10,000+ learning resources in more than 15 languages. From eModules and videos to tip sheets and live sessions, employees can use 3M Learn to create a learning plan, explore areas meaningful to them, and take ownership of their growth and development. The goal of 2023 was to get all the employees engaged with 3M Learn as a platform and also get comfortable with learning at their own pace.

### Human Resource Business Partnering/Total Rewards/ Employee Engagement

A strategic focus this year was the globally announced Health Care spin off, for which the India HR team worked collaboratively across all functions to make this a seamless process for the employees involved. For the Company it also entailed the creation of a new Business model, where the Company continues to represent the new Health Care company's (i.e., Solventum's) business under licensing, reselling and distribution agreements. During FY 2023-24, significant and effort was devoted to operationalising this arrangement.

Continuing the allyship journey, the Company's Employee Resource Networks took some giant steps in making the Company more inclusive and diverse. 3M is a Company that celebrates and embraces science in its DNA and with a sense of quiet pride, we announce that three of the Company's women scientists were featured in a very prestigious CII compendium that was published in 2023.

The genesis of the policy on Equal Opportunities for people with disabilities was created in 2023, aligning with the Rights of People with Disabilities. With this policy, we hope to build a 3M that attracts, welcomes, supports and nurtures the growth, development and careers of people with disabilities at 3M. The Company took the baby steps in 2023, so that it can march ahead with confidence in the next few years to make this aspiration a reality.

The focus on the holistic well-being of employees continued in 2023 – 2024. The Company rolled out initiatives like Organ Donation, Mental Well Being, driving Annual Health Checks through Digital Platforms. "Powered by Purpose"



has been the Company's mantra and from the traditional way of running sessions, the Company introduced Bite-sized sessions of 20 Minutes on Wednesday to provide helpful insights and tips to the employees from the Market such as Ergonomics, Financial Investment, Mental Health as well as physical well being.

This year, the Company also upwardly revised the insurance cover to a larger segment of employees aligning with the principles of equity and fairness.

#### **Employee Relations:**

The Company continues to move the needle in strengthening employee relations and maintain a harmonious working environment at the manufacturing sites. The strengthened the implementation of new promotion process that is linked to the Career framework that was launched in 2022.

The Company's drive towards Self-Managed teams continues across multiple sites and workstreams and the outcomes of these teams are being suitably rewarded, through competitions that help to solve the problems on the manufacturing floors.

Other initiatives include:

- Enhanced ownership and participation of plant employees in CSR initiatives.
- Introduction of night shifts for the women employees.
- Outreach programmes from the Manufacturing -Women's Leadership Forum (WLF) to build awareness about careers in manufacturing, through active partnerships and collaborations with the STEM projects and education projects that the Company supports through CSR.

#### **On behalf of the Board of Directors**

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

Place: Bengaluru  
Date: May 28, 2024

## ANNEXURE 'B' TO THE REPORT OF THE BOARD OF DIRECTORS

### Report on Corporate Governance

#### THE COMPANY'S GOVERNANCE PHILOSOPHY

3M's Corporate Governance principles govern how the Company carries on its business daily, enabling the Company to outperform and lead the way to sustainable growth. The governance principles provide a framework that defines the roles, rights and responsibilities of different groups within the organisation. The Board of Directors oversees the Executive Directors and Senior Management (viz., the Leadership Team) including Key Managerial Personnel and ensures that appropriate procedures and controls are in place covering the management's activities in operating the Company on ethical grounds on a day-to-day basis. The Company has adhered to all the applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') for the financial year ended March 31, 2024.

#### BOARD OF DIRECTORS

##### Composition:

As at the financial year ended March 31, 2024, the Board comprised of Three (3) Independent Directors, Two (2) Executive Director and Two (2) Non-Executive Non-Independent Directors. The Board of Directors of the Company is headed by a Non-Executive and Independent Director.

As at the financial year ended March 31, 2024, the Board of Directors of the Company had an optimum combination of Executive and Non-Executive Directors including Two (2) Women Directors and not less than Fifty percent (50%) of the Board of Directors comprises Non-Executive Directors and the composition is in conformity with the provisions of the Companies Act, 2013 and the Listing Regulations. None of the Directors of the Company is related to each other and with any employees of the Company.

The Board of Directors confirm that all the Independent Directors of the Company fulfill the conditions specified under the Listing Regulations and are Independent of the Management of the Company.

Declaration under Schedule V, Para C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015:

All the Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by Securities and Exchange Board of India / The Ministry of Corporate Affairs or any such statutory authority. The Company has obtained a Certificate to this effect from Mr. Vijayakrishna K.T., Practising Company Secretary, Bengaluru as mandated under Schedule V, Para C, Clause 10(i) of the Listing Regulations.

#### Skills / Expertise/Competencies of the Board of Directors:

The present Directors of the Board have vast and varied experience and possess professional background and experience in General Management of Business, Industry, Marketing, Finance, Taxation and Law. Following is the gist of skills / expertise / competencies identified by the Board of Directors.

- Knowledge on the Company's businesses, policies and culture, risks / threats and opportunities and knowledge of the industry in which the Company operates.
- Behavioral skills - attributes and competencies to use their knowledge, professional skills to contribute effectively to the growth of the Company.
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Securities Market, Administration and Decision Making,
- Banking, Financial, Taxation, Mergers and Acquisitions, Law and Management skills.

#### Brief Profile of the Directors:

##### Mr. Bharat D. Shah

*(Chairman, Independent Director)*

Mr. Bharat D. Shah (77 years) was appointed as an Independent Director of the Company for a period of Five (5) years with effect from March 27, 2015 and he was re-appointed by Members as Independent Director of the Company for a second term of Five (5) years with effect from March 27, 2020. He was appointed as Chairman of the Board with effect from May 27, 2016. Mr. Bharat D. Shah has extensive experience and expertise in the fields of banking, finance and securities market. He was one of the founding members of HDFC Bank Limited and played a key role in the establishment and the consistent growth of the bank. He is also on the boards of various prominent companies. Before joining the financial sector, he worked with Technova, Bradma and Pyrene in London. He has also worked with leading MNCs viz., Thomas Cook, Citibank and UBS. He was also the Chairman of HDFC Securities Limited.

Mr. Bharat D. Shah holds a Bachelor's in Science Degree from the University of Mumbai and also holds a Diploma in Applied Chemistry with special reference to metal finishing from Borough Polytechnic, London.





Expertise in Specific Functional Areas	Banking, Finance, Forex Management, General Management of Business and Securities Market
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies) as on March 31, 2024	<ul style="list-style-type: none"><li>• Exide Industries Limited</li><li>• Strides Pharma Science Limited</li><li>• HDFC Credila Financial Services Limited</li></ul>

#### Mr. Biren Gabhawala

(Independent Director)

Mr. Biren Gabhawala (59 years) was appointed as an Independent Director of the Company for a period of Five (5) years with effect from August 5, 2014. He was re-appointed by Members as Independent Director of the Company for a second term of Five (5) years w.e.f. August 14, 2019. He has been practising for the last 30 years. He is a Senior Partner of Messrs. C. M. Gabhawala & Co., Chartered Accountants and specialises in Direct and Indirect Taxation, FEMA, International Taxation, Mergers and Acquisitions.

Mr. Biren Gabhawala holds a Bachelor's degree in Commerce from University of Mumbai and is a qualified Chartered Accountant and a fellow member of the Institute of Chartered Accountants of India.

Expertise in Specific Functional Areas	Direct and Indirect Taxation, FEMA, International Taxation, Mergers and Acquisitions
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies) as on March 31, 2024	eClerx Services Limited

#### Ms. Radhika Govind Rajan

(Independent Director)

Ms. Radhika Rajan (68 years) was appointed as an Independent Director of the Company for a period of Five (5) years with effect from May 27, 2016. She was re-appointed by Members as Independent Director of the Company for a second term of Five (5) years with effect from May 27, 2021. Ms. Radhika is Executive Vice President at DSP Investment Pvt Ltd., the Family Office of Hemendra Kothari in Mumbai, India. She manages the investments of this Family office and has been with the group since July 2011. Her special focus is Private Equity and Venture investments. Ms. Radhika is a results-focused financial-market professional with over 40 years of profit-responsible experience in New York till 2011 and the last 11 years in Mumbai, India, with DSP. Ms. Radhika has focused on India as an investment destination since 1999, when she made a brief foray into IT and was appointed as the New York based Executive Vice-President of Mphasis, a US based IT services start-up, which is now a leading listed Indian IT services company. Post Mphasis, she joined the TCG Group in

New York to set up an Indian Equities Hedge Fund and advising TCG and several other private equity groups on US start-ups and proposed investments in the US-India corridor. Prior to 1999, Ms. Rajan worked as a global-macro proprietary trader at different large financial institutions like JP Morgan (formerly Chemical Bank), Itochu, UBS, Bank of America and Bank of Montreal. As a global macro trader, she traded and took proprietary positions in a range of currencies, in interest rate and commodity futures and in derivatives, with a focus on emerging markets.

Ms. Radhika Rajan holds Master's in Science degree from the Indian Institute of Technology, Mumbai and also holds an MBA degree from, the Indian Institute of Management Ahmedabad. She was a National Science Talent Scholar through her college years.

She also serves as an Independent Director on the Boards of Sonata Software Limited and Sonata Information Technology Ltd. She is a Board observer of a Digital media start-up. Previously she was an Independent Director of Tata Advanced Systems Limited, Tata Sikorsky Aerospace, Tata Lockheed Martin, Nova Integrated and TAS-AGT Systems.

Ms. Radhika Rajan was an invited contributing author of "The Global Internet Economy," a book published by MIT Press in 2003. She is a Charter Member of TIE Tristate, the New York based chapter of TIE, a global association of entrepreneurs active in accelerating the globalisation of Indian business.

Expertise in Specific Functional Areas	General Management of Business, Forex Management, Securities Market
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies) as on March 31, 2024	<ul style="list-style-type: none"><li>• Sonata Software Limited</li><li>• Sonata Information Technology Limited</li></ul>

#### Mr. Ramesh Ramadurai

(Managing Director, Executive Director)

Mr. Ramesh Ramadurai (62 years) was initially appointed as a Non-Executive Non-Independent Director of the Company with effect from March 27, 2015. He is Managing Director of the Company from June 1, 2019. He was re-appointed by Members as Managing Director of the Company for a further period of Three (3) years from February 13, 2024 to February 12, 2027. Previously, Mr. Ramesh Ramadurai served as Business Director for 3M Industrial Business from July 2014 to May 2019. During this period, he was based in Shanghai, China and was responsible for the entire Asia Pacific Area. Prior to this role, Mr. Ramesh Ramadurai served as Managing Director of 3M Philippines from August 2011 until June 2014, based in Manila.

He Joined 3M India in 1989 as a sales engineer and held positions as the Country Business Leader for the Industrial and Electro & Telecommunications businesses. He was seconded to Global Headquarters in St Paul, USA, from November 2003 to December 2008, where he worked as Market Segment Manager, Global Product Manager and International Business Manager in 3M's Industrial Business. Prior to 3M, Mr. Ramesh Ramadurai worked for a year as a Production Engineer at an Offshore Oil Production facility in India and for about 3 years in a business planning role at an automotive parts and motorcycle manufacturer in India. Mr. Ramesh Ramadurai served as the Chairman of Confederation Indian Industry (CII), Karnataka State Council, for FY 21-22. Mr. Ramesh Ramadurai is also a member of Confederation of Indian Industry (CII), Southern Region and a member of the India Advisory Committee of the US India Business Council.

Mr. Ramesh Ramadurai holds a Post Graduate Diploma in Management (PGDM) with specialisation in Marketing from the Indian Institute of Management, Calcutta and a Bachelor of Technology in Chemical Engineering from the Indian Institute of Technology, Kanpur.

Expertise in Specific Functional Areas	General Management of Business and Marketing
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies) as on March 31, 2024	Nil

#### Ms. Vidya Sarathy

*(Whole-time Director and Chief Financial Officer)*

Ms. Vidya Sarathy (58 years) was appointed as a Whole-time Director (designated as "Whole-time Director and Chief Financial Officer") of the Company with effect from June 1, 2022. Initially Ms. Vidya Sarathy was appointed as Chief Financial Officer of the Company with effect from June 1, 2021. She has about 30 years of experience and has extensive experience of working in senior finance positions in diversified industries. Her experiences include working with corporations such as Robert Bosch Engineering & Business Solutions, Landmark Retail Group, Tata Motors and Tata Cummins. Her experience runs across broadly in the finance function, including Accounting and Controlling, Financial Planning, Treasury, M&A, Taxation and Corporate Secretarial-related compliance roles. She also serves as a Non-Executive Independent Director on the Boards of Wildcraft India Limited with effect from September 16, 2022 and is a Chairperson of the Audit Committee and Member of Nomination and Remuneration Committee at Wildcraft India Limited.

Ms. Vidya Sarathy holds a Bachelor's Degree in Science from Madras University and is a qualified Chartered Accountant and Company Secretary. Cost Management Accountant (Intermediate). She also holds Diploma in IFRS from the ACCA (UK).

Expertise in Specific Functional Areas	Finance, Tax, Treasury, Mergers and Acquisitions and General Management of Business
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies) as on March 31, 2024	Wildcraft India Limited

#### Mr. Amit Laroya

*(Non-Executive Director)*

Mr. Amit Laroya (59 years) was appointed as a Non-Executive Non-Independent Director of the Company with effect from June 1, 2016. Mr. Amit Laroya was the President and Managing Director of 3M Korea Limited from June 1, 2016 to December 31, 2019. He was the Managing Director of the Company from October 1, 2013 to May 31, 2016. He has been appointed as Senior Vice President – Asia for Transportation and Electronics Business Group with effect from January 1, 2020. Mr. Amit Laroya started his career at Asian Paints and moved to 3M India in 1990 as the Division Head of Traffic, Safety and Security. He has held positions in 3M India as the Country Business Leader in Safety & Graphics, Industrial, Electro and Telecommunication in addition to being the first Master Black Belt for the India region. He has also held positions as the M&A Manager for the India region and the General Manager of 3M Lanka. His previous assignment as the Managing Director of 3M Indonesia and 3M India Limited made him well suited to understand emerging market needs. He has good understanding of global corporate strategies at 3M having worked in St Paul, USA, as the Global Director for 3M Strategy & Corporate Development & the Director of International Strategic Planning & M&A. He also serves as a Non-Executive Independent Director on the Boards of Kennametal India Limited with effect from March 11, 2024.

Mr. Amit Laroya is an Economics Honors graduate from the University of Delhi and holds a Masters in Business Administration in Marketing and Finance from XLRI, India.

Expertise in Specific Functional Areas	Marketing, Mergers and Acquisitions, Finance and General Management of Business
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies) as on March 31, 2024	Kennametal India Limited



## Ms. Yun Jin

(Non-Executive Director)

Ms. Yun Jin (50 years) was appointed as a Non-Executive Non-Independent Director of the Company with effect from February 4, 2022. She was named as Vice President Finance, 3M Asia from December 1, 2021. She has rich experience, partnering with business and finance leadership teams to drive growth and improve profitability. She has over 28 years of diverse experiences across Greater China Area and the United States in finance and business. She has held several roles of increased responsibility in the finance organisation, including business finance, operational accounting, treasury and tax in China, Greater China Area Financial Planning & Analysis leader and Country General Manager of 3M Hong Kong. Her immediate prior role was as Global Finance Director for 3M Personal Safety Division based in 3M's headquarters in St. Paul, Minnesota, USA.

Ms. Yun Jin graduated from the Shanghai University with a Major in Accounting and holds a Masters in Business Administration jointly from Shanghai University of Finance and Economy and Webster University and is a Certified Public Accountant in China.

Expertise in Specific Functional Areas	Finance, Tax, Treasury, General Management of Business
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies) as on March 31, 2024	Nil

### Details of Committees Membership/Chairmanships held by Directors as on March 31, 2024 including names of other listed companies, where directors of the Company are directors and category of directorship:

Name of the Director	Name of the Company (Including 3M India Limited)	Category	Membership of Committee		Chairmanship of Committees	
			Audit	Stakeholders' Relationship	Audit	Stakeholders' Relationship
Bharat D. Shah	3M India Limited	Independent Director	Yes	Yes		Yes
	Strides Pharma Science Limited	Independent Director	Yes	Yes		Yes
	Exide Industries Limited	Independent Director				
	HDFC Credila Financial Services Limited <sup>1</sup>	Independent Director				
Biren Gabhawala	3M India Limited	Independent Director	Yes	Yes	Yes	
	eClerx Services Limited	Independent Director	Yes	Yes	Yes	Yes
Radhika Rajan	3M India Limited	Independent Director	Yes	Yes		
	Sonata Software Limited	Independent Director	Yes	Yes		
	Sonata Information Technology Limited <sup>1</sup>	Independent Director	Yes			
Ramesh Ramadurai	3M India Limited	Executive Director		Yes		
Vidya Sarathy	3M India Limited	Executive Director				
	Wildcraft India Limited <sup>1</sup>	Independent Director	Yes		Yes	
Amit Laroya	3M India Limited	Non-Executive Director				
	Kennametal India Limited	Independent Director				
Yun Jin	3M India Limited	Non-Executive Director	Yes			
James E Falteisek <sup>2</sup>	3M India Limited	Non-Executive Director				

1. Unlisted Public Company.

2. Director upto May 30, 2023.



## MEETINGS

The Companies Act, 2013 facilitates the participation of a Director in Board/ Committee Meetings through video conference / other audio-visual modes. Accordingly, the option to participate at the Meetings through video/audio conference is made available for the Directors.

The Meetings are generally scheduled well in advance and the notice of each Board / Committee Meeting is given in writing to each Director. The yearly calendar of the Meetings is finalised before the beginning of the year. Additional Meetings are held when necessary. The Board meets at least once a quarter to review the quarterly performance and financial results of the Company. The Board is provided with the relevant information as stipulated in the Listing Regulations. The Meetings are governed by a structured agenda. The Board papers, agenda and other explanatory notes are circulated to the Directors, Seven (7) days prior to the Meetings. In addition, for any business exigencies, the Resolutions are passed by circulation and later placed at the subsequent Board/ Committee Meeting for ratification. The Minutes of the Committee Meetings are sent to all Directors individually within the time limits prescribed under the Companies Act, 2013 and are further tabled at the Board Meetings. The Company Secretary

is responsible for convening the Board and Committee Meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the Meetings. He/she acts as an interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects. During FY 23-24, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### Details of Board Meetings during FY 23-24:

During FY 23-24, Seven (7) Meetings of the Board were held on May 30, 2023, August 10, 2023, September 29, 2023, November 10, 2023, December 11, 2023, February 8, 2024 and February 26, 2024.

The 36<sup>th</sup> AGM for FY 22-23 was held on August 25, 2023.

None of the Directors is a Director in more than Seven (7) Listed Companies or Ten (10) Public Limited Companies or acts as an Independent Director in more than Seven (7) Listed Companies. Further, none of the Directors acts as a member of more than Ten (10) Committees or acts as Chairman of more than Five (5) Committees across all Public Limited Companies in which he/she is a Director.

Name of the Director	Category	No. of Meetings held during the year under review		No. of other Directorships and Committee Memberships / Chairmanships (Including 3M India Limited)			Whether attended last AGM
		Held	Attended	Directorships held <sup>1</sup>	Committee Memberships <sup>2</sup>	Committee Chairmanships <sup>2</sup>	
Bharat D. Shah (Chairman)	Non-Executive & Independent Director	7	7	4	4	2	Yes
Biren Gabhawala	Non-Executive & Independent Director	7	7	2	4	3	Yes
Radhika Rajan	Non-Executive & Independent Director	7	7	3	5	-	Yes
Ramesh Ramadurai (Managing Director)	Executive Director	7	7	1	1	-	Yes
Vidya Sarathy (Whole-time Director and CFO)	Executive Director	7	7	2	1	1	Yes
Amit Laroya	Non-Executive Director	7	7	2	-	-	Yes
Yun Jin	Non-Executive Director	7	7	1	1	-	Yes
James E Falteisek <sup>4</sup>	Non-Executive Director	1 <sup>3</sup>	1 <sup>3</sup>	1	-	-	NA

1. Excludes directorship in private companies, foreign companies, Section 8 Companies and includes directorship in 3M India Limited.
2. Excludes committees other than Audit Committee and Stakeholders' Relationship Committee.
3. No. of Meetings held during the term of the Director.
4. Director upto May 30, 2023.



The gap between any Two (2) Board Meetings did not exceed One Hundred and Twenty (120) days in line with the requirements of the Act and the Listing Regulations.

#### Attendance details of Board Meetings:

Name of the Director	May 30, 2023	August 10, 2023	September 29, 2023	November 10, 2023	December 11, 2023	February 8, 2024	February 26, 2024
Bharat D. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Biren Gabhawala	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Radhika Rajan	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ramesh Ramadurai	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Vidya Sarathy	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Amit Laroya	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yun Jin	Yes	Yes	Yes	Yes	Yes	Yes	Yes
James E Falteisek <sup>1</sup>	Yes	NA	NA	NA	NA	NA	NA

<sup>1</sup>Director upto May 30, 2023.

#### Board Training and Induction:

At the time of appointing a Director, a “Familiarisation Programme for Directors of the Company” brochure is handed over which inter-alia explains the history of the Company, products / divisions of the Company in which it operates, performance of the Company during the last quarter/year, other Directors’ profile, Leadership Team details, situation of factories and branch offices etc., role, function, duties and responsibilities expected as a Director of the Company. In the same document, the Director is also explained in detail the compliances required from him under the Companies Act, the Listing Regulations and other relevant regulations. The Managing Director of the Company also has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfill his role as a Director of the Company. Apart from the above, business heads also make presentations on their respective business groups and update the Board. Some of the updates to the Board during FY 23-24 includes Risk Management Framework, Key Identified Risk Action and update on Key Risk, updates from respective business groups and updates on of MCA/SEBI notifications. The familiarisation document is also disclosed on the website of the Company at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/).

The Company has issued formal letters of appointment to all the Independent Directors of the Company in the manner as provided in the Companies Act, 2013 including the tenure of appointment. The terms of appointment have also been disclosed on the website of the Company at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/). The Company also conducted a plant visit (Ranjangaon Plant) for Independent Directors as part of the familiarisation programme.

#### COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory Committees viz. Audit Committee, Stakeholders’ Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The Meetings of each of these Committees are convened by the respective Chairpersons, who also apprise the Board about the summary of discussions held at its Meetings.

The Minutes of the Committee Meetings are sent to all Directors individually for their approval/comments as per the prescribed Secretarial Standards-1 and after the minutes are duly approved, these are circulated to the Board of Directors and presented at the Board Meetings. The constitution, terms of reference and the functioning of the existing Committees of the Board are explained hereunder.

#### AUDIT COMMITTEE

The Audit Committee of the Company functions in accordance with the requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations.

#### Terms of Reference of the Audit Committee:

The terms of reference of the Audit Committee as per guidelines set out under the Listing Regulations read with Section 177 of the Companies Act, 2013, are set out below:

1. The Audit Committee shall have minimum Three (3) Directors as Members. Two-thirds (2/3) of the members of Audit Committee shall be Independent Directors.
2. All Members of the Audit Committee shall be financially literate and at least One (1) member shall have accounting or related financial management expertise.

3. Chairman of the Audit Committee shall be an Independent Director.
  4. Chairman of the Audit Committee shall be present at Annual General Meeting to answer Shareholder queries.
  5. The Audit Committee may invite such executives of the Company as it considers appropriate (and particularly the head of the finance function) to be present at the Meetings of the Committee, but on occasions it may also meet without the presence of any of the executives of the Company. The Chief Financial Officer (CFO), Internal Auditor and a representative of the Statutory Auditor may be present as invitees for the Meetings of the Audit Committee.
  6. Company Secretary shall act as Secretary of the Audit Committee.
  7. The Audit Committee shall meet at least Four (4) times in a financial year and not more than 120 days shall lapse between two Meetings. The quorum shall be either Two (2) Members or One-third (1/3) of the Members of the Audit Committee, whichever is higher but there shall be a minimum of Two (2) Independent Members present.
- (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgement by management.
  - (d) Significant adjustments, if any, made in the financial statements arising out of audit findings.
  - (e) Compliance with listing and other legal requirements relating to financial statements.
  - (f) Disclosure in financial statements including related party transactions.
  - (g) Qualification/Modified opinion, if any, in the draft audit report.
5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;
  6. Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter, if any;

#### **Powers of Audit Committee**

The Audit Committee has the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise if it considers necessary.

#### **Role of Audit Committee**

The role of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Statutory Auditors and Cost Auditors of the Company;
3. Approval of payment to Statutory Auditors and Cost Auditors and for any other services rendered by the Statutory Auditors;
4. Reviewing, with the Management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Report of the Board of Directors in terms of clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013.
5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter, if any;
7. Review and monitor the auditors' independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;
13. Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with Internal Auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as





well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and Creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis.
22. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crores or 10% of the asset size of the Subsidiary, whichever is lower including existing loans / advances /investments existing as on the date of coming into force of this provision.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

#### Review of information by the Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
3. Internal Audit Reports relating to internal control weaknesses; and
4. The appointment, removal and terms of remuneration of the Chief Internal Auditor, if any.

#### Composition and details of Audit Committee Meetings during FY 23-24:

As on March 31, 2024, the Audit Committee of the Company consisted of Three (3) Non-Executive Independent Directors and One (1) Non-Executive Director and all of them have financial and accounting knowledge. The Members of the Committee are Mr. Biren Gabhawala, Mr. Bharat D. Shah, Ms. Radhika Rajan and Ms. Yun Jin.

Mr. Biren Gabhawala is Chairman of the Audit Committee. Company Secretary is the Secretary to the Committee. At the invitation of the Committee, the Managing Director, Whole-time Director and CFO, the Internal Auditor,

General Counsel and Statutory Auditors attend the Audit Committee Meetings.

During FY 23-24, Five (5) Meetings of the Audit Committee were held on May 30, 2023, August 10, 2023, September 29, 2023, November 10, 2023 and February 8, 2024. The number of Meetings held and attendance of the Members at the Audit Committee Meetings held during the financial year under review are as under:

Name of the Committee Members	No. of Meetings held during the year under review	No. of Meetings attended
Biren Gabhawala (Chairman)	5	5
Bharat D. Shah	5	5
Radhika Rajan	5	5
Yun Jin	5	5

Attendance details of the Audit Committee Meetings:

Name of the Director	May 30, 2023	August 10, 2023	September 29, 2023	November 10, 2023	February 8, 2024
Biren Gabhawala	Yes	Yes	Yes	Yes	Yes
Bharat D. Shah	Yes	Yes	Yes	Yes	Yes
Radhika Rajan	Yes	Yes	Yes	Yes	Yes
Yun Jin	Yes	Yes	Yes	Yes	Yes

#### NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178 of the Companies Act, 2013 and the Listing Regulations, the Board has formed the "Nomination and Remuneration Committee". The terms of reference of the Committee inter-alia, are as follows:

- (a) Chairperson of the Committee shall be an Independent Director as may be elected by the Members of the Committee.
- (b) Quorum for Meeting of the Committee shall be either Two (2) Members or 1/3<sup>rd</sup> of the Members of the Committee, whichever is greater, including at least One (1) Independent Director in attendance .
- (c) The Committee may meet at such times and at such intervals as it may deem necessary and shall at least meet once a year.
- (d) The Role of the Committee shall include inter-alia the following:
  - Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
  - Formulation of criteria for evaluation of Independent Directors and the Board;
  - For every appointment of an independent director, the Nomination and Remuneration

Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a) use the services of an external agencies, if required;
- b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
- d) consider the time commitments of the candidates.

- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Consider whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- Such other matters as may be prescribed under the Companies Act, 2013, Listing Regulations and by the Board of Directors of the Company from time to time.

(e) The Committee may invite such executives of the Company and such other persons as it may consider appropriate.

(f) The Company Secretary acts as the Secretary of the Committee who flag the actions and serve as executive support to the Committee.

The Nomination and Remuneration Policy for Directors, Key Managerial Personnel and for other employees is available at [https:// www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/).

#### **Criteria of selection of Non-Executive Independent Directors**

The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management. The NRC shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively. The NRC shall ensure that the candidate identified for appointment as

a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The NRC shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

The Diversity of the Board aims to:

- enhance the quality of performance of the Board,
- usher in independence in the performance of the Board,
- achieve sustainable and balanced performance and development in the Company,
- support the attainment of strategic objectives of the Company,
- remove the gender bias in the Board, and
- compliance of applicable law/s and good corporate practices.

In case of re-appointment of Directors, the Board shall take into consideration the performance evaluation of the Director and his/ her engagement level.

#### **Criteria of selection of Non-Executive and Executive Directors**

For the purpose of selection of the Non-Executive and Executive Directors, the incumbent shall possess relevant expertise, experience and leadership qualities required for that position. The NRC will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013.

#### **Criteria of selection of Senior Management personnel (including KMPs)**

For the purpose of selection (including internal selection) of the senior management personnel (including KMPs), criteria such as relevant expertise, experience, qualifications are taken into consideration.

#### **Remuneration Policy of the Company**

3M is a pay-for-performance company and offers a competitive pay structure to attract and motivate a well-qualified, diverse workforce.

The Company is committed to fair and equitable pay. The Company differentiates pay based on role, responsibilities, skill set, competence and performance. Our global market pricing process allows the Company to provide market competitive compensation for employees and drives consistency and transparency in compensation practices across regions. The Company follows a global process using data from multiple surveys to benchmark pay levels and map job grades, which helps drive principles for fair and equitable pay.



As an annual activity, the Total Rewards & Services (TRS) team works closely with the Global Market Pricing (GMPP) Process Experts to determine the salary range of each job by doing a market benchmark study.

The Company benchmarks and compares itself with Total Cash Compensation (TCC) which includes Fixed and Variable Pay of selected comparator basket/peer companies from where the Company attracts/loses its talent.

After identification and shortlisting of peer companies, the GMPP team works with external consultants to conduct the Peer basket survey, which compares compensation across similar roles in the peer group. Upon completion of this exercise, process experts, based on the mapping & market median draw the Market Reference Point (MRP). Leveraging the insights from market outlook and data, the annual budget and Annual Salary Review (ASR) is established. Simulated analysis, Salary Forecast, Market Insights are presented to the Leadership Team and a detailed timeline for the Annual Salary Review cycle is tabled to the Leaders. The Total Rewards team further extracts the Annual Increase for the Managing Director and the leadership team and shares the same with the Company Secretary for the Board's Approval. The Annual salary Review then gets implemented across the organisation with effect from the new financial year.

The Company pays effective from April 1, 2021 a fixed Commission not exceeding ₹ 2,000,000/- P.A. to each of the Independent Directors and additional ₹ 200,000/- P.A. to Chairman of the Board, ₹ 100,000/- P.A. to a Chairman of the Audit Committee and ₹ 40,000/- P.A. to the Chairman of the Other Committees of the Board.

The Maximum amount payable to all Independent Directors is restricted to One percent (1%) of the net profit of the Company computed as per the provisions of Section 198 of the Companies Act, 2013.

The Company pays ₹ 40,000/- to each Independent Director per Board and Audit Committee Meetings, ₹ 20,000/- to each Independent Director for other Committee Meetings as sitting fees (effective from August 2021).

Effective April 1, 2024, based on the recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors, the fixed commission has been revised to ₹ 2,500,000/- P.A. and additional Commission payable to Chairman of the Board has been revised to ₹ 250,000/- P.A., to the Chairman of the Audit Committee to ₹ 130,000/- P.A., and for all other committee Chairpersons to ₹ 60,000/- P.A., subject to the same being within 1% of net profits of the Company as aforesaid. The sitting fee for Board & Audit Committee meetings has been revised to ₹ 60,000/- and for all other Committee meetings to ₹ 40,000/-.

The Non-Executive Non-Independent Directors are not paid any Sitting Fees and Commission.

The remuneration by way of commission paid to the Independent Directors is commensurate with the activities

of the Company, the responsibilities of the Independent Directors under the provisions of the Listing Regulations and under the Companies Act, 2013 and the responsibilities as Member/Chairman of the Board and Member/Chairman of Committee/s of the Board and all other relevant factors.

#### **Composition and details of Nomination and Remuneration Committee Meetings during FY 23-24:**

As on March 31, 2024, the Nomination and Remuneration Committee of the Company consisted of Two (2) Non-Executive Independent Directors and One (1) Non-Executive Director. The members of the Committee are Mr. Biren Gabhawala, Mr. Bharat D. Shah and Mr. Amit Laroya.

During FY 23-24, Six (6) Meetings of the Nomination and Remuneration Committee were held i.e., on May 30, 2023, August 10, 2023, November 10, 2023, December 11, 2023, February 8, 2024 and February 26, 2024. The numbers of Meetings held and attendance of the Members at the Nomination and Remuneration Committee Meetings held during the financial year under review are as under:

Name of Members	No. of Meetings held during the year under review	No. of Meetings attended
Biren Gabhawala (Chairman)	6	6
Bharat D. Shah	6	6
Amit Laroya	6	6

#### **Attendance details of Nomination and Remuneration Committee Meetings**

Name of the Director	May 30, 2023	August 10, 2023	November 10, 2023	December 11, 2023	February 8, 2024	February 26, 2024
Biren Gabhawala	Yes	Yes	Yes	Yes	Yes	Yes
Bharat D. Shah	Yes	Yes	Yes	Yes	Yes	Yes
Amit Laroya	Yes	Yes	Yes	Yes	Yes	Yes

#### **Remuneration to Directors:**

As on March 31, 2024, the Company had Two (2) Executive Directors, Mr. Ramesh Ramadurai, Managing Director and Ms. Vidya Sarathy, Whole-time Director and CFO.

Mr. Ramesh Ramadurai, is a Managing Director of the Company from June 1, 2019. Based on the recommendation of the Nomination and Remuneration Committee and performance evaluation carried out, the Board at its Meeting held on December 11, 2023 approved the re-appointment of Mr. Ramesh Ramadurai as Managing Director of the Company for a further period of Three (3) years from February 13, 2024 to February 12, 2027. The Members of the Company have approved his re-appointment by way of an Ordinary Resolution through Postal Ballot Notice dated December 11, 2023.

Ms. Vidya Sarathy was appointed as a Whole-time Director (designated as Whole-time Director and Chief Financial Officer) of the Company with effect from June 1, 2022



and her appointment was approved by the Members at the Thirty Fifth (35<sup>th</sup>) Annual General Meetings for a period from June 1, 2022 to February 21, 2026 (till the date of her superannuation).

Managing Director and Whole-time Directors of the Company have been appointed based on employment contract and their terms of appointment were fixed by the Board.

The elements of the remuneration package of Executive Directors comprise Salaries and Allowances, Perquisites, Company Leased Accommodation, Company Car and driver, Telephone at home, Club Fees, Contribution

to Provident Funds and Other Funds. The contract of employment of Executive Directors is terminable by serving a notice of Ninety (90) days. No severance fee is payable to the executive directors on termination of the agreement. The Company has no Stock Option/Equity-based awards or any other Stock Linked Incentive Plans. However, Senior Executives of the Company including Managing Director and Whole-time Director of the Company are entitled to the Restricted Stock Options/ Stock Appreciation Unit Plans declared by the Parent Company, 3M Company USA, from time to time. As per 3M Group Policy, the Company which employs the respective employees is required to bear the cost of the options.

#### Details of remuneration for the financial year ended March 31, 2024:

##### (a) Executive Directors:

Name and Designation	No. of Shares Held	Salaries & Allowances <sup>1</sup> (₹)	Contribution to Provident Fund (₹)	Estimated Value of Benefits (₹)	Total (₹)	Present term expires on
Ramesh Ramadurai (Managing Director)	Nil	36,095,648	1,335,540	603,338	38,034,526	February 12, 2027
Vidya Sarathy (Whole-time Director and CFO)	Nil	13,720,461	552,576	272,053	14,545,090	February 21, 2026

<sup>1</sup>Salaries and Allowances include the variable pay.

Variable pay as a % of fixed pay for Ramesh Ramadurai, Managing Director was 26% and for Vidya Sarathy, Whole-time Director and CFO was 16.67 %, based on performance rating and the overall performance of the enterprise.

Exceptional performance will receive a performance accelerator both in the fixed pay and the variable pay.

##### (b) Non-Executive Independent Directors:

Name of the Director	No. of Shares Held	Sitting Fees for Board Meetings (Gross) (paid during FY 23-24) (₹)	Sitting Fees for Committee Meetings (Gross) (paid during FY 23-24) (₹)	Commission <sup>1</sup> (Gross) (₹)	Total (₹)
Bharat D. Shah	Nil	280,000	480,000	2,280,000	3,040,000
Biren Gabhawala	Nil	280,000	440,000	2,180,000	2,900,000
Radhika Rajan	Nil	280,000	360,000	2,000,000	2,640,000

<sup>1</sup>Remuneration by way of Commission for FY 23-24 will be paid to the Independent Directors after the financial statements for FY 23-24 have been adopted and approved by the Members at the ensuing Annual General Meeting.

The Executive and Non-Executive Directors do not receive sitting fees and Commission. None of the Non-Executive Directors have any pecuniary relationship with the Company.

#### STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178(5) of the Companies Act, 2013 and the provisions of the Listing Regulations, the Board has formed the "Stakeholders, Relationship Committee".

The terms of Reference of the Committee are as under:

1. To look into the redressal of grievances of Shareholders, Debenture holders and other security holders including complaints related to transfer of Shares, non-receipt of Balance Sheet and non-receipt of dividends.
2. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of Shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
3. Review of measures taken for effective exercise of voting rights by Shareholders.
4. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.



5. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.
6. Report to the Board about the important developments in the area of servicing of the shareholders.

The Committee meets at least once in a year. Company Secretary acts as the Secretary of the Committee who shall flag actions and serve as executive support to the Committee.

#### Composition and details of Stakeholders' Relationship Committee Meetings during FY 23-24:

As on March 31, 2024, the Stakeholders' Relationship Committee of the Company consisted of Four (4) Directors, of which Three (3) are Non-Executive Independent Directors and One (1) is Executive Director. The Members of the Committee are Mr. Bharat D. Shah, Mr. Biren Gabhawala, Ms. Radhika Rajan and Mr. Ramesh Ramadurai.

Mr. Bharat D. Shah is Chairman of the Committee. The Company Secretary Mr. Pratap Rudra Bhuvanagiri is the Compliance Officer of the Company and act as Secretary to the Committee.

During FY 23-24, Four (4) Meetings of the Stakeholders' Relationship Committee were held on May 30, 2023, August 10, 2023, November 10, 2023 and February 8, 2024. The number of Meetings held and attendance of the Members at the Stakeholders' Relationship Committee Meetings held during the financial year under review is as under:

Name of Member	No. of Meetings held during the year under review	No. of Meetings attended
Bharat D. Shah (Chairman)	4	4
Biren Gabhawala	4	4
Radhika Rajan	4	4
Ramesh Ramadurai	4	4

Attendance details of Stakeholders' Relationship Committee:

Name of Member	May 30, 2023	August 10, 2023	November 10, 2023	February 8, 2024
Bharat D. Shah	Yes	Yes	Yes	Yes
Biren Gabhawala	Yes	Yes	Yes	Yes
Radhika Rajan	Yes	Yes	Yes	Yes
Ramesh Ramadurai	Yes	Yes	Yes	Yes

The Company through its Registrar and Share Transfer Agent has addressed / resolved most of the investor grievances/

correspondence within a period of 7 days from the date of their receipt except in cases that are constrained by disputes or legal impediments. The statistics of Members complaints received / redressed, during the period under review are as under:

No. of Shareholders' complaints pending as at April 01, 2023	Nil
No. of complaints received during FY 23-24	151
No. of Shareholders' complaints resolved during FY 23-24	149
No. of Shareholders' complaints pending as on March 31, 2024	2 <sup>1</sup>

<sup>1</sup>Resolved subsequently in the 1<sup>st</sup> week of April, 2024

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board constituted a Corporate Social Responsibility Committee. The CSR Policy of the Company has been disclosed on the website of the Company at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/). The CSR Policy have been revised in line with the amendments to the provisions/the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as amended from time to time.

The terms of Reference of the Committee are as under:

- (a) Chairman of the CSR Committee shall be an Independent Director as may be elected by the Members of the CSR Committee.
- (b) Quorum of the CSR Committee shall be minimum of Two (2) Members provided One (1) of them shall always be an Independent Director.
- (c) The CSR Committee may meet at such times and at such intervals as it may deem necessary.
- (d) The Role of the CSR Committee shall include inter-alia the following:
  - Formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company from time to time as enumerated in Schedule VII of the Companies Act, 2013;
  - Recommend the amount of expenditure to be incurred on the activities undertaken as specified in Schedule VII of the Companies Act, 2013;
  - Monitor the Corporate Social Responsibility Policy of the Company from time to time;
  - Perform such functions as may be statutorily required by the CSR Committee;
  - Other matters as may be assigned by the Board from time to time.

- (e) The CSR Committee may invite such executives of the Company and such other persons as it may consider appropriate.

#### Composition and details of Corporate Social Responsibility Meetings during FY 23-24:

As on March 31, 2024, the CSR Committee of the Company consisted of Four (4) Directors, of which Two (2) are Non-Executive Independent Directors and Two (2) are Executive Directors. The Members of the Committee are Mr. Bharat D. Shah, Ms. Radhika Rajan, Mr. Ramesh Ramadurai and Ms. Vidya Sarathy.

Mr. Bharat D. Shah is Chairman of the CSR Committee. Company Secretary act as Secretary to the Committee.

During FY 23-24, Two (2) Meetings of the CSR Committee were held on May 30, 2023 and November 10, 2023. The numbers of Meetings held and attendance of the Members at the CSR Committee Meetings held during the financial year under review are as under:

Name of Member	No. of Meetings held during the year under review	No. of Meetings attended
Bharat D. Shah (Chairman)	2	2
Radhika Rajan	2	2
Ramesh Ramadurai	2	2
Vidya Sarathy	2	2

Attendance details of Corporate Social Responsibility Meetings:

Name of Member	May 30, 2023	November 10, 2023
Bharat D. Shah	Yes	Yes
Radhika Rajan	Yes	Yes
Ramesh Ramadurai	Yes	Yes
Vidya Sarathy	Yes	Yes

#### INDEPENDENT DIRECTORS' MEETING

During the financial year under review, the Independent Directors met on February 8, 2024, inter-alia, to discuss:

- Evaluation of the performance of the Non-Independent Directors and the Board as a whole,
- Evaluation of the performance of Chairman of the Company, Chairman of the Committee's considering the views of the Executive and Non-Executive Directors,
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to perform its duties effectively and reasonably.

All the Independent Directors viz., Mr. Bharat D. Shah, Mr. Biren Gabhawala and Ms. Radhika Rajan were present at the Meeting held on February 8, 2024. Ms. Radhika

Rajan acted as the Lead Independent Director for the meeting of the Independent Directors.

#### PERFORMANCE EVALUATION OF BOARD/ COMMITTEES /DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board carried out the Annual Performance Evaluation of: (i) the Board as a whole, (ii) individual Directors (including Independent Directors and Chairperson) and (iii) various Committees of the Board based on SEBI's Guidance Note on Board Evaluation issued in January 2017.

A structured and detailed questionnaire was prepared by the Company internally, covering the following criteria:

##### Board as a whole:

Structure of the Board, Meetings of the Board, Functions of the Board, Board and Management, Professional Development.

##### Committees of the Board:

Mandate and Composition, effectiveness of the Committee, structure of the Committee and Meetings, Independence of the Committee from the Board and contributions to decisions of the Board.

Individual Directors and Chairperson (including Chairperson, CEO, Independent Directors, Non-Independent Directors, etc.):

Qualifications, experience, knowledge and competency, fulfillment of functions, initiatives, availability and attendance, commitment, contribution and integrity.

##### Following additional criteria for Independent Directors were covered:

Independence and independent views and judgment.

Effectiveness of leadership and ability to steer the Meetings, Impartiality, Commitment and ability to keep Shareholder's interest in mind.

Based on the above criteria, rating sheets were filled by each of the Directors with regard to Annual Performance Evaluation of: (i) the Board as a whole, (ii) individual Directors (including Independent Directors and Chairperson) (except for the Director being evaluated) and (iii) various Committees of the Board.

The Head-HR was invited for the Independent Directors Meeting held on February 8, 2024 for facilitating, summarising and sharing the results of the evaluation of the performance of Non-Independent Directors and Board as a whole and of the Chairperson of the Company taking into account the views of Executive Directors and Non-Executive Directors. Chairperson of the Meeting of Independent Directors briefed the Board. The Head-HR facilitated by summarising and sharing the results from the filled in questionnaire for each of the Directors. The





Directors were satisfied with the evaluations results which reflected the overall engagement and effectiveness of the Board and its Committees.

## RISK MANAGEMENT

The Risk Management Policy of the Company is intended to:

- Serve as a document wherein risks affecting the entire organisation, at a macro-level are enumerated.
- Describe the measures employed by the management in managing these risks across all divisions and functions, and
- Act as a reference to comprehend how mitigation measures employed by 3M India play a role in reducing the impact and likelihood of these risks.
- Enterprise Risk Management Framework for Risk Governance, Risk Identification and Risk Assessment.

The Management revisits the Policy to keep abreast of changes through a process of periodical monitoring of risks and the level of operational efficiency of controls. Newly identified risks are assessed, understood and impact measured. An evaluation of checks and balances and the need for additional measures are considered. This is achieved through the collaborative efforts of all heads of business and functional divisions. The business and functional heads also seek information from their respective teams to address critical risks that may arise from the grassroots level. The Company has identified many important risks which may have a significant impact on the business, if ignored. The Company has established a set of proactive and reactive measures to address them. These risks were determined based on detailed analysis of the markets where the Company operate, nature of the Company's products and services rendered and inherent risks in various functions.

The Company has constituted a Risk Council comprising members of the Leadership Team and from other functional leaders. The members of the Council are jointly responsible for recommending to the Board of Directors the methodology for risk oversight and management.

The Members of the Risk Council are vested with the following responsibilities:

1. Laying down a framework for identification of risk elements which are pertinent to achieving the Company's strategic objectives.
2. Reviewing strategies, policies, procedures, systems and processes in place for identification of new risks.
3. Assessing the identified risks vis-à-vis their impact and likelihood on the different business divisions.
4. Determining the adequacy of existing mitigation factors including the infrastructure and resources in place and considering the adoption of new systems and processes, in case necessary.

5. Laying down policies and procedures for timely implementation of the mitigation factors.
6. Setting out the roles and responsibilities of various personnel responsible for the mitigation of risks at different processes.
7. Monitoring compliance with policies and procedures related to risk identification and mitigation.
8. Hold Meetings on a bi-annual basis to discuss and evaluate the Risk Management Policy.

## RISK MANAGEMENT COMMITTEE (RMC)

As per Listing Regulations, the majority of Members of the Risk Management Committee would consist of Members of the Board of Directors. The Chairperson of the Risk Management Committee should be a Member of the Board of Directors. The Board of Directors shall define the role and responsibilities of the RMC and may delegate monitoring and reviewing of the Risk Management plan to the Committee and such other functions as it may deem fit.

The Company has constituted a Risk Management Committee of the Board with effect from April 1, 2019. The Board has delegated the monitoring and reviewing of the Risk Management Plan to the Leadership Team Members of the Company, who shall be jointly responsible for recommending to the Risk Management Committee the methodology for risk oversight and management through a team consisting of Members from Business Services group, Sourcing, Corporate Secretarial and Finance.

## Composition and details of Risk Management Committee Meetings during FY 23-24:

As on March 31, 2024, the RMC of the Company consisted of Four (4) Directors, of which Three (3) are Non-Executive Independent Directors and One (1) is Executive Director. The Members of the Committee are Mr. Biren Gabhawala, Mr. Bharat D. Shah, Ms. Radhika Rajan and Mr. Ramesh Ramadurai.

Mr. Biren Gabhawala is Chairman of the RMC. Company Secretary is the Secretary to the Committee.

During FY 23-24, 2 (two) Meetings of the Risk Management Committee held on July 31, 2023 and November 10, 2023. The number of Meetings held and attendance of the Members at the RMC Meeting held during the financial year under review are as under:

Name of Member	No. of Meetings held during the year under review	No. of Meetings attended
Biren Gabhawala (Chairman)	2	2
Bharat D. Shah	2	2
Radhika Rajan	2	2
Ramesh Ramadurai	2	2

Attendance details of Risk Management Committee Meeting:

Name of Member	July 31, 2023	November 10, 2023
Biren Gabhawala	Yes	Yes
Bharat D. Shah	Yes	Yes
Radhika Rajan	Yes	Yes
Ramesh Ramadurai	Yes	Yes

## PARTICULARS OF SENIOR MANAGEMENT

As on March 31, 2024, the Company had following senior management personnel as defined under regulations 16(1) (d) of SEBI Listing Regulations.

Name	Designation
Aparna Sardar	Senior Manager HR Operations Leader
Ashutosh Shirodkar	Head Safety & Industrial Business
Pawan Kumar Singh	Head Transportation & Electronics
Priya Menon	General Counsel
Rajiv Gupta	Head Health Care Business
Rajiv Porwal	Senior Manager Customer Operations
Siddhesh Varde Borkar	Head Consumer Business
Venkatesh T H	Senior Manager R&D Operations

During FY 23-24, Mr. Girish Appu, Plant Operations Leader-India (Senior Management Personnel) of the Company resigned with effect from close of business hours on October 31, 2023.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with the requirements of Section 177(9) and (10) of the Companies Act 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and the provisions of Listing Regulations, the Company has established an effective Vigil Mechanism by way of this Business Conduct Concern Reporting Policy (Whistle Blower Policy) for Upholding 3M's Code of Conduct (available at 3M.com/business conduct), 3M's values and all laws applicable to 3M India Limited's operations in India is the responsibility of everyone acting on 3M's behalf. The Policy sets out ways through which 3M's employees, investors, customers, vendors and other stakeholders can raise concerns that relate to actual or suspected violations of 3M's Code of Conduct, accounting or auditing matters and applicable national and international laws. The details of the website/hotline are as under:

Website: [www.3M-Ethics.com](http://www.3M-Ethics.com) or the International Toll-Free Service (ITFS) from India – 000-800-100-1071/000-800- 001-6112.

The Company prohibits retaliation against anyone who raises a business conduct concern or cooperates in a Company investigation. Complaints made in good faith will not expose the Concerned Party to any sanctions, regardless of whether the underlying facts prove to be correct or result in any corrective action. If a Concerned Party believes that he /she has faced retaliation of any kind, he / she can report it to any of the persons mentioned in the Policy so that the Company can investigate.

Status update on the above Policy is reported to the Audit Committee every quarter and the Policy has been disclosed on the website of the Company at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/).

## SUBSIDIARY COMPANIES

In accordance with Section 129(3) of the Companies Act, 2013, ('Companies Act') a statement containing salient features of the financial statement of the Subsidiary Company in Form AOC-1 is provided as "Annexure K", which forms part of this report.

## RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on materiality of related party transactions and also on dealing with Related Party Transactions. Prior approvals of all Related Party Transactions (RPTs) are obtained from the Audit Committee. The Company has obtained the approval of the Members through postal ballot notice dated November 9, 2022, material related party transactions with 3M Company, USA and material related party transactions with 3M Innovation Singapore Pte Ltd on December 22, 2022 for the period of 1 year. Further, at the 36<sup>th</sup> AGM held on August 25, 2023 Members have approved material related party transactions with 3M Innovation Singapore Pte Ltd for the period of 1 year. Further Members through postal ballot notice dated September 29, 2023, approved material related party transactions with 3M Company, USA on November 4, 2023 for the period of 1 year.

The Company follows the following Policy in disclosing the Related Party Transactions to the Audit Committee:

- A statement in summary form of transactions with related parties at arm's length price in the normal course of business.
- All material individual transactions with related parties, which are not in the normal course of business and which are not on an arm's length basis.
- All material financial and commercial transactions relating to senior management where they have personal interest that may have a potential conflict with the interest of the Company at large.



## DISCLOSURES

### Related Party Transactions:

Details of all material transactions with related parties are disclosed along with the Compliance Report on Corporate Governance. The Company has disclosed the Policy on dealing with Related Party Transactions on the website of the Company at [https:// www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/).

### Accounting Treatment:

The Company's Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2024

are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated financial statements under both Ind AS and Indian GAAP as of the transition date have been recognised directly in equity at the transition date.

### Proceeds from Public issues, rights issue, preferential issues etc.:

The Company has not made any capital issues during FY 23-24.

### General Body Meetings:

Details of Annual General Meetings (AGM) of the Company held for the last Three (3) years:

Date	Meeting	Mode	Location/Deemed Location	Time
August 26, 2021	AGM	Video Conference/ Other audio-visual means	Plot Nos. 48-51, Electronic City, Hosur Road, Bengaluru – 560100 (Registered Office)	10.30 am
August 25, 2022	AGM	Video Conference/ Other audio-visual means	Plot Nos. 48-51, Electronic City, Hosur Road, Bengaluru – 560100 (Registered Office)	10.30 am
August 25, 2023	AGM	Video Conference/ Other audio-visual means	Plot Nos. 48-51, Electronic City, Hosur Road, Bengaluru – 560100 (Registered Office)	10.30 am

Particulars of Special Resolutions passed in the last Three (3) AGMs are given below:

August 26, 2021	Payment of remuneration by way of commission to Non-Executive Independent Directors of the Company for Five (5) financial years commencing from the financial year April 01, 2021.
August 25, 2022	Nil
August 25, 2023	Nil

### Particulars of Special Resolution passed through Postal Ballot Process:

During FY 23-24 the Company has not passed any Special Resolution(s) through the Postal Ballot.

#### Procedure for Postal Ballot:

The procedure prescribed under Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Secretarial Standard 2, Regulation 44 of the Listing Regulations and the Ministry of Corporate Affairs, Government of India, General Circulars issued was followed for conduct of the Postal Ballot. The Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company had engaged the services of "KFin Technologies Limited", for the purpose of providing e-voting facility to all its Members. The Postal Ballot notices were sent to Members in electronic form to the e-mail ids which were registered in the records of the Depository Participants/the Company's Registrar and Transfer Agent. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable

Rules. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members were requested to cast their vote electronically on or before the close of voting period. The scrutiniser submitted his report to Chairman after the completion of scrutiny and the results of the Postal Ballot were then announced. The results of the Postal Ballot were submitted to the Stock Exchanges and displayed on the notice board at the Registered Office, on the Company's website at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/) and on the website of Kfin at <https://evoting.kfintech.com/> pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. The last date specified by the Company for receipt of e-voting was deemed to be the date of passing of the resolutions.

Currently no resolution is proposed to be passed through Postal Ballot. However, if required, the same shall be passed in compliance with the provisions of Companies Act, 2013 and Listing Regulations and other applicable Laws.



**Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years:**

There have been no instances of non-compliance by the Company on any matter related to Capital Markets.

**Compliance with Mandatory Requirements:**

The Company has complied with all the mandatory requirements of the provisions of the Listing Regulations. As regards the non-mandatory requirements the extent of compliance has been stated in this report against each item.

The Auditor's opinion on the financial statements is Unmodified.

**Management Discussion and Analysis:**

The Management Discussion and Analysis Report on the Company's activities during the financial year is published as part of the Company's Annual Report. This report has been placed before the Members of the Audit Committee.

**Insider Trading:**

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code"). The Code has been revised in line with the amendments to the Prohibition of Insider Trading Regulations, as amended from time to time. The amended Code has been hosted on the Company's website at: [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/). Pursuant to the Code, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the Prohibition of Insider Trading Regulations.

**Means of Communication:**

Quarterly/half yearly/annual financial results are published in The Business Line (All India Edition) and PrajaVani (Bengaluru Edition). The Company's financial results and shareholding pattern are also displayed on the Company's website at: [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/) and are also notified to the Stock Exchanges as required under the Listing Regulation. Shareholding pattern, Compliance on Corporate Governance and other Corporate Announcement are uploaded in the NSE Electronic Application Processing System (NEAPS) and in BSE Listing Centre website. The website also displays official news releases and the presentations made to the institutional investors, if any.

**Shareholders:**

Details of the Directors seeking appointment/re-appointment at the ensuing AGM are provided in the Notice convening the AGM.

**Secretarial Audit for Reconciliation of Capital:**

Secretarial Audits were carried out periodically by a qualified Practising Company Secretary for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital agrees with the total number of Shares held in physical form and the total number of dematerialised shares held with NSDL and CDSL. This audit is carried out every quarter and the report thereon are submitted to the Stock Exchanges and is also placed before the Board of Directors.

**NON-MANDATORY REQUIREMENTS**

**Chairman's Office:**

The Company has a Non-Executive Independent Director as Chairman. However, no separate Chairman's office is maintained at the Company's expense. The Company has separate positions for Chairman and Managing Director.

**Shareholders' Rights:**

Quarterly/half yearly/annual financial results are published in English Newspaper having a circulation all over India and in Kannada newspaper (having circulation in Bengaluru). Significant events of the Company are being disclosed to the Stock Exchanges from time to time. The Company's financial results, shareholding pattern and other corporate announcements are also displayed in the Company's website: [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/) and are also notified to the Stock Exchanges as per the provisions of the Listing Regulations. The Company also displays in their website, the quarterly report sent to the Stock Exchanges on the Compliance on Corporate Governance, Shareholding Pattern, Quarterly Financial Results and other Corporate Announcements. The Shareholding Pattern, Corporate Governance details and other Quarterly Compliances and Corporate Announcements are uploaded in the NSE Electronic Application Processing System (NEAPS) and in BSE Listing Centre website.

**Audit qualifications:**

During the financial year under review, there were no qualifications, reservations or adverse remarks made by the Statutory Auditors/ Secretarial Auditors in their respective Reports.

**Reporting of Internal Auditor:** The Company has an in-house Internal Auditor and reports to the Audit Committee.



## GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	August 7, 2024 (Wednesday) at 10.30 am (IST) over Video Conference ("VC")/ Other Audio-Visual Means ("OAVM"). For details, please refer Notice of the AGM
Record Date	Record date: July 5, 2024 (Friday), for the purpose of payment of dividend.
E-voting period	Starts at 9.00 am (IST) on August 4, 2024 (Sunday) and ends at 5.00 pm (IST) on August 6, 2024 (Tuesday).
Dividend payment date	The dividend, if approved shall be paid/dispatched to the shareholders within 30 days from the date of Annual General Meeting of the Company.
Financial Results calendar (Tentative)	1 <sup>st</sup> Quarter Results : On or before August 14, 2024 2 <sup>nd</sup> Quarter Results : On or before November 14, 2024 3 <sup>rd</sup> Quarter Results : On or before February 14, 2025 4 <sup>th</sup> Quarter & Annual Results : On or before May 30, 2025
Listing on Stock Exchanges	National Stock Exchange of India Limited (Stock Code –3MINDIA) BSE Limited (Stock Code - 523395)
International Securities Identification Number	INE470A01017
Corporate Identification Number	L31300KA1987PLC013543

The Company has paid Annual Listing fees, as prescribed, to the National Stock Exchange of India Limited and BSE Limited.

### Annual Custody / Issuer Charges:

The Company has paid the Annual Custody fees to Central Depository Services Limited (CDSL) and to National Securities Depository Limited (NSDL).

### Registrar & Share Transfer Agent:

Share registration and other investor related activities are carried out by the Registrar and Transfer Agent, KFin Technologies Limited for both Physical and Demat securities. Their address is furnished below:

KFin Technologies Limited

KFinTech Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serlingampally Mandal, Gachibowli, Hyderabad – 500 032,

Ph: 040-67161524

E-mail: [rajeev.kr@kfintech.com](mailto:rajeev.kr@kfintech.com),

Website: <https://www.kfintech.com>

Contact person: Mr. Rajeev Kumar.

### Share Transfer System & dematerialisation:

In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, the Company has stopped accepting any fresh transfer requests for securities held in physical form. Accordingly, securities of listed companies can be transferred only in dematerialised form. Dematerialisation of holdings will curb fraud in physical transfer of securities by unscrupulous entities and improve ease, convenience and safety of transactions for investors. Further, SEBI has, vide its circular dated January 25, 2022, mandated companies to issue its securities in demat form only while processing various service requests such as issue of duplicate share certificates, sub-division, consolidation, transmission, etc. to enhance ease of dealing in securities markets by investors. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4. In view of the aforesaid, Members who are holding shares in physical form are hereby requested to convert their holdings in electronic mode to avail various benefits of dematerialisation. All requests for the dematerialisation of shares, which are in order, are processed within 21 days and the confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**Top Ten (10) Members of the Company as on March 31, 2024:**

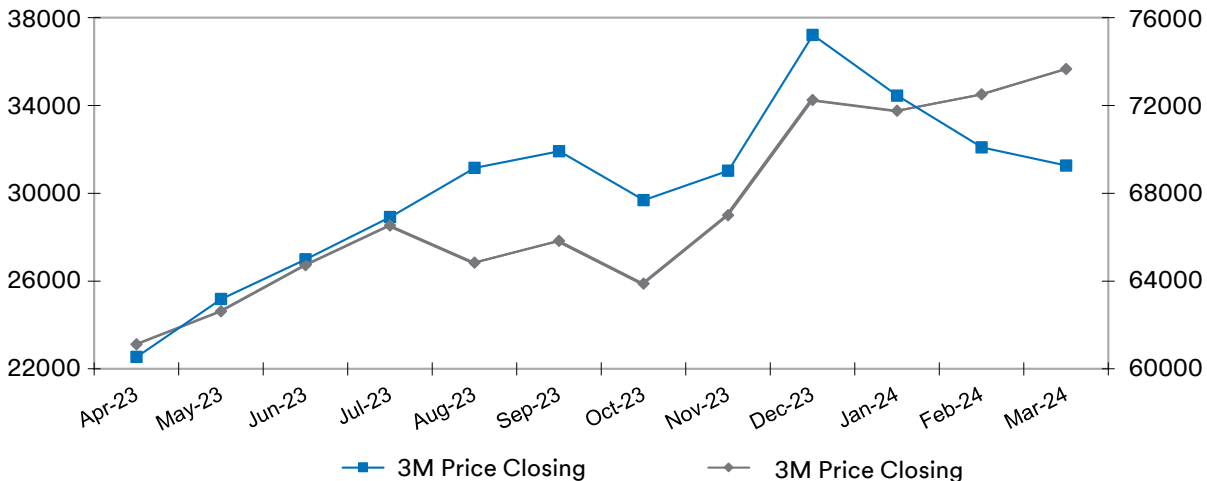
Name of the Members	No. of shares held	% to paid-up capital	Category
3M Company	84,48,802	75.00	Foreign Promoter
Bright Star Investments Pvt Ltd	166,700	1.47	Company
Nippon Life India Trustee Ltd (a/c Nippon India Focused Equity Fund)	93,663	0.83	Mutual Fund
HDFC Life Insurance Company Limited	86,943	0.77	QIB
UTI Flexi Cap Fund	78,812	0.69	Mutual Fund
Axis Mutual fund Trustee Limited (a/c Axis Mutual & a/c Axis Midcap Fund)	77,057	0.68	Mutual Fund
Nippon Life India Trustee Ltd (a/c Nippon India Growth Fund)	60,000	0.53	Mutual Fund
Canara Robeco Mutual Fund (a/c Canara Robeco Emerging Equities)	48,805	0.43	Mutual Fund
Nippon Life India Trustee Ltd (a/c Nippon India Elss Tax Saver Fund)	48,600	0.43	Mutual Fund
HSBC Midcap Fund	46,000	0.40	Mutual Fund
<b>TOTAL</b>	<b>91,55,382</b>	<b>81.28</b>	

**Stock Market Price Data for FY 23-24:**

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High (₹)	Low (₹)	No. of Shares traded	High (₹)	Low (₹)	No. of Shares traded
April 2023	23,460	22,153	2,322	23,410	22,125	65,255
May 2023	25,340	22,290	5,230	25,319	22,201	96,390
June 2023	28,500	25,004	9,562	28,500	25,014	83,592
July 2023	29,150	26,734	8,463	29,190	26,754	73,743
August 2023	31,899	26,650	5,045	31,989	26,628	1,01,487
September 2023	33,643	29,802	4,464	33,250	29,610	85,410
October 2023	31,978	28,700	4,119	32,065	28,870	40,590
November 2023	32,301	29,647	2,929	32,409	29,590	56,801
December 2023	39,810	30,470	7,705	39,876	30,470	2,12,694
January 2024	37,500	33,274	5,260	37,500	33,305	1,06,088
February 2024	34,700	30,300	4,962	34,587	30,250	1,05,187
March 2024	32,147	29,241	4,566	32,275	29,203	1,14,825

**Stock Performance**

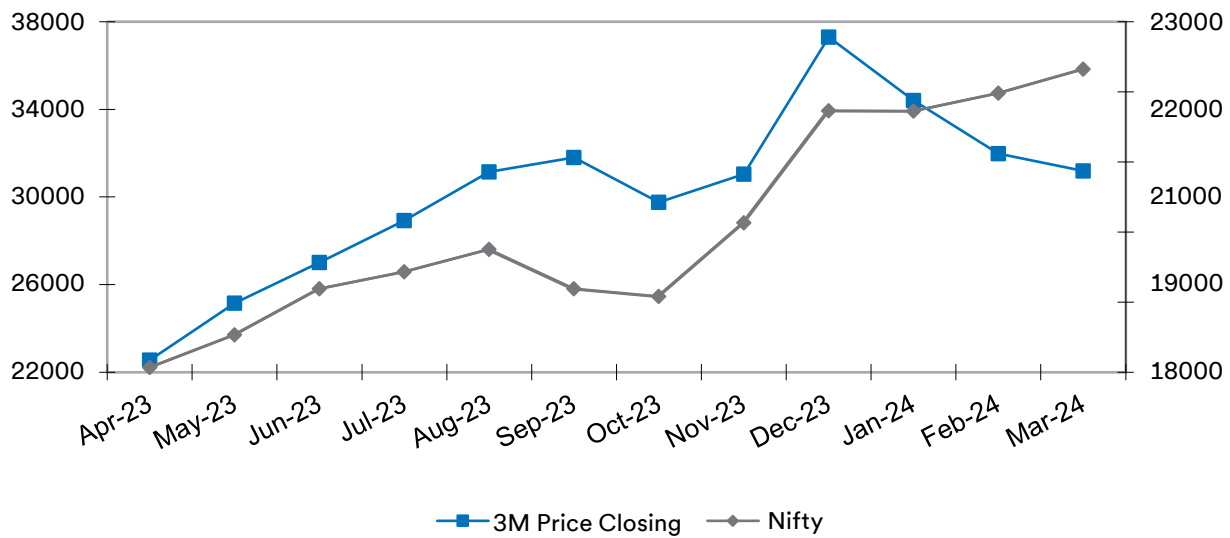
BSE Sensex Vs 3M India Limited's Share Price (Monthly Closing Price)







#### NSE- Nifty Vs 3M India Limited's Share price (Monthly Closing Price)



#### Consolidated Shareholding Pattern as on March 31, 2024:

Category	No. of Holders	Total No. of Shares	% to Equity
Foreign Promoters <sup>1</sup>	1	84,48,802	75.00
Resident Individuals	27,229	10,50,955	9.31
Mutual Funds	78	8,12,175	7.20
Foreign Portfolio - Corp	156	4,10,502	3.64
Bodies Corporates	443	3,03,404	2.69
Qualified Institutional Buyer	6	1,04,264	0.92
H U F	907	45,028	0.39
Non Resident Indian (Non Repatriable)	600	35,619	0.31
Alternative Investment Fund	4	33,534	0.29
Non Resident Indians	655	17,626	0.15
NBFC	5	2,877	0.02
Trusts	3	182	0.00
Insurance Companies	1	60	0.00
Clearing Members	2	21	0.00
Nationalised Banks	1	20	0.00
Key Management Personnel	1	1	0.00
<b>Total</b>	<b>30,092</b>	<b>1,12,65,070</b>	<b>100.00</b>

<sup>1</sup> None of Foreign Promoter Shares has been pledged as on March 31, 2024

Pursuant to SEBI Circular No. Cir/ISD/3/2011 dated June 17, 2011, the Company has 100% of Promoters' shareholding in dematerialised Form.

#### Summary of Shareholding as on March 31, 2024:

Category	No. of Holders	Total No. of Shares	% to Equity
Physical	650	42,172	0.37
N S D L	16,687	1,07,93,754	95.81
C D S L	12,755	4,29,144	3.80
<b>Total</b>	<b>30,092</b>	<b>1,12,65,070</b>	<b>100.00</b>

**Distribution Schedule as on March 31, 2024:**

Category (Amount)	Total Shares	No. of Cases	% to Cases	Amount (₹)	% to Amount
1-5000	6,41,084	29,675	98.61	64,10,840	5.69
5001-10000	1,16,808	161	0.54	11,68,080	1.04
10001-20000	1,36,972	102	0.34	13,69,720	1.22
20001-30000	1,02,316	41	0.14	10,23,160	0.91
30001-40000	56,742	16	0.05	5,67,420	0.50
40001-50000	36,171	8	0.03	3,61,710	0.32
50001-100000	3,56,121	48	0.16	35,61,210	3.16
100001 and above	98,18,856	41	0.13	9,81,88,560	87.16
<b>Total</b>	<b>1,12,65,070</b>	<b>30,092</b>	<b>100.00</b>	<b>11,26,50,700</b>	<b>100.00</b>

**Dematerialisation of Shares and Liquidity:**

99.63% of the total equity capital was held in dematerialised form as on March 31, 2024.

**Outstanding GDRs / Warrants, Convertible Bonds, conversion date and likely impact on equity: Not Applicable****Plant Locations:**

1. Plot No. 48-51, Electronics City, Hosur Road, Bengaluru – 560 100.
2. Plot No. 8, Moraiya Industrial Area; Tal Sanand, Sarkhej Bavla Highway, Ahmedabad –382 213.
3. Plot No. B-20, MIDC; Ranjagaon Industrial Area, Shirur Taluk, Pune- 412 210.

**Branch Locations:**

1. No. 60-61, Udyog Vihar, Phase IV, Gurgaon, Haryana- 122001.

**Commodity Price Risks or Foreign Exchange Risks and Hedging Activities:**

The Company has adequate risk assessment and minimisation system in place for foreign exchange. The foreign exchange risk is reviewed periodically. The Company does not have material exposure of any commodity as well as foreign exchange and accordingly, no hedging activities for the same is carried out.

**Directors and Officers (D&O) Insurance for Directors:**

In line with the requirements of Regulation 24(10) of SEBI Listing Regulations, the Company has taken Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management and other Personnel of the Company.

**Other Disclosures:**

- The Board has received disclosures from the Senior Management that there is no material, financial or commercial transactions, where they and / or their relatives have personal interest. There are no

materially significant related party transactions of the Company, which have potential conflict with the interest of the Company at large. The transactions with related parties as per requirements of applicable Accounting Standards are disclosed under notes to accounts.

- All transactions with related parties, as defined under the Companies Act, 2013, the Listing Regulations, during the year were in ordinary course of business and at arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013. The Board has approved a policy on dealing with related party transactions and the same is available on the Company's website at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/).
- The Board has approved Whistle Blower Policy / Vigil Mechanism pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the same is available on the website at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/). As per the Policy no personnel has been denied access of the Audit Committee.
- There have been no instances of any noncompliance and no penalties or strictures have been imposed on the Company on any matter relating to the capital markets, either by Stock Exchanges, Securities and Exchange Board of India or any such related statutory authority during the last three years.
- The Company has adopted and complied with mandatory requirements as per provisions of the Listing Regulations. Some of the non-mandatory requirements have also been complied with.
- The requisite certificate from CEO/MD and CFO were placed before the Board Meetings for consideration.
- The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.



- 3M Electro & Communication India Private Limited (3M E&C) (currently in the process of merger with the Company) is a material subsidiary of the Company. 3M E&C was incorporated on July 27, 1989 at Pondicherry. The Statutory Auditors of 3M E&C are Messrs. BSR & Co. LLP, Chartered Accountants, Bengaluru (ICAI Firm Registration No. 101248W/W-100022), who were appointed at 32<sup>nd</sup> Annual General Meeting of 3M E&C held on September 30, 2021. Policy on Determination of 'Material' subsidiary is at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/).
  - The Company has formulated the Dividend Distribution Policy as required under Regulation 43A of the Listing Regulations and the same is annexed to this report and also available on the website of the Company.
  - Disclosures required under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 have been included in the Board's Report which forms part of the Annual Report.
  - Total fees paid by the Company and its subsidiary to the Statutory Auditors and all the entities in their network firm/network entities for all services rendered by them during FY 23-24 is ₹ 186.63 lakhs.
  - In reference to Schedule III, Para A, Clause 5A of the Listing Regulations, there are no agreement impacting management or control of the Company or imposing any restriction or create any liability upon the Company.
- Address for correspondence:**  
Registered Office: Plot Nos. 48-51, Electronic City, Hosur Road, Bengaluru – 560100.  
Corporate Office: WeWork Prestige Central, 3<sup>rd</sup> floor, 36 Infantry Road, Tasker Town, Bengaluru - 560001.
- Designated e-mail id for redressal of investor complaints:**  
[investorhelpdesk.in@mmm.com](mailto:investorhelpdesk.in@mmm.com)
- Compliance Officer:**  
Mr. Pratap Rudra Bhuvanagiri: Inquiries, if any, may be addressed to the Compliance Officer.

## CEO / CFO CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of 3M India Limited ("the Company") certify that:

- A. We have reviewed Financial Statements and the Cash Flow Statement for the year ending March 31, 2024 and that to the best of our knowledge and belief, we state that:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which

we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- D. We have indicated to the Auditors and the Audit committee:
1. Significant changes in internal control over financial reporting during the financial year;
  2. Significant changes in Accounting Policies during the financial year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**On behalf of the Board of Directors**

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

Place: Bengaluru  
Date: May 28, 2024



## CODE OF CONDUCT

The Company's Board has laid down a code of conduct for all Board Members and Senior Management of the Company. The code of conduct is available on the website of the Company at [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/). Requisite annual affirmations of compliance with respective codes have been made by the Directors and Senior Management of the Company for the period April 01, 2023 to March 31, 2024.

The Certificate by the MD/CEO of the Company concerning compliance with the Code of Conduct for Directors and Senior Management is given below:

### Code of Conduct for Directors and Senior Management MD / CEO Confirmation

I hereby confirm that:

The Company has obtained from the Directors and Senior Management Personnel affirmation that they have complied with the above code for and in respect of, the year ended March 31, 2024.

Place: Bengaluru

Date: May 28, 2024

**Ramesh Ramadurai**

Managing Director

DIN: 07109252

## CERTIFICATE OF COMPLIANCE

Certificate from Mr. Vijayakrishna K.T, Practising Company Secretary, Bengaluru confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 (3) of the Listing Regulations read with Schedule V is attached to the Board's Report forming part of the Annual Report. This Certificate shall be forwarded to the Stock Exchanges where the securities of the Company are listed.

**On behalf of the Board of Directors**

Place: Bengaluru

Date: May 28, 2024

**Ramesh Ramadurai**

Managing Director

DIN: 07109252

**Vidya Sarathy**

Whole-time Director &  
Chief Financial Officer

DIN: 01689378



## AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To  
The Members of  
3M India Limited  
Bengaluru

I have examined the compliance of the conditions of Corporate Governance by 3M India Limited for the year ended March 31, 2024 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bengaluru  
Date: May 28, 2024

**Vijayakrishna KT**  
Practising Company Secretary  
M. No: 1788 C.P. No: 980  
UDIN: F001788F000465141  
Peer Review Certificate No. 1883/2022

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015)

To  
3M India Limited  
Plot No 48-51, Hosur Road,  
Electronics City, Bengaluru,  
Karnataka, 560100

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of 3M India Limited (hereinafter referred to as 'the Company') having CIN L31300KA1987PLC013543 and having Registered Office at Plot No. 48-51, Electronic City, Hosur Road, Bengaluru, Karnataka 560100 India, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number ('DIN') status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2024 has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director (Messrs)	DIN	Date of appointment in the Company
1	Amit Laroya	00098933	01/10/2013
2	Bharat Dhirajlal Shah	00136969	27/03/2015
3	Radhika Govind Rajan	00499485	27/05/2016
4	Biren Chandrakant Gabhawala	03091772	05/08/2014
5	Yun Jin	09474323	04/02/2022
6	Ramadurai Ramesh	07109252	27/03/2015
7	Vidya Sarathy	01689378	01/06/2022

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bengaluru  
Date: May 28, 2024

**Vijayakrishna KT**  
Practising Company Secretary  
M. No: 1788 C.P. No: 980  
UDIN: F001788F000465218  
Peer Review Certificate No. 1883/2022



## ANNEXURE 'C' TO THE REPORT OF THE BOARD OF DIRECTORS

### Business Responsibility & Sustainability Reporting

#### SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity	
1. Corporate Identity Number (CIN) of the Listed Entity	L31300KA1987PLC013543
2. Name of the Listed Entity	3M INDIA LIMITED
3. Year of incorporation	04-07-1987
4. Registered office address	Plot Nos. 48-51, Electronics City, Hosur Road, Bengaluru - 560 100
5. Corporate address	WeWork Prestige Central, 3 <sup>rd</sup> floor, 36 Infantry Road, Bengaluru - 560 001
6. E-mail	investorhelpdesk.in@mmm.com
7. Telephone	+91-80-2223 1414
8. Website	https://www.3mindia.in
9. Financial year for which reporting is being done	April 1, 2023 to March 31, 2024
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11. Paid-up Capital (In ₹)	11,26,50,700
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Smitha Gopalkrishnan +91-80-2223 1414 sgopalkrishnan@mmm.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14. Name of assurance provider	-
15. Type of assurance obtained	-

#### II. Products/services

##### 16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Other manufacturing	61.5%
2.	Trading	Wholesale Trading	38.5%

##### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Transportation & Electronics products	3290	42%
2.	Safety & Industrial products	3290	32%
3.	Healthcare products	3290	15%
4.	Consumer products	3290	11%



### III. Operations



#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	2	5
International	0	0	0

#### 19. Markets served by the entity:

##### A. Number of locations

Locations	Number
National (No. of states)	29
International (No. of Countries)	13

##### B. What is the contribution of exports as a percentage of the total turnover of the entity?

0.4%

##### C. A brief on types of customers:

- (i) Business to Business (B2B): The entity's customers include OEMs, construction companies, hospitals, clinics, industrial facilities, infrastructure companies, electronics manufacturers, telecommunication companies, automotive manufacturers, automotive aftermarket dealerships and aerospace industries.
- (ii) Business to Consumer (B2C): The entity sells consumer products like Command™ strips, Scotch® tapes, Post-it® notes, Scotch-Brite® Scrub pads, respirators, and car care products directly to consumers.

### IV. Employees



#### 20. Details as at the end of Financial Year:

##### A. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (H)	% (H / A)
EMPLOYEES								
1.	Permanent (D)	742	624	84%	118	16%	0	0%
2.	Other than Permanent (E)	193	166	86%	27	14%	0	0%
3.	Total employees (D + E)	935	790	84%	145	16%	0	0%
WORKERS								
4.	Permanent (F)	291	278	96%	13	4%	0	0%
5.	Other than Permanent (G)	459	406	88%	53	12%	0	0%
6.	Total workers (F + G)	750	684	91%	66	9%	0	0%

##### B. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female		Other	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (H)	% (H / A)
EMPLOYEES								
1.	Permanent (D)	0	0	0%	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%	0	0%
3.	Total employees (D + E)	0	0	0%	0	0%	0	0%
WORKERS								
4.	Permanent (F)	0	0	0%	0	0%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%	0	0%
6.	Total workers (F + G)	0	0	0%	0	0%	0	0%

**21. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	3	43%
Key Management Personnel	3	1	33%

**22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

	Turnover rate in current FY 23-24				Turnover rate in previous FY 22-23*				Turnover rate in the year prior to the previous FY 21-22			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	8%	12%	0%	9%	9%	14%	0%	9%	8%	13%	0%	9%
Permanent Workers	1%	14%	0%	2%	2%	20%	0%	3%	2%	24%	0%	2%

\*Variation in previously reported data due to expansion of our scope in current year. Turnover now includes those who left the entity voluntarily, separation due to underperformance, retirement and death in service.

3M's Work Your Way (WYW) initiative has helped to reduce the attrition rate among female employees by promoting a hybrid working structure, which allows for flexible working schedules.

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****23. (a) Names of holding / subsidiary / associate companies / joint ventures**

Sr. No.	Name of the holding / subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	3M Company	Holding	0%	Yes
2	3M Electro & Communication India Private Limited	Subsidiary	100%	No

**VI. CSR Details**

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹): ₹ 3,92,676 lakhs

(iii) Net worth (in ₹): ₹ 2,37,019 lakhs

**VII. Transparency and Disclosures Compliances****25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	(If Yes, then provide web-link for grievance redress policy)	FY 23-24			FY 22-23		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	YES	<a href="https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/">https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/</a>	0	0	None	0	0	None

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	(If Yes, then provide web-link for grievance redress policy)	FY 23-24			FY 22-23		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	YES	Investors can reach the Company through a dedicated Investor helpdesk via email . <a href="https://multimedia.3m.com/mws/media/2212824O/contact-information-of-the-designated-officials-of-the-company.pdf">https://multimedia.3m.com/mws/media/2212824O/contact-information-of-the-designated-officials-of-the-company.pdf</a>	0	0	None	0	0	None
Shareholders	YES	Shareholders can reach the Company or registrar and share transfer agent . <a href="https://multimedia.3m.com/mws/media/2212824O/contact-information-of-the-designated-officials-of-the-company.pdf">https://multimedia.3m.com/mws/media/2212824O/contact-information-of-the-designated-officials-of-the-company.pdf</a>	151	2	The 2 shareholder complaints pending as on March 31 <sup>st</sup> 2024 were resolved in the first week of April 2024 .	76	0	None
Employees and workers	YES	Employees and workers have a dedicated portal , 3M-Ethics .com , to log complaints anonymously . <a href="https://secure.ethicspoint.com/domain/media/en/gui/8897/index.html">https://secure.ethicspoint.com/domain/media/en/gui/8897/index.html</a>	54	17	The pending cases follow 3M's standard Ethics and Compliance investigation protocol and will be resolved in due course .	22	5	None
Customers	YES	Customer grievances are addressed through an online portal called Customer Issue Resolution portal . Every customer has unique access to this portal to log complaints and view the status for resolution . The average cycle time to address queries is 9 days .	7,610	0	None	12,632	198	None
Value Chain Partners	YES	Covered under complaints registered on 3M-Ethics .com which may include anonymous complaints by non employees . <a href="https://secure.ethicspoint.com/domain/media/en/gui/8897/index.html">https://secure.ethicspoint.com/domain/media/en/gui/8897/index.html</a>	0	0	None	0	0	None



## 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Sustainable products and solutions	Opportunity	The Sustainability Value Commitment (SVC) presents a significant opportunity for 3M to lead in the growing market for sustainable products and solutions. By integrating sustainability into every stage of our product pipeline, we can attract eco-conscious consumers, drive innovation, and achieve cost efficiencies through waste reduction and energy savings. This commitment also ensures regulatory compliance, mitigates legal risks, and enhances our brand reputation, building trust with stakeholders. Ultimately, the SVC aligns with 3M's long-term sustainability goals, contributing to global environmental efforts while strengthening our market position and growth.	-	Positive Implications- The Sustainability Value Commitment (SVC) boosts 3M's finances by attracting eco-conscious customers, cutting production costs, ensuring regulatory compliance, and enhancing brand reputation, driving sustainable growth and profitability.
2.	Safety of products and services	Risk	Any health and safety incident related to our products poses a risk of injury or harm to our customers, which can lead to legal liabilities, damage to our brand reputation, and financial losses.	By continuously improving product safety standards, implementing rigorous testing protocols, and swiftly addressing any issues through transparent communication and prompt recalls if necessary, we can mitigate risks, protect customer trust, and reinforce our commitment to safety and quality.  3M provides a TDS (Technical Data Sheet) and an MSDS (Material Safety Data Sheet) for each of its products which carry information on product usage, hazard status, storage conditions, shelf life, and disposal methodologies.	Negative Implication – Health and safety incidents can decrease product demand, impact brand reputation, and lead to financial losses through legal expenses and trust-building efforts.
		Opportunity	However, such incidents also present an opportunity for us to demonstrate our commitment to customer safety and product quality, by proactively addressing the issue, implementing corrective actions, and showcasing our high-quality products that meet stringent safety standards, thereby enhancing customer trust, strengthening our brand reputation, and driving business growth.		Positive Implications - Effective management of health and safety incidents enhances customer trust and brand reputation, potentially leading to increased sales and market share.



Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Health and Safety of employees	Risk	Employee health and safety pose a risk to 3M due to potential accidents, health issues, increased costs, reduced productivity, and potential legal liabilities, impacting human resources and overall operational efficiency.	At 3M India, we prioritise employee health and safety with rigorous training, regular health screenings, and strict compliance with safety regulations. We foster a culture of awareness, utilise advanced technologies, and engage employees to ensure a safe and supportive workplace environment	Negative Implications - Employee health and safety incidents can have significant implications for the entity. These incidents can result in medical expenses, regulatory penalties, reduced productivity, and challenges in recruitment and retention.
4.	Climate change and GHG Emissions	Risk	Failure to address climate change and reduce GHG emissions poses a risk to 3M India's operations, reputation, and financial performance.	3M India has undertaken projects to contribute to 3M Global goals towards reducing energy, water and waste management ( <i>Refer initiative details in Principle 6</i> )	Negative Implication: - Increased operational costs - Regulatory fines - Exposure to climate-related risks and disruptions, potentially leading to financial losses
		Opportunity	Reducing GHG emissions and investing in renewable energy enhance efficiency, mitigate regulatory risks, and lower long-term costs. Our commitment to climate action strengthens brand reputation, and attracts eco-conscious customers. Embracing climate resilience positions us as sustainability leaders, ensuring growth amidst climate challenges.		Positive Implications- Reducing GHG emissions, mitigates regulatory risks. This commitment strengthens brand reputation, attracts eco-conscious customers, and boosts investor confidence.
5.	Ethical and transparent business practices	Risk	Failure to uphold ethical standards and transparency at 3M India could lead to reputational damage, regulatory scrutiny, and legal liabilities.	The Company mitigates risks through robust compliance programmes, regular audits, comprehensive ethical training, fostering a culture of integrity, and transparent communication with stakeholders.	Negative Implication: Reputational impact, regulatory fines, and diminished investor confidence.
		Opportunity	Implementing ethical and transparent business practices enhances trust, attracts stakeholders, and strengthens corporate governance at 3M India, driving sustainable growth and leadership in the marketplace.		Positive Implications - Ethical and transparent practices enhance brand reputation, attract loyal stakeholders, reduce operational risks for 3M India.



Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Community health, safety and well being	Risk	The impact of community health, safety, and well-being issues on 3M India includes potential regulatory scrutiny, operational disruptions, reputational damage, and legal liabilities, which can affect business continuity and stakeholder trust.	The Company's community philosophy is enshrined in the CSR policy which states that it seeks to engage in outcome-based CSR programmes that will impact and enrich the communities around its areas of operation. The interventions are mapped to the activities listed under Schedule VII of the Companies Act 2013 and to the Sustainable Development Goals (SDGs), broadly falling under the three focus themes of Education, Community & Environment.	Negative Implications - Community health, safety, and well-being issues can increase regulatory costs, disrupt operations, lead to legal expenses, and impact brand reputation.
7.	Water usage and availability	Risk	Operating in a water-stressed area poses a significant risk to the Company's operations due to the potential scarcity of a critical resource. Water stress can lead to restrictions on water usage, increased costs for water, and potential conflicts with local communities and other water users. It can also impact the Company's ability to expand or maintain operations in the region.	3M's 2023 global manufacturing locations were evaluated using the Aqueduct™ Water Risk Atlas stress-level screening tool, Aqueduct 3.0. To mitigate this risk, the Company has initiated a water conservation and management programme in Shirur Taluk where the entity's manufacturing site is located (Ranjangaon) to develop sustainable water resources and infrastructure. This includes watershed interventions, rainwater harvesting, and community engagement to build local water management capabilities. By elevating water levels in aquifers and enhancing irrigation, the Company is working to secure its water supply and support the local community.	Negative Implications - If the risk is not adequately managed it could lead to increased operational costs, potential fines or penalties for overuse of water resources, and reputational damage.
		Opportunity	The Company's initiative to establish a multi-year water conservation and management programme in the water-stressed Ranjangaon area presents an opportunity to address water scarcity and build sustainable water management practices. The project aims to conserve and harvest rainwater, elevate groundwater levels, and benefit the local community, which aligns with 3M's goal of engaging with water-stressed communities on community-wide water management approaches.		Positive Implications - The initiative can lead to cost savings in the long term through improved water efficiency and potentially lower water costs. Additionally, the Company may benefit from enhanced community relations and a stronger brand image.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes, the entity's policies cover all the 9 principles and the core elements of the NGRBCs.								
	b. Has the policy been approved by the Board? (Yes/No)	Yes, all the policies pertaining to the 9 principles have been approved by the entity's Board.								
	c. Web Link of the Policies, if available	<a href="https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/">https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/</a>								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the entity has translated these policies into procedures and standards.								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the enlisted policies extend to the entity's value chain partners.								
4.	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<p><b>P1-</b> -</p> <p><b>P2-</b> The entity has voluntarily adopted GHS SDS (Global Harmonised System for Classification, Labelling, Packaging of Hazardous Chemicals) to be in synergy with global standards and provide its customers with the most comprehensive information about the environmental, health and safety of its products.</p> <p><b>P3-</b> All 3M India manufacturing sites are certified with ISO 45001: 2018 for Occupational Health and Safety Management Systems.</p> <p><b>P4-</b> 3M Global is a United Nations Global Compact (UNGC) participant, and is committed to align its operations and strategies with the UNGC Principles on business and human rights.</p> <p><b>P5-</b> 3M Global supports several external human rights charters, including:</p> <ul style="list-style-type: none"> <li>• United Nations Global Compact (UNGC)</li> <li>• Universal Declaration of Human Rights</li> <li>• United Nations Guiding Principles on Business and Human Rights</li> <li>• International Labor Organization's Declaration on Fundamental Principles and Rights at Work</li> <li>• Organisation for Economic Cooperation and Development (OECD) — Guidelines for Multinational Enterprises, including OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High-Risk Areas</li> </ul> <p><b>P6-</b> All 3M India manufacturing sites are certified with ISO 14001:2015 for Environment Management Systems.</p> <p><b>P7-</b> 3M Global has partnered with The United Nations Framework Convention on Climate Change (UNFCCC) to advance the Paris Agreement and UN SDGs.</p> <p><b>P8-</b> 3M Global has partnered with UNFCCC to advance the Paris Agreement and UN SDGs.</p> <p><b>P9-</b> The entity is certified with ISO 9001 - Quality management standards.</p>								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>3M Global made significant commitments towards decarbonisation in 2021, with an investment of USD 1 billion over 20 years to achieve carbon neutrality, reduce water use, improve water quality and reduce plastics.</p> <p>Specific environmental goals and targets include:</p> <ul style="list-style-type: none"> <li>• Reduce Scope 1 and 2 emissions by 50% by 2030, 80% by 2040 and achieve neutrality in our operations by 2050.</li> <li>• Help our customers reduce their GHGs by 250 million tonnes of CO<sub>2</sub> equivalent emissions through the use of our products.</li> <li>• Improvements in energy efficiency by 30% by 2025, renewable energy use to 50% by 2025 and 100% by 2050.</li> <li>• Reductions in water use by 25% by 2030.</li> <li>• Reduce dependence on virgin fossil-based plastic by 125 million pounds by the end of 2025.</li> </ul> <p>Social and Governance goals and targets include:</p> <ul style="list-style-type: none"> <li>• Create 5 million unique STEM and Skill Trades learning experiences by the end of the 2025-2026 school year.</li> <li>• Training to five million people globally on worker and patient safety by 2025.</li> <li>• Double the pipeline of diverse talent in management by 2025.</li> </ul>								



Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>3M Global has made steady progress on its carbon, water and waste footprints. Some of the achievements documented in the <a href="#">3M Global Impact Report 2024</a> include -</p> <ul style="list-style-type: none"><li>• Achieving 56.2% renewable electricity across global operations – ahead of schedule – and a substantial 43.2% reduction in greenhouse gas emissions since 2019.</li><li>• Reduced virgin fossil-based plastic use by 69.8 million pounds.</li><li>• Increased water efficiency by 19.1% indexed to sales.</li></ul> <p>The India entity has undertaken projects to contribute to 3M Global goals towards reducing energy, water and waste management. The entity’s manufacturing sites at Ranjangaon, Pune and Electronics city, Bengaluru have identified programmes to contribute to these goals. Initiatives include:</p> <ul style="list-style-type: none"><li>• The Ranjangaon site has an on-site, rooftop solar installation generating an annual power of <b>13,15,000 KW</b> and reducing carbon emissions annually by <b>1,100</b> metric tonnes.</li><li>• The Bengaluru site has partnerships with local utilities to purchase solar power from the grid through solar wheeling. The site sources 85% of its renewable electricity from the grid.</li></ul>								
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	We are committed to advancing our environmental, social, and governance (ESG) performance. Aligned with 3M’s global ESG practices and standards, we aim to support global commitments such as achieving Carbon Neutrality by 2050 and reducing water usage by 25% by 2030. Our sustainability framework, focused on Science for Circular, Climate, and Community, directs our efforts to areas of significant impact. We are dedicated to embedding and enhancing ESG practices within our operations to maximise our positive impact on society and the environment.								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Ramesh Ramadurai, Managing Director, 3M India Limited								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).	Yes								
	If yes, provide details.	<p>The Managing Director is a member of the Board and also serves on the India ESG Council, a management-level ESG committee that has been established to drive sustainability and responsible practices across the organisation. The Council comprises stakeholders from all business groups and functions to ensure comprehensive representation.</p> <p>The India ESG Council meets every quarter to review progress on ESG initiatives, discuss emerging trends and challenges, and identify opportunities for improvement. The Council’s focus areas include:</p> <ul style="list-style-type: none"><li>- Strengthening ESG governance and risk management</li><li>- Awareness and education on evolving ESG regulations</li><li>- Enhancing transparency, accuracy and efficiency in reporting disclosures</li><li>- Promoting sustainable practices in operations and supply chain</li><li>- Driving improvement projects to meet entity ESG commitments</li><li>- Fostering a culture of ethics and compliance</li></ul>								



## 10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee	Frequency (Annually / Half yearly /Quarterly/ Any other-please specify)
Performance against above policies and follow up action	P1 – Director	P1 - Quarterly
	P2 – Director	P2 - Annually
	P3 – Director	P3 - Half Yearly
	P4 – Stakeholders' Relationship Committee	P4 - Half Yearly
	P5 – Director	P5 - Half Yearly
	P6 – Director	P6 - Annually
	P7 – Director	P7 - Annually
	P8 – Corporate Social Responsibility Committee	P8 - Half Yearly
	P9 – Director	P9 - Annually
Compliance with statutory requirements of relevance to the principles and rectification of any non- compliances	P1 – Director	P1 - Quarterly
	P2 – Director	P2 - Annually
	P3 – Director	P3 - Half Yearly
	P4 – Stakeholders' Relationship Committee	P4 - Half Yearly
	P5 – Director	P5 - Half Yearly
	P6 – Director	P6 - Annually
	P7 – Director	P7 - Annually
	P8 – Corporate Social Responsibility Committee	P8 - Half Yearly
	P9 – Director	P9 - Annually

11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	If Yes, Provide name of the agency	<p>The entity has carried out independent assessments by an external agency for Principle 3, 6 and 9.</p> <p>DQS India, one of the leading ISO certification bodies in India conducted 3 assessments of the entity during FY 23-24 namely :</p> <p>1. ISO 9001 – Quality Management System</p> <p>2. ISO 14001 – Environment Management System</p> <p>3. ISO 45001 – Occupational Health and Safety Management System</p>								



## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable

#### Essential Indicators

##### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	<p>Compliance topics are routinely included in the agenda for the entity’s Board meetings. In FY 23-24, the Board received updates and presentations on the following topics to enhance their awareness and understanding :</p> <ol style="list-style-type: none"> <li>1. The 3M Code of Conduct</li> <li>2. Regulatory changes</li> <li>3. Whistleblower policy</li> <li>4. Investor relations</li> </ol>	100%
Key Managerial Personnel	13	<p>Key managerial personnel of the entity participate in the all-employee legal and compliance training mandated by the Global Ethics &amp; Compliance department of 3M Global. All employees are assigned online training modules on various topics, and timely completion is diligently tracked. In FY 23-24, key managerial personnel completed the following training programmes and awareness sessions:</p> <ol style="list-style-type: none"> <li>1. Annual Code of Conduct Certification</li> <li>2. Promoting Fair Competition</li> <li>3. Conflict of Interest</li> <li>4. Anti-bribery (Gifts/Entertainment - Giving or Receiving)</li> <li>5. Sexual Harassment at the Workplace Training – Conducted with the help of an external agency.</li> <li>6. Manager Dialogue Case Study Sessions – Quarterly supervisor-led awareness sessions on various ethics and compliance topics, featuring actual case stories and examples depicting employee behaviour and actions.</li> <li>7. Working with Third Parties</li> <li>8. Intellectual Property</li> <li>9. Preventing Bribery and Corruption</li> <li>10. Data Privacy</li> <li>11. Electronic Communications</li> <li>12. 3M Code of Conduct and Ethical Decision Making</li> <li>13. Reporting and non-retaliation</li> </ol> <p>Awareness emails were also circulated to all employees, covering the following topics:</p> <ol style="list-style-type: none"> <li>1. Conflict of Interest</li> <li>2. Anti-bribery (Gifts/Entertainment - Giving or Receiving)</li> <li>3. Third Party Due Diligence</li> <li>4. Whistleblower Process</li> </ol>	100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	13	<p>Employees, other than Board of Directors (BoD) and Key Managerial Personnel (KMPs), are part of the all-employee legal and compliance training mandated by the Global Ethics &amp; Compliance department of 3M Global. Each employee is assigned online training modules on various topics, with timely completion diligently tracked. In FY 23-24, employees (other than BoD and KMPs) completed the following training programmes and awareness sessions:</p> <ol style="list-style-type: none"> <li>1. Annual Code of Conduct Certification</li> <li>2. Promoting Fair Competition</li> <li>3. Conflict of Interest</li> <li>4. Anti-bribery (Gifts/Entertainment - Giving or Receiving)</li> <li>5. Sexual Harassment at the Workplace Training – Conducted with the help of an external agency.</li> <li>6. Manager Dialogue Case Study Sessions – Quarterly supervisor-led awareness sessions on various ethics and compliance topics, featuring real case stories and examples depicting employee behaviour and actions. Employees in supervisory roles with direct reports facilitate these discussions with their teams.</li> <li>7. Working with Third Parties</li> <li>8. Intellectual Property</li> <li>9. Preventing Bribery and Corruption</li> <li>10. Data Privacy</li> <li>11. Electronic Communication</li> <li>12. 3M Code of Conduct and Ethical Decision Making</li> <li>13. Reporting and Non-Retaliation</li> </ol> <p>Awareness emails were also circulated to all employees, covering the following topics:</p> <ol style="list-style-type: none"> <li>1. Conflict of Interest</li> <li>2. Anti-bribery (Gifts/Entertainment - Giving or Receiving)</li> <li>3. Third Party Due Diligence</li> <li>4. Whistleblower Process</li> </ol>	100%
Workers		<p>Manufacturing workers are exposed to ethics and compliance topics like anti-bribery, anti-competition and conflict of interest through in-person trainings or awareness sessions. Conflict of interest declarations are taken from manufacturing workers. Manager Dialogue Case Study Sessions are facilitated by supervisors for their teams periodically.</p> <p>During the year under review, trainings were conducted for plant employees during the last quarter of the FY 23-24. Plant managers nominated employees to be trained by 3M Ethics &amp; Compliance and they in turn trained their respective teams.</p>	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website): No fine/ penalty was levied related to NGRBC principles (monetary/ non-monetary)

#### Monetary

##### Penalty/ Fine

Details of penalty or fine					
Sr.	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
			Not Applicable		



### Settlement

Details of settlement					
Sr.	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Not Applicable					

### Compounding fee

Details of compounding fee					
Sr.	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Not Applicable					

### Non- Monetary

### Imprisonment

Details of imprisonment				
Sr.	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Not Applicable				

### Punishment

Details of Punishment				
Sr.	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Not Applicable				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Sr.	Case Details	Name of the regulatory/ enforcement agencies/judicial institutions
Not Applicable		

4. Does the entity have an anti-corruption or anti-bribery policy?

Yes.

If yes, provide details in brief Provide a web-link to the policy, if available

3M strictly prohibits bribery. 3M employees and any third parties must not provide, offer, or accept bribes, kickbacks, corrupt payments, facilitation payments, or inappropriate gifts to or from government officials or any commercial individuals or entities, regardless of local practices or customs.

Employees are responsible for carefully selecting every business partner that acts on 3M's behalf. They must conduct assessments of current and prospective business partners in accordance with 3M's Integrity Assessment procedures to ensure compliance with applicable anti-bribery laws and this policy.

Employees, supervisors, and managers must promptly report any suspected violations of anti-bribery laws through the appropriate channels, and may do so anonymously.

Web link anti corruption or anti bribery policy is in place

<https://multimedia.3m.com/mws/media/4592840/principle-anti-bribery-en.pdf>



**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 23-24	PY 22-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

**6. Details of complaints with regard to conflict of interest:**

	FY 23-24		PY 22-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NIL	0	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NIL	0	NIL

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable.

**8. Number of days of accounts payables (Accounts payable \*365) / Cost of goods/services procured) in the following format:**

	FY 23-24	PY 22-23
Number of days of accounts payables	123	106

**9. Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

		FY 23-24	PY 22-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	50%	52%
	b. Number of dealers / distributors to whom sales are made	951	1,005
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	15%	13%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)*	61%	58%
	b. Sales (Sales to related parties / Total Sales)	2.3%	2.2%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	0%
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

\* 3M Company, USA is a Holding Company of 3M India and together with other members of 3M Group are "related parties" for 3M India. In the ordinary course of its business, 3M India enters into transactions for the sale and purchase of goods and raw materials with, for availing / rendering services from/to, and other commercial transactions with such related parties, which are very critical and essential for the Company to carry out its business operations and maximise its growth and performance.



## Leadership Indicators

- Awareness programmes conducted for value chain partners on any of the Principles during the financial year**  
The entity establishes clear communications with our value chain partners on topics related to responsible business covering safety and regulatory compliance, environmental, health and safety, human resources guidelines including child labour, forced labour & trafficking, discrimination and working conditions.

Sr.	Total number of awareness programmes held	Topics / principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-	-

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?**  
Yes.

**Provide details if the entity has processes in place to avoid/ manage conflict of interests involving members of the Board.**

3M Code of Conduct outlines stringent guidelines for our Board of Directors to prevent and disclose any actual or potential conflicts of interest with the Company. Annually, our Board of Directors and Senior Management provide declarations regarding adherence to the Code of Conduct, updating as necessary. This policy is accessible on our website at [https://www.3m.com/3M/en\\_US/ethics-compliance/code](https://www.3m.com/3M/en_US/ethics-compliance/code).

## PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 23-24	PY 22-23	Details of improvements in environmental and social impacts
R&D	0%	0%	-
Capex	3.37%	0%	In FY 23-24, the entity invested capital for all three sites to set up equipment to reduce diesel emissions to meet regulatory requirements set up by the Pollution Control Board for various states.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)**  
Yes.
  - If yes, what percentage of inputs were sourced sustainably?**  
The mechanism to track and monitor sustainably sourced inputs is yet to be designed for the entity.
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**
  - Plastics (including packaging)**  
The Extended Producer Responsibility (EPR) framework is under implementation within the Plastic Waste Management Rules and its subsequent amendments. Under this regime, it is the responsibility of entities to ensure the processing of their plastic packaging waste. This can be achieved through recycling or end-of-life disposal methods, which include co-processing, waste-to-energy conversion, plastic-to-oil transformation, utilisation in road construction, or industrial composting.

Pre-consumer plastic packaging waste from each 3M India site is channelised to the Pollution Control Board approved plastic waste processors for end-of-life waste management activities such as recycling or coprocessing.

Post-consumer plastic packaging waste management is executed by registered Plastic Waste Processors (PWP) through tie-ups with urban local bodies, logistic partners for collecting and transporting plastic waste and a network of collection centers located across India.

In accordance with the Plastic Waste Management Rules & guidelines, starting in 2023, 3M India has been fulfilling its Extended Producer Responsibility (EPR) obligations for plastic packaging by acquiring EPR credits through the Centralised Extended Producers Responsibility Portal for Plastic Packaging, which is developed, governed, and maintained by the Central Pollution Control Board. The collection and processing of plastic waste on the ground is executed by plastic waste processors, that are authorised and monitored by the CPCB/SPCB.

Annually, 3M India meets the plastic packaging waste targets mandated by the Central Pollution Control Board, which is brand agnostic and geography neutral. These targets are segmented into three categories:

Category I, which pertains to rigid plastic packaging.

Category II, which includes flexible plastic packaging, single-layered or multi-layered (comprising more than one layer with various types of plastic), as well as plastic sheets or covers made of plastic sheet, carry bags, and sachets or pouches.

Category III, which involves multi-layered plastic packaging that contains at least one layer of plastic combined with one or more layers of material other than plastic.

**(b) E-waste**

E-Waste (Management) Rules, 2022 rules is applicable for every manufacturer, producer, consumer, bulk consumer, collection centers, dealers, e-retailer, refurbisher, dismantler and recycler involved in the manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment listed in Schedule I, including their components, consumables, parts and spares which make the product operational.

The responsibility of disposal of e-waste has been assigned to producers of notified Electrical & Electronic Equipment (EEE) under the principle of Extended Producer Responsibility (EPR). Under the EPR regime, producers of EEE, are given annual e-waste collection and recycling targets based on the generation from the previously sold EEE.

For FY 23-24, the entity has an obligation to report for product categories like Variable Messaging Signs (VMS), Polishers, Dust extraction machines and a few medical products (Antivac, sterilisation machine, etc.) as per the guidelines outlined in Schedule 1.

**(c) Hazardous waste**

Hazardous waste generated at the entity's manufacturing locations are disposed as per the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2022 which is managed by the entity's Environment Health & Safety Department.

Products sold by the entity are categorised as hazardous waste after their end of life based on the hazard, the nature and area of application. As a part of the regulatory assessment during new product introduction, every product before its launch is checked to see if it falls within the scope of these rules after the shelf life. Accordingly, the applicability is communicated to the end customer through Section 15 of 3M's Material Safety Data Sheet (MSDS).

**(d) Other waste**

The Battery Waste Management Rules (BWMR), notified in 2022, replace the Battery (Management & Handling) Rules, 2001. These rules apply to producers, dealers, and consumers involved in the collection, segregation, transportation, refurbishing, and recycling of all types of batteries, regardless of their chemistry, shape, volume, weight, material composition, or use.



As a producer, 3M India has registered with the Central Pollution Control Board (CPCB) to comply with the new BWMR. While the entity is not currently generating any battery waste, it has established processes to meet the collection and recycling targets outlined in Schedule II of the Extended Producer Responsibility rules.

Furthermore, 3M India will submit an Extended Producer Responsibility plan to the CPCB by June 30<sup>th</sup> each year. This plan will detail the quantity, weight, and dry weight of battery materials for the batteries manufactured in the preceding financial year, provided through the centralised portal.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

Yes.

**If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?**

Yes, Extended Producer Responsibility (EPR) for plastic packaging is applicable to 3M India. In accordance with the Plastic Waste Management Rules and its subsequent amendments, the entity's waste management plan aligns with the EPR guidelines, adhering to the targets mandated by the Central Pollution Control Board (CPCB). 3M India is registered as a Brand Owner on the CPCB's Centralised Extended Producers Responsibility Portal for Plastic Packaging, which also facilitates the EPR wallet credit exchange on the portal. The entity has fully met its EPR obligations for FY 23-24, by reporting its plastic packaging waste footprint on the EPR portal and has purchased corresponding plastic EPR credits equivalent to 1,569 metric tonnes from plastic waste processors authorised by the Pollution Control Board.

For FY 22-23, e-waste registration as a producer has been completed and EPR targets have been met. A new authorised recycler was onboarded by the entity to fulfil the EPR obligations for e-waste. The 4 metals viz., Gold, Iron, Aluminum and Copper were extracted from the E-waste generated. The below table shows the details of metals extracted from the e-waste.

End Product	Transferred Date	Transferred To	Certificate No.	Certificate Value (Kg)
Gold	Mar 12, 2024, 2:26 PM	3M INDIA LIMITED	2024-Au-0286-3803009710	0.001
Iron	Mar 12, 2024, 2:28 PM	3M INDIA LIMITED	2024-Fe-0286-7541988510	97.109
Copper	Mar 12, 2024, 2:31 PM	3M INDIA LIMITED	2024-Cu-0286-8832920130	3.415
Aluminium	Mar 12, 2024, 2:33 PM	3M INDIA LIMITED	2024-Al-0286-3639897860	18.183

## Leadership Indicators

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?**

No.

The entity is in the process of establishing a mechanism to conduct Life Cycle Assessments (LCAs) for new locally manufactured products. This initiative aligns with our commitment to integrate Life Cycle Management (LCM) into all 3M products through our new product introduction process. This process includes thorough Environmental Health & Safety evaluations of raw material composition and product characteristics. We assess human health and environmental toxicology, ensuring compliance with regulatory and customer EHS requirements, as well as developing hazard communication documents.

At a global level, for select products, 3M also provides Environmental Product Declarations (EPDs), calculates product carbon footprints (PCFs), and conducts screening assessments. These efforts are aimed at gaining deeper insights into the potential impact of our products on the environment and society.



If yes, provide details

**The entity conducted Life Cycle Perspective/Assessments (LCA)**

Sr.	NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	If yes, provide the web-link.
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Not Applicable

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

**Action taken to mitigate significant social or environmental concerns and/or risks arising from production or disposal of products / services**

Sr.	Name of Product/Service	Description of the risk/concern	Action Taken
-----	-------------------------	---------------------------------	--------------

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

We have made conscious efforts to use recycled plastics and paper as input material in our products. Previous year we provided estimated figures of input materials recycled or re-used. We are currently putting in a mechanism to monitor and track the recycled and reused input material used in our production.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed, as per the following format:

	FY 23-24			PY 22-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	766	803	0	1,004.54	0
E waste	0	0.491	0	0	0	0
Hazardous waste	0	0	0	0	0	0

**Other waste**

**Details of other waste**

Name of other Waste	FY 23-24			PY 22-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
	Not Applicable			Not Applicable		

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Sr.	Indicate product category	Reclaimed products and their packaging materials as Percentage of total products sold in respective category
1.	Plastic packaging waste	100%



### PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators

##### 1. a. Details of measures for the well-being of employees:

Category	% of Employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	624	624	100%	624	100%	NA	NA	624	100%	0	0%
Female	118	118	100%	118	100%	118	100%	NA	NA	118	100%
Total	742	742	100%	742	100%	118	100%	624	100%	118	16%
Other than Permanent Employees											
Male	166	166	100%	166	100%	NA	NA	0	0%	0	0%
Female	27	27	100%	27	100%	27	100%	NA	NA	27	100%
Total	193	193	100%	193	100%	27	100%	0	0%	27	14%

##### b. Details of measures for the well-being of workers:

Category	% of Employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	278	278	100%	278	100%	NA	NA	278	100%	0	0%
Female	13	13	100%	13	100%	13	100%	NA	NA	13	100%
Total	291	291	100%	291	100%	13	100%	278	100%	13	4%
Other than permanent workers											
Male	406	406	100%	406	100%	NA	NA	0	0%	0	0%
Female	53	53	100%	53	100%	53	100%	NA	NA	53	100%
Total	459	459	100%	459	100%	53	100%	0	0%	53	11%

##### c. Spend on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	<b>FY 23-24</b>	<b>PY 22-23</b>
Cost incurred on well-being measures as a % of total revenue of the Company	0.16%	0.14%

**Note:** It covers medical insurance, medical health check-up, life insurance, mental-health support, maternity leave benefits, and employee wellness.

##### 2. Details of retirement benefits

Benefits	FY 23-24			PY 22-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	NA	NA	NA	NA	NA	NA

**3. Accessibility of workplaces**

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? - No**

**If not, whether any steps are being taken by the entity in this regard.**

The entity plans to audit all its workplaces and implement recommendations under the Rights of People with Disability Act 2016.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?**

Yes.

**If so, provide a web-link to the policy.**

<https://multimedia.3m.com/mws/media/2416981O/3m-india-equal-opportunity-for-persons-with-disabilities-standard.pdf>

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Other				
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers?**

If yes, give details of the mechanism in brief.	Yes/No	
Permanent Workers	Yes	<p>Permanent workers of the entity have various channels to enable them to voice their concerns with the management.</p> <p>Channels include an Employee Communication Forum (ECF), a monthly grievance committee with women representation, that meets on a monthly basis.</p> <p>Workers may also log their complaints via an online grievance tool which routes complaints to relevant departments for redressal. In addition, the 3M-Ethics.com online platform is available for reporting grievances.</p> <p>Plant locations also have suggestion boxes installed where workers may drop their concerns anonymously.</p>
Other than Permanent Workers	Yes	<p>Contract workers and their representatives conduct periodic meetings with the HR and Plant leadership to address their concerns.</p> <p>In addition, contract workers may drop their concerns anonymously into the suggestions boxes that are placed at all plant locations.</p>
Permanent Employees	Yes	<p>Employees' concerns related to the 3M Code of Conduct may be raised on 3M-Ethics.com platform.</p> <p>Employees who report concerns are protected by the Anti-Retaliation policy.</p>
Other than Permanent Employees	Yes	<p>Contract employees are also entitled to access the same platforms available to permanent employees to report their grievances.</p>



**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 23-24			PY 22-23		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>742</b>	<b>0</b>	<b>0%</b>	<b>817</b>	<b>0</b>	<b>0%</b>
Male	624	0	0%	685	0	0%
Female	118	0	0%	132	0	0%
Other	0	0	0%	0	0	0%
<b>Total Permanent Workers</b>	<b>291</b>	<b>0</b>	<b>0%</b>	<b>291</b>	<b>0</b>	<b>0%</b>
Male	278	0	0%	280	0	0%
Female	13	0	0%	11	0	0%
Other	0	0	0%	0	0	0%

**8. Details of training given to employees and workers:**

Category	FY 23-24					PY 22-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No.(B)	% (B / A)	No.(C)	% (C / A)		No.(E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	624	624	100%	624	100%	685	685	100%	685	100%
Female	118	118	100%	118	100%	132	132	100%	132	100%
Other										
Total	742	742	100%	742	100%	817	817	100%	817	100%
Workers										
Male	278	278	100%	278	100%	280	280	100%	284	100%
Female	13	13	100%	13	100%	11	11	100%	6	100%
Other										
Total	291	291	100%	291	100%	291	291	100%	290	100%

**Note:** These training sessions include coverage of all mandatory and optional courses available on 3M Learn, a global learning management system for 3M employees.

**9. Details of performance and career development reviews of employees and workers:**

Category	FY 23-24			PY 22-23		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
<b>Employees</b>						
Male	624	624	100%	685	685	100%
Female	118	118	100%	132	132	100%
Other						
<b>Total</b>	<b>742</b>	<b>742</b>	<b>100%</b>	<b>817</b>	<b>817</b>	<b>100%</b>
<b>Workers</b>						
Male	278	278	100%	280	280	100%
Female	13	13	100%	11	11	100%
Other						
<b>Total</b>	<b>291</b>	<b>291</b>	<b>100%</b>	<b>291</b>	<b>291</b>	<b>100%</b>



## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No)

Yes.

#### If yes, the coverage of such a system?

3M continually strives to maintain the highest standards of safety across all workplaces to ensure that people, assets, and our businesses operate in the most efficient manner. All our manufacturing facilities are certified with ISO 45001, the international standard for Occupational Health and Safety Management Systems, reinforcing our commitment to leadership in safety and health. We utilise the Compliance & Audit Management & Metrics System (CAMMS) portal, customised to 3M's requirements, to track and monitor all applicable EHS compliance and legal obligations.

Initiatives like the 'SEE & ACT' programme help strengthen the safety culture at our sites by involving workers on the shop floor and empowering them to take ownership of unsafe acts and problem-solve for improved safety.

ZERO Lost Time Injury is a key metric for upholding safety performance. All manufacturing sites were able to maintain ZERO Lost Time Injuries during the year due to a continuous focus on preventive actions.

The Company's EHS Cultural Excellence programme outlines the execution model and manufacturing excellence principles to ensure a safe and healthy workforce. This framework includes sections on ergonomics, industrial hygiene, process hazard management (PHM), ventilation programmes, static management plans, combustible dust management, safety training, and health and wellness programmes.

Our progress against each of these parameters is assessed through regular audits.

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The entity proactively identifies risks and mitigates them through programmes like High Hazard Activity (HHA), Safety Hour and See & Act.

Our Process Hazard Management workbook identifies process safety risks and their mitigation plans. Risk Assessment for Machine (RAM) identifies machine safety risks. The Ergonomic Job Risk Analyzer tool addresses ergonomic risks and Job Safety Analysis assesses non-routine activities.

Each of these tools are specially curated to handle various types of risks. The actions arising from these risk assessments are tracked electronically in our 'EHS 360' tool for completion with proper evidence for closure.

### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks?

Yes.

The entity has an EHS cultural acceleration programme which engages employees to take initiative to create safe environments, understand and reduce the risks, adhere to safety practices and be comfortable raising concerns.

The 'SEE & ACT' programme empowers employees to identify unsafe acts and conditions and understand the root cause of their occurrence through dialogue.

Monthly focus themes are observed to drive improvements across each of the EHS categories.

Competencies are enhanced through trainings on various EHS topics like fire safety, process safety, behaviour based safety, use of PPEs, first aid, machine safety to name a few.

All these efforts translate into the EHS metrics being achieved. Notably, there has been ZERO Lost Time injuries at all three manufacturing sites.

### d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

Yes.

All our manufacturing facilities are equipped with fully functional Occupational Health centers that are available 24x7 for employees and workers with both basic occupational and non-occupational healthcare support.



**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 23-24	PY 22-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

We monitor our employees based on their potential exposure to chemical and physical hazards in the workplace. We screen for early signs of occupational illnesses to protect workers from further exposure, and we provide medical support. We look for trends in the health data of working populations to assure that potential hazards are well controlled. Certain employees working on the shop floor who are exposed to certain chemical / physical hazards undergo tests like Pulmonary function test (PFT), vision test, Audiogram, etc.

During the year, there were several initiatives introduced to empower employees to take care of occupational health related issues. At all the sites, vision tests were conducted for workers. At the Ranjangaon site, Audiogram in a calibrated audiometry booth for Noise Conservation areas was conducted. In addition, skin evaluation, complete eye test and chest X-rays were done to rule out instances of tuberculosis as a part of Pre-Employment Medical Check Up for new hires to the Microbiology Lab. A medical check up was also done for all food handlers and the emergency response team members. Employee cab drivers were also covered in the vision and hearing check up.

**13. Number of Complaints on the following made by employees and workers:**

Category	FY 23-24			PY 22-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Not applicable.

## Leadership Indicators

### 1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N) Yes.

(B) Workers (Y/N). Yes.

### 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

For contract workers and suppliers, reports are sent to the entity's HR department which provide evidence that the statutory deposits are made to the government like PT, PF, ESI etc.

### 3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are Category Total no. of affected employees/ workers rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 23-24	PY 22-23	FY 23-24	PY 22-23
Employees	0	0	0	0
Workers	0	0	0	0

### 4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes.

The entity offers out placement support through a reputed organisation to facilitate and equip transitioning employees or workers along their career journey.

### 5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	8%
Working Conditions	8%

### 6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Our supply chain risk assessment process prioritises higher-risk suppliers while applying to all suppliers. It starts with a self-assessment questionnaire (SAQ) designed to evaluate supplier programmes and determine their compliance with our expectations. The SAQ emphasises our Supplier Responsibility Code (SRC) requirements. 3M may follow up with a virtual or on-site assessment. Any deficiencies identified are addressed through a Supplier Responsibility Code (SRC) Corrective Action Preventive Action (CAPA) process. Follow-up on CAPA may involve additional audits. If a supplier is unable or unwilling to resolve identified gaps, the CAPA process escalates to the Responsible Sourcing Supplier Issue Escalation process. Should the supplier still be unwilling or unable to address the issues within a reasonable timeframe, a cross-functional team will consider alternative actions to resolve the situation.



## PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

We continually engage with our stakeholders to enhance our understanding, seek technical input and expertise, and explore potential collaborations and strategic relationships. We believe stakeholder engagement should be rooted in candid and authentic dialogue, guided by 3M's Principles, and should inform the evolution of our strategic priorities.

To deepen our understanding of stakeholders' perspectives on key issues and their impact on our business operations, 3M Company conducts a global materiality study through an independent research consultancy. This study also assesses the potential impact of our operations on our stakeholders.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Sr.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employees	No	Other Emails, Townhall meetings, Surveys, Employee engagement initiatives, Performance Appraisal discussions, Training programmes	Others – please specify Ongoing	Regular updates on company purpose, strategies and milestones Diversity, equity & inclusion Employee health and wellbeing Ethics and compliance Learning and upskilling Performance management and career development.
2	Investors & Shareholders	No	E-mail Annual Report, Annual general meetings, investor meetings and press releases.	Quarterly	Appropriate and timely communication with shareholders and investors.
3	Customers & Partners	No	E-mail Site visits, Digital, Events and Partner meets	Others – please specify Ongoing	Understand customer needs, match 3M products and solutions and drive growth.
4	Government, Regulators	No	Other In-person meetings, industry body meetings	Others – please specify Ongoing	Participation in key government initiatives and development projects
5	Local Communities	Yes	Community Meetings	Others – please specify Ongoing	Providing economic and social value to communities while minimising environmental impact
6	Suppliers	No	E-mail	Others – please specify Ongoing	Ongoing business interactions



## Leadership Indicators

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

We engage with both internal and external stakeholders on economic, environmental, and social topics. During Board meetings, business and departmental heads present various relevant topics to the board members, who then provide insights and recommend appropriate actions.

At the Board level, the Stakeholder Committee focuses on issues concerning shareholders and investors, while the CSR Committee periodically reviews CSR programmes and community investments. The Risk Management Committee addresses enterprise risk topics, including ESG (Environment, Social, and Governance) issues.

Furthermore, we have established an India ESG Council at a management level dedicated exclusively to discussing and addressing ESG topics, ensuring focused and comprehensive oversight in this critical area.

### 2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics.

Yes.

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Our plants operate close to rural communities. Our manufacturing teams have established good relations with local authorities to learn about local environmental and social challenges. We have developed some of our CSR programmes taking into consideration the needs of the local communities.

For instance, during the year under review, the entity initiated a pilot project to understand the water stress in the Shirur region through a hydrogeological study in Kendur village and Shirur taluk. The study included visits to the sites, interaction with local village authorities and farmers to understand the challenges in the region. A list of villages to prioritise was drawn up as per the findings of the study to undertake watershed management activities.

Another example of receiving input is the efforts around establishing the Wonder Tinkering Lab (STEM) initiative in 10 schools in Shirur. The list of schools was received from the district education authorities and schools were selected based on interviews with school management and available facilities to set up the STEM labs.

### 3. Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

In addition to the examples provided against Q2, our partnership with the Smile Foundation supports the operations of 4 mobile health vans in aspirational districts and rural communities. These vans offer a comprehensive range of preventive, promotive and curative healthcare services to underserved populations. The villages covered by the aspirational districts are located in remote parts, often the nearest district hospital is about 15-30 kms away from the locations served by the van. In many instances, the vans act as an extension of healthcare services provided by the local Government health departments. The vans have developed good connections with the community and often become the first point of contact for medical services. Maternal and Child Healthcare services delivered for the community are typically through the Mobile Medical Units.



## PRINCIPLE 5: Businesses should respect and promote human rights

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 23-24			FY 22-23		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	742	742	100%	817	817	100%
Other than permanent	193	193	100%			
<b>Total Employees</b>	<b>935</b>	<b>935</b>	<b>100%</b>	<b>817</b>	<b>817</b>	<b>100%</b>
<b>Workers</b>						
Permanent	291	291	100%	291	291	100%
Other than permanent	0	0	0%	0		
<b>Total Workers</b>	<b>291</b>	<b>291</b>	<b>100%</b>	<b>291</b>	<b>291</b>	<b>100%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 23-24					FY 22-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No (C)	% (C / A)		No. E	%(E / D)	No. (F)	%(F / D)
Employees										
Permanent	742	-	-	742	100%	817			817	100%
Male	624	-	-	624	100%	685			685	100%
Female	118	-	-	118	100%	132			132	100%
Other	0	-	-	0	0%	0			0	0%
Other than Permanent	193	-	-	193	100%	225			225	100%
Male	166	-	-	166	100%	195			195	100%
Female	27	-	-	27	100%	30			30	100%
Other	0	-	-	0	0%	0				
Workers										
Permanent	291	-	-	291	100%	291			291	100%
Male	278	-	-	278	100%	280			280	100%
Female	13	-	-	13	100%	11			11	100%
Other	0	-	-	0	0%	0			0	0%
Other than Permanent	459	-	-	459	100%	821	821	100%		
Male	406	-	-	406	100%	766	766	100%		
Female	53	-	-	53	100%	55	55	100%		
Other	0	-	-	0	0%	0				

### 3. Details of remuneration/salary/wages:

#### a. Median remuneration / wages:

	Male		Female		Other	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	3	30,40,000	2	85,92,545	0	
Key Managerial Personnel^	2	2,23,71,336	1	1,45,45,090	0	
Employees other than BoD and KMP	622	26,87,539	117	24,78,619	0	
Workers	278	8,44,510	13	3,17,520	0	

\* BoD includes Managing Directors, Independent Directors, and Whole-time Director & CFO,

^ Key Managerial Personnel are the Managing Director, Whole-time Director & CFO, and Company Secretary

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 23-24	PY 22-23
Gross wages paid to females as % of total wages	13.45%	13.73%

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

3M strongly values human rights, which is a fundamental part of its corporate culture. The Company's commitment to safeguarding and ensuring human rights within its operations is directed by the 3M Code of Conduct. This code explicitly supports the right of 3M employees to a workplace that is respectful and dignified.

To oversee these principles, 3M has established an Ethics and Compliance committee. This body is supported by extensive frameworks and procedures that are specifically designed to handle grievances effectively. The committee has the responsibility of maintaining oversight of Ethics, Compliance, and adherence to the 3M Code of Conduct.

For the purpose of recording, monitoring, and addressing various issues, 3M collaborates with a third-party platform called NAVEX. Furthermore, the Company provides its employees with a confidential avenue to report concerns through an online portal known as 3M-Ethics.com, where they can file complaints anonymously.

In line with the India POSH regulation, 3M India has taken proactive steps by setting up multiple internal committees across its facilities and offices. These committees are led by a designated Prevention of Sexual Harassment (POSH) Chair and are bolstered by the support of an external organisation, in line with legal requirements.

### 6. Number of Complaints on the following made by employees and workers:

Category	FY 23-24			FY 22-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	1	0	The complaint was beyond the jurisdiction of POSH and was handed over to the Ethics and Compliance committee and resolved accordingly.	0	0	None



Category	FY 23-24			FY 22-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Discrimination at workplace	1	1	We are resolving the pending complaint through a thorough investigation and ensuring a fair process.	0	0	0
Child Labour	0	0	None	0	0	0
Forced Labour/ Involuntary Labour	0	0	None	0	0	None
Wages	0	0	None	0	0	None
Other human rights related issues	0	0	None	0	0	None

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 23-24	PY 22-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0%	0%
Complaints on POSH upheld	0	0

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

3M maintains a strong anti-retaliation policy to protect employees reporting concerns or assisting in investigations. Oversight is provided by an Ethics and Compliance committee, ensuring adherence to the 3M Code of Conduct through comprehensive frameworks and processes. Utilising the NAVEX platform, issues are recorded, monitored, and addressed with transparency. Employees can anonymously log complaints via 3M-Ethics.com, ensuring confidentiality. Investigations prioritise anonymity and include measures for disclosed identities. Regular policy reviews ensure alignment with best practices and legal requirements, fostering a transparent and supportive workplace culture driven by leadership commitment to integrity and accountability.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes.

The entity adheres to 3M Global's Supplier Responsibility Code (SRC), which sets forth the fundamental expectations 3M has of its suppliers in key areas such as Management Systems, Labor, Health and Safety, Environment, and Ethics. These standards are crucial for the selection and ongoing engagement with all suppliers providing goods or services to 3M on a global scale. They lay the groundwork for what 3M deems essential for maintaining a safe and healthy work environment, upholding fair labor practices and human resource policies, and managing production and distribution processes in a way that reduces negative environmental impact.

Furthermore, 3M incorporates specific clauses in its contracts and purchase order terms that require suppliers to self-certify their compliance with all relevant local laws and regulations. Suppliers must also agree to implement policies that align with the 3M Supplier Responsibility Code. This includes explicit prohibitions against any form of forced labor and coercive practices, such as labor extracted through mental or physical force, physical punishment, slavery, or other oppressive labor conditions.



**10. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No untoward incidents have been reported through our assessments. Through 3M-Ethics.com investigations, if any case is substantiated, 3M takes quick action based on severity and disciplinary action is enforced.

**Leadership Indicators****1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

Not applicable.

**2. Details of the scope and coverage of any Human rights due-diligence conducted**

3M is dedicated to ensuring the safety and health of all employees worldwide, aligning with human rights principles. We rigorously adhere to health and safety laws, regulations, and 3M's Global Safety and Health Plan, integrating safety into daily job duties and business decisions. Continuous improvement is pursued through setting and achieving objectives, ensuring safe design, maintenance, and operation of equipment and processes. Training programmes manage health and safety risks on and off the job, empowering employees to report unsafe conditions and shut down operations if necessary. We share transparent information, participate in incident investigations, and foster a culture of safety and accountability through ongoing initiatives for continual improvement.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes.

We are committed to creating an inclusive workplace that meets the accessibility requirements of the Rights of Persons with Disabilities Act, 2016. To further strengthen our commitment, we are preparing all our factories and offices for accessibility infrastructure to identify and implement any additional accessibility measures. This reflects our dedication to fostering an environment where all can thrive.

**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	8%
Discrimination at workplace	8%
Child Labour	8%
Forced Labour/Involuntary Labour	8%
Wages	8%
Others – please specify -	Not Applicable

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

All the vendors covered under the Supplier Responsibility Code (SRC) are meeting the expectations of the entity.



## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 23-24	PY 22-23
<b>From renewable sources</b>		
Total electricity consumption (A)	12,200	13,000
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources in Gigajoules (A+B+C)</b>	<b>12,200</b>	<b>13,000</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	45,767	39,900
Total fuel consumption (E)	40,856	36,600
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources in Gigajoules (D+E+F)</b>	<b>86,623</b>	<b>76,500</b>
<b>Total energy consumed in Gigajoules (A+B+C+D+E+F)</b>	<b>98,823</b>	<b>89,500</b>
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.000003	0.000002
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	0.000056	0.000053
<b>Energy intensity in terms of physical output</b> (Total energy consumed in GJ/ Total output produced in Metric tonnes)	3.63	3.35

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes.

Apex is an independent professional services company that specialises in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services. APEX has provided the assurance for environmental data reported in 3M Global Impact Report 2024.

Note: Above mentioned data is limited to our manufacturing plants.

#### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?

No.

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

#### 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 23-24	PY 22-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	82,192	76,700
(iv) Seawater / desalinated water	0	0
(v) Others		
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>82,192</b>	<b>76,700</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>82,192</b>	<b>65,600</b>
Water intensity per rupee of turnover (Water consumed / turnover)	0.000002	0.000002
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)	0.000047	0.000039
<b>Water intensity in terms of physical output</b> (Total water consumption / Total Output produced in Metric tonnes)	3.02	2.46
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?**

Yes.

Apex is an independent professional services company that specialises in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services. APEX has provided the assurance for environmental data reported in 3M Global Impact Report 2024.

Note: Above mentioned data is limited to our manufacturing plants.

**4. Provide the following details related to water discharged:**

Parameter	FY 23-24	PY 22-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater		
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iii) To Seawater		
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties		
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(v) Others		
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kilolitres)</b>	<b>0</b>	<b>0*</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?**  
(Y/N) - Not Applicable

**If yes, name of the external agency.**

\* Previous year, the data reported was discharged within the manufacturing plant premises. The water was treated and re-used for utilities, gardening, and other purposes.

Note: Above mentioned data is limited to our manufacturing plants.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge?**

Yes.

**If yes, provide details of its coverage and implementation.**

All the three manufacturing facilities are Zero Liquid Discharge (ZLD) manufacturing sites.

- Successfully commissioned and put into operation the Multiple Effective Evaporator (MEE) system. The design and installation was completed in 2023 and it was commissioned in February 2024.
- The implementation of multiple evaporation techniques has resulted in substantial water savings, and achieving ZLD, significantly minimising waste water, aligning with our environmental sustainability goals.
- The entity has achieved 100% treatment of the 3M™ Interam™ production line's wastewater stream, with the treated water being reused within the process, promoting sustainability.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 23-24	PY 22-23*
NOx	mg/Nm3	103.8	81.5
SOx	mg/Nm3	79	45.8
Particulate matter (PM)	mg/Nm3	104.4	80.5
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)	mg/Nm3	1.2	1.9
Hazardous air pollutants (HAP)		0	0

\* Variance from previous year due to miscalculation of data.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?** - No

**If yes, name of the external agency.**



**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 23-24	PY 22-23
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes	9,610	8,790
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes	10,300	8,230
Total Scope 1 and Scope 2 emissions per rupee of turnover	MT of CO <sub>2</sub> per turnover	0.000001	0.0000005
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	-	0.000011	0.000010
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emissions/ Total output produced in Metric tonnes)	-	0.73	0.64
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Scope 1 & 2 data is validated by APEX at a 3M Global level.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) - Yes**

Apex is an independent professional services company that specialises in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services. APEX has provided the assurance for environmental data reported in 3M Global Impact Report 2024.

Note: Above mentioned data is limited to our manufacturing plants.

**8. Does the entity have any project related to reducing Green House Gas emission?**

Yes.

**If Yes, then provide details.**

The entity is taking steps like transitioning to renewables and cleaner sources of energy across our operations and undertaking carbon sequestration projects at plant sites as a way to reduce greenhouse gas emissions.

At its manufacturing site in Ranjangaon, Pune, the entity has expanded capacity of its on-site roof top solar plant by installing additional 575 kWp of solar panels raising the total capacity to 1,000 kWp. The plant now generates an annual power of 13,15,000 kW, reducing carbon emissions annually by 1,100 metric tonnes, contributing to 12% of the site's overall energy.

In 2022, Ranjangaon site identified methods to reduce greenhouse gas emissions. A study was undertaken to assess vehicle emissions and opportunities were identified like reduction through carpooling, electric vehicles, and logistics optimisation. The site also made an inventory of existing trees planted in the premises and its carbon capture potential. By planting more trees with high CO<sub>2</sub> storage, the project aimed to enhance the facility's natural ability to combat greenhouse gases. This comprehensive approach provided valuable data to guide future sustainability efforts at 3M India.

The Bengaluru manufacturing site has partnerships with local utilities to purchase solar power from the grid through solar wheeling. The site sources 85% of its renewable electricity from the grid.

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 23-24	PY 22-23*
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	227	225
E-waste (B)	4.7	0.95
Bio-medical waste (C)	21.7	33
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste Please specify, if any. (G)	439.6	340.3
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2,476	2,580
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>3,169</b>	<b>3,179.25</b>



Parameter	FY 23-24	PY 22-23*
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations)	0.0000001	0.0000001
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	0.0000002	0.0000002
<b>Waste intensity in terms of physical output</b> (Total waste consumption / Total output produced in metric tonnes)	0.12	0.12
<b>Waste intensity (optional) – the relevant metric may be selected by the entity</b>	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	1,140	1,128
(ii) Re-used	152	167
(iii) Other recovery operations	1,580	1,316
<b>Total</b>	<b>2,872</b>	<b>2,611</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	239	333
(ii) Landfilling	58	95
(iii) Other disposal operations	-	-
<b>Total</b>	<b>297</b>	<b>428</b>

\* The above mentioned data shows variance from previous year due to difference in waste categorisation.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) - No

If yes, name of the external agency.

Note: Above mentioned data is limited to our manufacturing plants.

- 10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

A zero waste approach guides product design, development of process technologies and material reduction actions within our manufacturing operations. 3M India's Ranjangaon plant is a zero landfill site.

Packaging material like wooden pallets, carton boxes, discarded containers etc. are sent to Central Pollution Control Board authorised recyclers.

- 11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Sr No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with?	If no, the reasons thereof and corrective action taken, if any.
Not Applicable				

- 12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Sr No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable						



**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).**

Yes.

If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

**Leadership Indicators**

**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

Sr. No.	Particulars						
1	Name of the area	Ranjangaon		Bangalore		Ahmedabad	
2	Nature of operations	Manufacturing		Manufacturing		Manufacturing	
3	Water withdrawal , consumption and discharge in the following format:						
	Parameter	FY 23-24	PY 22-23	FY 23-24	PY 22-23	FY 23-24	PY 22-23
	Water withdrawal by source (in kilolitres)						
	(i) Surface water						
	(ii) Groundwater						
	(iii) Third party water	75,630	68,315	5,010	6,725	1,552	1,660
	(iv) Seawater / desalinated water						
	(v) Others						
	Total volume of water withdrawal (in kilolitres)	75,630	68,315	5,010	6,725	1,552	1,660
	Total volume of water consumption (in kilolitres)	75,630	68,315	5,010	6,725	1,552	1,660
	Water intensity per rupee of turnover (Water consumed / turnover)	All our plants are located in water-stressed areas , the water intensity remains consistent with the data provided in Principle 6, Q3.					
	Water intensity (optional) – the relevant metric may be selected by the entity						
	Water discharge by destination and level of treatment (in kilolitres)						
	(i) Into Surface water						
	No treatment						
	With treatment – please specify level of treatment						
	(ii) Into Groundwater						
	No treatment						
	With treatment – please specify level of treatment						
	(iii) Into Seawater						
	No treatment						
	With treatment – please specify level of treatment						

Sr. No.	Particulars						
	(iv) Sent to third-parties						
	No treatment						
	With treatment – please specify level of treatment						
	(v) Others						
	No treatment						
	With treatment – please specify level of treatment						
	<b>Total water discharged (in kilolitres)</b>						

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 23-24	PY 22-23
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes	1,32,000	1,61,000
Total Scope 3 emissions per rupee of turnover	MT of CO <sub>2</sub> / Turnover	0.000003	0.000004
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Scope 3 data is validated by APEX at a 3M Global level.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) - Yes

Apex is an independent professional services company that specialises in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services. APEX has provided the assurance for environmental data reported in 3M Global Impact Report 2024.

**3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
1	Transitioning to renewables. Installation of additional solar plant capacity at manufacturing site in Ranjangaon, Pune.	Expansion of solar power generation capacity with the construction of additional 575 kWp rooftop solar power plant.	Annual power generation of 1315000 KW Annual Emission reduction by 1100 metric tonnes 12% increase of plant's overall energy share	
2	Equipment to reduce emissions from Diesel generators at all three sites to comply with regulatory requirement by Pollution Control Board.	Capex investment of equipment to reduce emissions from Diesel generators	Reduce emissions from diesel generators when switched on in case of no electricity	



Sr No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
3	Site achieved Zero Liquid Discharge (ZLD) through recycle/re-use of treated water	Multiple Effective Evaporator (MEE) system was commissioned in February 2024.	30-35% of the total water consumption is conserved through this initiative at Ranjangaon.	
4	Multi-year water conservation and management programme	During FY 23-24, the Company undertook a series of watershed interventions to conserve and harvest rainwater during the monsoons. This involved putting in place infrastructure that would help the local communities build and manage their own water efforts in the future. The initiative focused on sustainable management and development of soil and water resources to contribute to tangible groundwater supply and prevent further soil degradation.	The outcome of the initiative is expected to influence agricultural production by developing enhanced irrigation due to water level elevation in the aquifers. The potential impact of this initiative is significant, with benefits projected to reach more than 1000 households and a population of 4800+ people residing in the area.	

**5. Does the entity have a business continuity and disaster management plan?**

Yes.

**Details of entity at which business continuity and disaster management plan is placed or weblink.**

The 3M Business Resilience Plan workbook tool is regularly updated with facility and site details, encompassing core elements and requirements of Environmental Health and Safety (EHS) plans, crisis plans, cybersecurity plans, as well as business continuity and recovery plans. This comprehensive plan aligns with our key policies and reflects our commitment to our workers, customers, and communities.

The primary goal of the Business Resilience Plan is to ensure that every site is prepared to effectively respond to and recover from emergencies, severe incidents, and crises. The plan is organised into four sections:

1. Key Information: Includes site plans/layouts, site overviews, maps, individual roles, facility hazards, evacuation plans, inventories, and links to important government and rescue departments.
2. Prepare Section: Contains self-assessments, gap assessments, exercise results, and updated worksheets.
3. Respond Section: Covers initial response actions, site emergency communication, 3M Alerts communication, severe incident and crisis notification thresholds, corporate crisis team actions, IT incident worksheets, and EHS&M procedures for emergency responses, security, and IT protocols.
4. Recover Section: Details common recovery tasks, departmental recovery tasks, production risk mitigation strategies, IT risk mitigation, network WAN mitigation, and requirements for human capital and workspace.

All Business Resilience Plans are uploaded as shareable files, accessible in real-time across all 3M subsidiaries, ensuring global coordination and preparedness.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No incidents of adverse impact to the environment were reported from the value chain partners of the entity.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

8% of our value chain partners (by value of business done) were covered under the entity's Supplier Responsibility Code assessments which evaluate partners for environment impact.



## PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations: 6
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/International)
1	Confederation of Indian Industry (CII)	National
2	American Chamber of Commerce (AMCHAM)	National
3	US India Business Council (USIBC)	National
4	Karnataka Employer Association (KEA)	State
5	Electronics City Industrial Township Authority (ELCITA)	Local
6	Ranjangaon Industrial Association (RIA)	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Sr.	Name of authority	Brief of the case	Corrective action taken
There were no issues related to anti-competitive conduct by the entity.			

### Leadership Indicators

1. Details of public policy positions advocated by the entity

Sr no.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board	Web Link, if available
The entity endeavours to continuously engage with relevant Ministries and other Government organisations through industry and trade associations. Through such engagement, the entity seeks to highlight issues of importance to the industry sector.					

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Sr.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
No Social Impact Assessments were conducted during the year.						

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in FY (In ₹)
The entity does not have ongoing projects undertaken for rehabilitation and resettlement (R&R).						



### 3. Describe the mechanisms to receive and redress grievances of the community.

Communities can communicate their concerns directly to the entity by sending an email or conveying their issues through the entity's network of NGO partners. Our manufacturing teams make regular visits to CSR project locations to engage with local authorities and stakeholders, gaining first hand insights into the needs and concerns of the community. Additionally, there are field visits held by a third party monitoring and evaluation agency for the communities.

In collaboration with our NGO partners, we carry out thorough needs assessments before initiating any community intervention. These assessments inform the development of tailored programmes, complete with multi-year implementation plans designed to monitor and measure progress over time.

We actively incorporate feedback from stakeholders at different stages of the programme implementation. To acknowledge significant milestones within our projects and to honor the contributions of community members participating in these initiatives, we organise community events and celebrations. These gatherings not only foster a sense of shared achievement but also reinforce the collaborative spirit of the interventions.

### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 23-24	PY 22-23
Directly sourced from MSMEs/ small producers	16%	5%^
Sourced directly from within India	36%	16%

^Variation due to expansion of scope in current year by including imports in the total inputs.

### 5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 23-24	PY 22-23
Rural	9%	9%
Semi-urban	0%	0%
Urban	0%	0%
Metropolitan	91%	91%

## Leadership Indicators

### 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Sr.	Details of negative social impact identified	Corrective action taken
	Not Applicable	

### 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In ₹)
1	Uttar Pradesh	Siddharthnagar	33,38,792
2	Odisha	Balangir	34,72,087
3	Assam	Goalpara	34,31,329

### 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

No.

### (b) From which marginalised /vulnerable groups do you procure?

NIL.

### (c) What percentage of total procurement (by value) does it constitute?

N.A

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Sr.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Sr.	Name of authority	Brief of the Case	Corrective action taken
Not Applicable			

**6. Details of beneficiaries of CSR Projects:**

Details of beneficiaries of CSR Projects			
Sr.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Project Nanhi Kali Girl Child Education Programme	2,861	100%
2	Solar Powered Primary Health center Infrastructure Programme	3,50,000	100%
3	Smile on Wheels Mobile Primary Healthcare Programme	1,63,012	100%
4	3M Wonder Tinkering Labs Programme	5,854	100%
5	Community Water Resilience project	4,800	100%

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The entity has a comprehensive process in place to log in customer complaints and track them to eventual resolution. This is a centralised process called PACE, with a dedicated customer complaints resolution team based at 3M's centralised service center.

The PACE (Product Application and Customer Experience) team is responsible for receiving complaints, tagging them to different departments and business groups and following up to ensure they are properly resolved to closure.

The PACE team has been trained on the requirements of the reporting metrics in the BRSR and flags off complaints related to the topics of advertising, data privacy, cyber-security, delivery of essential services, restrictive trade practices and unfair trade practices.

The overall process may be outlined as follows -

- The PACE team receives customer complaints, flags them accordingly depending on the topic and directs them to the assigned subject matter experts with escalation to senior leaders or the legal department.
- On a weekly basis, the PACE team follows up with respective SMEs for status on pending responses.
- PACE team reverts to the complainants to: 1) Inform them of the investigation result and the resolution/s carried out and; 2) Seek their feedback.
- Once resolved, the case is closed and updates are provided to the PACE team for documentation and confirmation of resolution.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%



The entity provides a TDS (Technical Data Sheet) and an MSDS (Material Safety Data Sheet) for each of its products which carries information on product usage, hazard status, storage conditions, shelf life, disposal methodology, etc.

The entity has voluntarily adopted GHS SDS (Global Harmonised System for Classification, Labelling, Packaging of Hazardous Chemicals) to be in synergy with global standards and provide our customers with the most comprehensive information about environmental, health and safety of our products.

**3. Number of consumer complaints in respect of the following**

Category	FY 23-24			FY 22-23		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

**4. Details of instances of product recalls on account of safety issues**

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?**

Yes.

3M has an internal Information Security Policy that applies to 3M employees worldwide and employees doing business for or with 3M that use or support 3M systems. Aligning with global standards, 3M India follows a cybersecurity framework aligned with the NIST Cybersecurity Framework.

In terms of data privacy, 3M India adheres to the 3M Global Privacy Policy, accessible at: [https://www.3mindia.in/3M/en\\_IN/company-in/india-privacy-policy/#PolicyStatement](https://www.3mindia.in/3M/en_IN/company-in/india-privacy-policy/#PolicyStatement).

This policy sets high standards for privacy protection across all legal entities, branches, and functions of 3M India, covering stakeholders such as employees, customers, partners, and vendors. Third-party engagements undergo thorough due diligence to ensure compliance with rigorous privacy commitments.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

No issues reported during the year.

**7. Provide the following information relating to data breaches**

**a. Number of instances of data breaches along-with impact**

0

**b. Percentage of data breaches involving personally identifiable information of customers**

0%

**c. Impact, if any, of the data breaches**

Not Applicable



## Leadership Indicators

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**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

All our products are available in web catalogues on the 3M India website [www.3m.com/in](http://www.3m.com/in)

Our products are also available on leading ecommerce platforms.

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services**

- a. The entity provides a TDS (Technical Data Sheet) and an MSDS (Material Safety Data Sheet) for each of its products which carries information on product usage, hazard status, storage conditions, shelf life, disposal methodology, etc.
- b. Consumer packs carry safety and application instructions.
- c. Instruction videos pertaining to the safe and responsible usage of products are available on leading ecommerce platforms.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Business Groups send targeted communications to their customer base during instances of any risk of disruption or discontinuation of products and services.

**4. Does the entity display product information on the product over and above what is mandated as per local laws?**  
Yes.

**If yes, provide details in brief.**

Products may include a visual representation of the usage of the product where personal application is required. It may also include guidance on how to store the product and information on recycling.

**5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?**

No.



## ANNEXURE 'D' TO THE REPORT OF THE BOARD OF DIRECTORS

**Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:**

1.	The number of permanent employees on the rolls of the Company:	1,033 permanent employees as on March 31, 2024
2.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 23-24.	
	<b>Executive Directors:</b>	
	(a) Ramesh Ramadurai, Managing Director	18.01 : 1
	(b) Vidya Sarathy, Whole-time Director & CFO	6.84 : 1
	<b>Independent Directors:</b>	
	(a) Bharat Shah	1.51 : 1
	(b) Biren Gabhawala	1.44 : 1
	(c) Radhika Rajan	1.31 : 1
	Median remuneration of employees FY 23-24	₹ 20,03,831/-
	Note: The expression Median means the numerical value separating the higher half of a population from the lower half and the median of a fine list of numbers may be found by arranging all the observations from the lowest value to highest value and picking the middle one and if there is an even number of observations, the median shall be the average of the two middle values.	
3.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in FY 23-24.	
	(a) Ramesh Ramadurai, Managing Director	4.5%
	(b) Vidya Sarathy, Whole-time Director & CFO	4.0%
	(c) Pratap Rudra Bhuvanagiri, Company Secretary	9.7%
4.	The percentage increase in the median remuneration of employees in FY 23-24.	7.8%
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year (2022-23) and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	FY 22-23 : 7.6% FY 23-24 : 7.8% Average increase in the remuneration of the employees is in line with the Industry practice and is within the normal range. No exceptional circumstances for increase in the managerial remuneration. The increase is as per Company's Increment guideline.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes

**On behalf of the Board of Directors**

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

Place: Bengaluru

Date: May 28, 2024

## ANNEXURE 'E' TO THE REPORT OF THE BOARD OF DIRECTORS

### Form No. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014).

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain Arm's length transactions under third proviso thereto.**

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
  - (a) Name(s) of the related party and nature of relationship: Nil
  - (b) Nature of contracts/arrangements/transactions: Nil
  - (c) Duration of the contracts/arrangements/transactions: Nil
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil
  - (e) Justification for entering into such contracts or arrangements or transactions: Nil
  - (f) Date(s) of approval by the Board: Nil
  - (g) Amount paid as advances, if any: Nil
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Nil
2. Details of material contracts or arrangement or transactions at Arm's length basis
  - (a) Name(s) of the related party and nature of relationship:
    - 1) 3M Company, USA – Holding/Parent Company
    - 2) 3M Innovation Singapore Pte Ltd - Fellow Subsidiary
  - (b) Nature of contracts/arrangements/transactions:

#### Sl. No. Nature of Transactions

1. Income from Contract Research
2. Sale of Goods
3. Purchases of Materials
4. Royalty
5. Re-charge (Net)
6. Corporate Management Fee

The above transactions are in the ordinary course of business and are on an arm's length basis.

- (c) Duration of the contracts/arrangements/transactions: ongoing, will be continuous year on year.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Sl. No.	Nature of Transactions	Salient Terms
1.	Income from Contract Research	billing in USD on a yearly basis
2.	Sale of Goods	billing in USD, receipt within 15 days from end of the month
3.	Purchases of Materials	billing in USD, payment to be made within 15 days from end of the month
4.	Royalty	billing in USD, on a quarterly basis
5.	Re-charge (Net)	billing in USD, payment/receipt within 15 days from the end of the month
6.	Corporate Management Fee	billing in USD, yearly



(₹ in crores)

Sl. No.	Nature of Transactions	Actual value of transactions for FY 23-24 (Standalone)	
		3M Company, USA - Holding /Parent Company	3M Innovation Singapore Pte Ltd - Fellow Subsidiary
	<b>Income</b>		
1.	Income from Contract Research	1,249.60	-
2.	Sale of Goods	322.57	-
3.	Re-charge of expenses received	-	126.86
	<b>Total</b>	<b>1,572.17</b>	<b>126.86</b>
	<b>Expenditure</b>		
1.	Purchases of Materials	56,226.95	23,801.55
2.	Royalty	7,675.99	-
	<b>Total</b>	<b>63,902.94</b>	<b>23,801.55</b>
	<b>Grand Total</b>	<b>65,475.11</b>	<b>23,928.41</b>

Terms and Conditions for the transaction are in ordinary course of business and on arm's length basis, which is same for the entire 3M group companies throughout the world.

(e) Date(s) of approval by the Board:

Not applicable, as the transactions referred to above are in the ordinary course of business and on arm's length basis. Omnibus approval of Audit Committee has been sought for the estimated value of the transactions for the year 2023-2024 and approval of Shareholders for material related party transactions with 3M Company, USA and 3M Innovation Singapore Pte Ltd.

Audit Committee reviews of the actual transactions against the estimated at their Meetings.

(f) Amount paid as advances, if any: Nil

**On behalf of the Board of Directors**

**Ramesh Ramadurai**  
Managing Director  
DIN : 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN : 01689378

Place: Bengaluru

Date: May 28, 2024



## ANNEXURE 'F' TO THE REPORT OF THE BOARD OF DIRECTORS

### Annual Report on CSR Activities

(Pursuant to the Companies (Corporate Social Responsibility) Rules, 2014)

#### 1. A brief outline on CSR Policy of the Company:

The Company's corporate social responsibility philosophy stems from its purpose to unlock the power of people, ideas and science to reimagine what is possible. In line with its core values, the CSR framework is centered around three pillars – Education, Community and Environment. Each pillar represents 3M's strategic intent to create social impact and improve lives through innovative investments in education, underserved communities and the environment. The interventions are mapped to the Schedule VII of the Companies Act 2013 and to the Sustainable Development Goals (SDGs).

##### Objectives:

- To engage in outcome-based corporate social responsibility programmes that will impact and enrich the communities around the Company's areas of operation.
- To engage 3M India employees to contribute to the Company's corporate social responsibility initiatives.

##### Education:

The Company's education initiatives aim to build scientific temperament as a life skill, improve academic outcomes and provide transformational opportunities for the next generation.

- Encourage scientific temper through creative and engaging education models that stimulate curiosity and creativity
- Support the next generation of scientists, innovators and entrepreneurs with resources to drive social impact
- Promote equity by driving access to quality education amongst underserved students

##### Community:

The Company's community efforts are aimed at improving lives in communities around areas it operates and have manufacturing presence, with interventions to improve the quality-of-life index like skills development, education, health and livelihood initiatives. The Company's response to community interventions during times of natural disasters also come under the community initiatives.

##### Environment:

In line with 3M's global sustainability goals, the Company's environment responsibilities extend to the communities we serve around the geographical areas of operation, through interventions in water conservation and clean energy.

#### 2. The Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Bharat D. Shah	Independent Director: Chairman	2	2
2	Radhika Rajan	Independent Director: Member	2	2
3	Ramesh Ramadurai	Managing Director: Member	2	2
4	Vidya Sarathy	Whole-time Director & CFO: Member	2	2

#### 3. Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company:

CSR policy is available at: [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m/financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m/financial-facts-local/).

#### 4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable



5. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ 37,431.09 lakhs  
 (b) Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ 748.62 lakhs  
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil  
 (d) Amount required to be set-off for the financial year, (if any): Not Applicable  
 (e) Total CSR obligation for FY 23-24 [(b)+(c)-(d)]: ₹ 748.62 lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 754.48 lakhs  
 (b) Amount spent in Administrative Overheads: Nil  
 (c) Amount spent on Impact Assessment, if applicable: Not Applicable  
 (d) Total amount spent for FY 23-24 [(a)+(b)+(c)]: ₹ 754.48 lakhs  
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for FY 23-24 (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
754.48 lakhs	Nil	NA	NA	Nil	NA

- (f) Excess amount for set-off, if any: Not Applicable

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
i	Two percent of average net profit of the Company as per sub-section (5) of section 135	Not Applicable
ii	Total amount spent for the Financial Year	
iii	Excess amount spent for the Financial Year [(ii)-(i)]	
iv	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
v	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Not Applicable**

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY-1	Nil	NA	Nil	Nil	NA	NA	NA
2	FY-2	Nil	NA	Nil	Nil	NA	NA	NA
3	FY-3	Nil	NA	Nil	Nil	NA	NA	NA

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property of asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Not Applicable Registration Number, if applicable	Name	Registered address
Not Applicable							

**9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable**

**On behalf of the Board of Directors**

**Bharat D. Shah**

Chairman, CSR Committee  
DIN: 00136969

**Ramesh Ramadurai**

Managing Director  
DIN: 07109252

**Vidya Sarathy**

Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

Place: Bengaluru

Date: May 28, 2024



## ANNEXURE 'G' TO THE REPORT OF THE BOARD OF DIRECTORS

Information as per Section 197(12) of the Companies Act, 2013, read with the Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 and forming part of the Report of the Directors for the Year Ended March 31, 2024.

Sl. No.	Name	Age Yrs	Designation	Remuneration ₹ (Gross)	Educational Qualifications	Date of joining	Date of leaving	Previous employment and designation
1	2	3	4	5	6	7	8	9
<b>A: Top ten (10) employees in terms of remuneration drawn during the year:</b>								
1	Ramesh Ramadurai	62	Managing Director	38,034,526	IIT-Chemical Engineering, IIM-PG Diploma in Marketing	June 1, 2019		3M China, Business Director – Asia & GCA
2	Rajiv Gupta	53	Head-Health Care Business	17,166,622	BE (Mechanical), MBA	April 14, 1997		JCB India Limited, Sales Manager
3	Ashutosh Shirodkar	53	Head-Safety & Industrial Business	15,499,130	Diploma in Chemical Technology	November 1, 2020		3M Indonesia, Country Sales Leader - SIBG
4	Priya Menon	51	General Counsel	15,048,378	BA LLB (Hons)	August 03, 2020		Wework India Pvt Ltd - General Counsel
5	Vidya Sarathy	58	Whole-time Director and CFO	14,545,090	Bsc, FCA, FCS, CMA (Inter), Dipl in IFRS from ACCA (UK)	April 29, 2021		Sud-Chemie India Pvt Ltd, Clariant Group USA, CFO and Company Secretary
6	Vinay Pathak	47	Asia Technical Manager	13,874,114	BE (Mechanical), MBA (Marketing)	June 11, 2007		Joseph Leslie DRAGER, Asst. General Manager – Sales & Marketing
7	Pawan Kumar Singh	53	Head- Transportation & Electronics	13,738,367	B. Tech, M. Plan, MBA	September 05, 2005		CMS Traffic Systems Ltd, Regional Manager-North.
8	Aparna Sardar	55	Senior Manager HR Operations Leader	12,208,536	Master's Degree (MA / MS) in Business Administration/ Management	August 22, 2012		Mphasis – AVP – Training and Quality Leader
8	Amlendukumar Singh	47	Divisional Sales Manager-Automotive after-market Division	11,607,313	BCS, MBA	November 08, 2010		Kansai Nerolac Paints Ltd, Divisional Sales Manager
10	Milind Joglekar	53	Head Taxation	11,444,711	BCom, ACMA, DFM.	June 16, 2014		Lenovo India Pvt Ltd, Head Taxation India Region
<b>B: Other employees drawing a remuneration of not less than ₹ 1.02 crores p.a. and employed throughout the year other than A</b>								
1	Radhika Anne	49	Divisional Sales Manager-Medical Solutions Division	11,046,662	BE- ECE, Osmania university; PGDCM- IIMC	April 01, 2003		Johnson & Johnson Ltd, Product Manager- Mktg



Sl. No.	Name	Age Yrs	Designation	Remuneration ₹ (Gross)	Educational Qualifications	Date of joining	Date of leaving	Previous employment and designation
1	2	3	4	5	6	7	8	9
<b>C: Employees drawing a remuneration of not less than ₹ 8.50 lakhs p.m. and employed for part of the year other than A &amp; B</b>								
1	Vijay Kumar Ramamoorthy	55	Director, CBTD, Asia	16,604,239	Master's Degree (MA / MS) in Management	September 1, 2023		3M Singapore, SEA TEBG leader
2	Maclean Raphael	60	Learning Facilitation & Delivery Pillar Leader Human Resource	23,437,614	Master's Degree (MA / MS) in Human Resources Management	August 1, 2021	October 31, 2023	3M Singapore, Global Learning Facilitation & Delivery Pillar Leader
3	Ajay Jain	52	Area Portfolio Leader	18,329,146	Post Graduate Diploma in Marketing and Sales Management	April 8, 1997	October 31, 2023	Megacare - Medical Representative
4	Jyothi Unnikat	48	Manager	11,782,007	Master's Degree (MA / MS) in Management	April 01, 2004	September 29, 2023	Altair Engineering - HR Executive
5	Ganesh Sundaram	50	Logistics Manager	11,292,261	Institute of Cost and Works Acct in Commerce	August 1, 2020	October 31, 2023	3M Singapore - Apac Business Sourcing Manager
6	Girish Appu	51	Head Manufacturing Operation	10,297,450	BE (Mechanical), PGDM (IIMK)	December 30, 2009	October 31, 2023	Motorola India Ltd, Manufacturing & Lean Leader
7	Puri Nitin	52	Leader - Assembly Solutions	9,965,284	BSC Engineering, Mechanical	August 21, 2003	September 29, 2023	National Engineering Industries - Senior Engineer
8	Ahmad Asif	60	Manager	9,573,997	Bsc. Hons.	May 20, 2015	December 31, 2023	Vodafone India Limited - General Manager

**Notes**

1. Remuneration includes salary, bonus, allowances, Company's contribution to superannuation funds and provident fund, medical reimbursements, leave travel assistance, 3M US Stock option payments, excludes contribution to provident funds and value of perquisites as per Income Tax Rules.
2. No one listed above is related to any of the Directors of the Company and all the above appointments are/were on contractual basis.
3. Other terms and conditions are as per rules of the Company and, where required, according to sanctions from the Government.
4. Employees whose remuneration cost cross-charged/reimbursed by another 3M group entity are not considered in the above list.
5. None of the above employees holds shares of the Company.

**On behalf of the Board of Directors**

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

Place: Bengaluru

Date: May 28, 2024



## ANNEXURE 'H' TO THE REPORT OF THE BOARD OF DIRECTORS

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014]

#### A. CONSERVATION OF ENERGY -

##### (i) The steps taken or impact on conservation of energy:

The Company is committed to continually improving energy efficiency, leveraging engineering expertise, driving site-level improvements, supporting Company sustainability priorities and protecting 3M's reputation. Several actions and initiatives were undertaken to drive energy efficiency in all its manufacturing operations.

Several actions and initiatives were undertaken to drive energy efficiency in all its manufacturing operations.

##### Heating, Ventilation and Air Conditioning (HVAC)

- Continue to optimise the HVAC system to reduce energy consumption by optimising airflow and temperature.

##### Compressed Air

- Continue to optimise the air compressor operation by optimising the pressure and distribution through VFD and controller.

##### Lighting

- Majority of electrical lights replaced with LED and the team continue to explore further energy-efficient lighting options.

##### Ovens

- Purchased energy-efficient dryers for new projects.
- Continue to optimise the oven temperature to improve specific fuel consumption.
- Continue to optimise the exhaust of driers and the addition of an energy-efficient blower.

##### (ii) The steps taken by the Company for utilising alternate sources of energy:

Continued initiatives for onsite rooftop solar installation and offsite solar power purchase through open access routes to increase the renewable energy share. The Company installed an additional 575 KWP capacity onsite rooftop solar plant at the Ranjangaon, Pune facility to increase renewable energy share, raising the total to 1,000 KWP. This expansion increases the Company's renewable energy generation to 13,15,000 W annually.

##### (iii) The capital investment on energy conservation equipment(s):

During the year under review, the Company focused on investments aiming at energy conservation projects and increasing the usage of renewable energy and or optimisation of energy utilisation.

#### B. TECHNOLOGY ABSORPTION

##### (i) The efforts made towards technology absorption:

The Company's technical team has been working on the adoption and modification of specific parent company products for local market requirements and redesigning these products to create new market opportunities in India. Technology development capabilities relevant to the local market requirements are being developed at the R&D center to support long-term growth.

Internal practices and procedures are in place to adopt new technologies from the parent company. New products and applications were developed to meet customer requirements based on insights gathered from the market, cost-effective solutions were provided to customers.

##### (ii) The benefits derived like product improvement, cost reduction, product development or import substitution

New products have been introduced in all four business segments. Several products launched were developed with the technical knowledge and expertise of the India laboratory team, leveraging the global knowledge base. Several local and global patents were filed to protect the Company's intellectual property.

##### (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Technologies and knowhow from the parent company include those in the areas of pressure sensitive adhesives and coatings, corrosion protection coatings, automotive products, retro reflective technology, infection prevention for healthcare and non-wovens for consumer, industrial and safety needs. No technology was imported from other companies other than from the parent company.

**(iv) The expenditure incurred on Research and Development during FY 23-24**

		(₹ in lakhs)
(a)	Capital	861.31
(b)	Revenue	4,552.01
	Total	5,413.32
(c)	Total R&D expenditure as a percentage of total turnover	1.44%

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING FY 23-24**

- (a) Foreign Exchange earned in terms of actual inflows: ₹ 7,158.08 lakhs
- (b) Foreign exchange outgo in term of actual outflows: ₹ 173,025.08 lakhs

**On behalf of the Board of Directors****Ramesh Ramadurai**

Managing Director

DIN : 07109252

**Vidya Sarathy**

Whole-time Director &amp;

Chief Financial Officer

DIN : 01689378

Place: Bengaluru

Date: May 28, 2024



## ANNEXURE 'I' TO THE REPORT OF THE BOARD OF DIRECTORS

### Form No. MR-3

### Secretarial Audit Report

For the financial year ended March 31, 2024

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To  
The Members  
3M India Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 3M India Limited (CIN: L31300KA1987PLC013543) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024 has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by 3M India Limited for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA, 1956') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act 1992'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
  - (h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
  - (j) Circulars/Guidelines issued there under;
- (vi) The other following laws as may be applicable specifically to the Company.
  - (a) Pharmacy Act, 1948
  - (b) Drugs and Cosmetics Act, 1940
  - (c) The Indian Copyright Act, 1957
  - (d) The Patents Act, 1970
  - (e) The Trade Marks Act, 1999
- (vii) The other general laws as may be applicable to the Company including the following:



## (1) Employer/Employee Related Laws &amp; Rules:

- The Factories Act, 1948
- The Employees State Insurance Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Contract Labour (Regulation and Abolition) Act, 1970
- The Minimum Wages Act, 1948
- The Payment of Wages Act, 1936
- The Payment of Gratuity Act, 1972
- The Payment of Bonus Act, 1965
- The Maternity Benefit Act, 1961
- The Equal Remuneration Act, 1976
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- The Karnataka Labour Welfare Fund Act, 1965
- The Apprentices Act, 1961
- The Industrial Employment Standing Orders Act, 1946
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- The Karnataka Industrial Establishments (National & Festival) Holidays Act, 1963
- The Karnataka Public Safety (Measures) Enforcement Act, 2017
- Karnataka Shops & Commercial Establishment Act, 1961

## (2) Environment Related Acts &amp; Rules:

- The Environment Protection Act, 1986
- The Water (Prevention & Control of Pollution) Act, 1974
- The Air (Prevention & Control of Pollution) Act, 1981
- Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
- The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

## (3) Economic/Commercial Laws &amp; Rules:

- The Competition Act, 2002
- The Indian Contract Act, 1872
- The Sales of Goods Act, 1930
- The Forward Contracts (Regulation) Act, 1952

- The Indian Stamp Act, 1899
- The Transfer of Property Act, 1882
- The Explosives Act, 1884
- Legal Metrology Act, 2009

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS - 2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

The decisions were carried through majority while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Parameshwar G Bhat**

Practising Company Secretary

FCS : 8860 CP:11004

Peer Review No. 5508/20524

UDIN: F008860F000465140

Place: Bengaluru

Date: May 28, 2024

**Note:** This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.



## ‘Annexure’

### **My report of even date is to be read along with this letter:**

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Customs Act, Goods and Services Tax Act.

4. Wherever required, the Company has represented about the compliance of laws, Rules and regulations and happening of events etc., as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**Parameshwar G Bhat**  
Practising Company Secretary  
FCS : 8860 CP:11004

Place: Bengaluru  
Date: May 28, 2024

## Form No. MR-3 Secretarial Audit Report

For the financial year ended March 31, 2024

[Pursuant to Section 204(1) of the Companies act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
3M Electro and Communication India Private Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 3M Electro and Communication India Private Limited (CIN: U31909PY1989PTC001156) (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder and the applicable provisions of Companies Act, 1956.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. There were no industry specific laws applicable to the Company from the list provided by the Institute of Company Secretaries of India.

vi. The other general laws as may be applicable to the Company including the following:

- a) Legal Metrology Act, 2009.
- b) The Consumer Protection Act, 1986.
- c) The Patents Act, 1970
- d) Trademark Act, 1999
- e) Indian Copyright Act, 1957
- f) The Sales of Goods Act, 1930

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS -1 and SS -2.

I further state that during the period under the review and based on my verification of the records maintained by the Company and also on the review of compliance taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable laws as mentioned above.

Further, I report that with regard to financial and taxation matters, I have relied up on the Audit Reports, provided by the Statutory/Internal Auditors, as the case may be.

I further report that the Board of Directors of the Company is duly constituted with Non-Executive Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

As per the information received from the Company, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.



I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As per the information received, I further report that the Boards of Directors of 3M India and of 3M Electro & Communication India Private Limited (3M E&C), wholly owned subsidiary of 3M India Limited at their Meetings held on September 17, 2021 had approved the Scheme of Amalgamation of 3M E&C with 3M India Limited under Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Scheme of Amalgamation of 3M E&C with 3M India Limited has been

filed with Hon'ble National Company Law Tribunal (NCLT) to amalgamate 3M E&C. Hon'ble National Company Law Tribunal, Chennai Bench, vide its order dated August 25, 2023, has sanctioned the aforesaid scheme. As on date, the Scheme is pending with Hon'ble National Company Law Tribunal, Bengaluru Bench for Orders.

**Gopichand Rohra**  
Membership No. : 974  
CP No: 44  
PR:1365/2021

Place: Bengaluru  
Date: July 11, 2024  
UDIN: F000974F000719881

This report is to be read with our letter of even date (Part I) of the Annexure and forms an integral part of this report.

#### (Part I) of the Annexure

To,  
The Members,  
3M Electro and Communication India Private Limited

Our report of even date is to be read along with this letter.

1. The maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Gopichand Rohra**  
Membership No. : 974  
CP No: 44  
PR:1365/2021

Place: Bengaluru  
Date: July 11, 2024



## ANNEXURE 'J' TO THE REPORT OF THE BOARD OF DIRECTORS

### Dividend Distribution Policy

#### 1. Preamble

**1.1.** 3M India Limited (**the Company**) has formulated this Dividend Distribution Policy (**this Policy**) as required by regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**the Listing Regulations**).

**1.2.** This Policy has been approved by the Board of Directors (**Board**) of the Company at its Meeting held on **February 9, 2017**. This Policy may be reviewed by the Board from time to time. This Policy and all amendments thereto will be updated on the Company's website ([www.3m.com/in](http://www.3m.com/in)) and in the Company's Annual Report.

#### 2. Policy

**2.1.** The Board shall consider appropriate financial and other parameters, as well as relevant internal and external factors, when determining the quantum, if any, of dividend to be paid out by the Company, which may include, but shall not be restricted to, all or some of the following as the Board in its discretion considers relevant:

- (a) Revenues and net profits for the relevant financial year and future outlook;
- (b) Possible current and future cash flow requirements;
- (c) Liquidity needs including working capital requirements;
- (d) Capital expenditure plans and requirements, including for expansion, modernisation and upgradation of existing operations and infrastructure;
- (e) Market expansion plans;
- (f) Product expansion plans;
- (g) Expenditure on research and development;
- (h) Possible organic and inorganic growth opportunities and other usage of cash;
- (i) Leverage levels;
- (j) Any restrictions and covenants in agreements with debenture-holders, lenders and others;
- (k) Comparative tax efficiency of dividend distribution;
- (l) Provisions for unforeseen events and contingencies;
- (m) Strategic priorities and objectives;
- (n) Macroeconomic conditions, local and international;
- (o) Any other methods of delivering value to shareholders; and
- (p) Accumulated reserves and surplus.

**2.2.** When deliberating on the recommendation of dividend, the Board will seek to balance the benefit to shareholders of the Company with the comparative advantages of retaining profits in the Company which would lead to greater value creation for all stakeholders.

**2.3.** In the event that the Board proposes to recommend dividend on the basis of parameters and factors in addition to those stated in clause 2.1 and 2.2 above, or to change any of the relevant parameters and factors, the changes along with the rationale for the same shall be disclosed in the Company's annual report and on the Company's website ([www.3m.com/in](http://www.3m.com/in)).

**2.4.** Recommendation and declaration of dividend, if any, would be in accordance with the Listing Regulations and the Companies Act, 2013 read with the Rules issued there under.

**2.5.** The shareholders of the Company may expect dividend when the Board, on a consideration of such parameters and factors as it considers relevant, is of the view that it would be in the best interests of the Company and its shareholders as a whole to recommend dividend and the shareholders approve such dividend at the Annual General Meeting. The Board may not

recommend dividend where the future outlook, possible future cash flow requirements, growth opportunities, capital expenditure, macroeconomic conditions or other factors, including as mentioned in clause 2.1 above, in the opinion of the Board, do not warrant recommending any dividend.

**2.6.** The Board's recommendation of dividend would be in the discretion of the Board. Any declaration of dividend pursuant to the Board's recommendation would be subject to the approval of the shareholders at the Annual General Meeting as required by the Companies Act, 2013.

**2.7.** The Board may utilise the retained earnings to further the business objectives and operations of the Company, to increase value for shareholders in the long run or may distribute amongst the shareholders by way of a dividend in line with this Policy.

**2.8.** The Board may declare interim or recommend final and/or special dividend as may be permitted under the Companies Act, 2013 or any amendment, modification, variation or re-enactment thereof.

**2.9.** The Company presently has only one class of shares, being equity shares of face value of ₹ 10 each.



## ANNEXURE 'K' TO THE REPORT OF THE BOARD OF DIRECTORS

### Details of Subsidiaries, Associates and Joint Ventures Form AOC 1

[Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

**Statement containing as on March 31, 2024 salient features of the Financial Statement of Subsidiaries/ Associate Companies/Joint Ventures**

#### PART A: Subsidiaries

(₹ in lakhs)

Name of the Subsidiary	Financial year ended	Currency	Closing exchange rate	Average exchange rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities
3M Electro & Communication India Private Limited*	March 31, 2024	₹	1	-	50.00	28,118.90	38,090.72	38,090.72

(₹ in lakhs)

Investments	Turnover	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed dividend	% of share holding	Country
Nil	33,631.55	6,290.82	1,576.31	4,714.51	Nil	100	India

Note: \* became a subsidiary with effect from December 27, 2018

#### Part B: Associates and Joint Ventures

Nil

**On behalf of the Board of Directors**

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

Place: Bengaluru

Date: May 28, 2024

The background of the slide features a series of thick, curved, parallel stripes. The stripes alternate between a vibrant green and a bright yellow. The green stripes have a slightly textured, almost fibrous appearance, while the yellow stripes are smoother. The stripes curve from the top right towards the bottom left, creating a sense of movement and depth.

# Financial Statements

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# Independent Auditor's Report

To the Members of 3M India Limited

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the standalone financial statements of 3M India Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### REVENUE RECOGNITION

See Note 3(h) and 19 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>The products of the Company are primarily sold through distributors, modern trade and direct sale channels amongst others. Revenue from sale of goods is recognised at contract price after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government when control of the product is transferred to the customer i.e., on delivery to customer. The Company tracks proof of delivery and reverses the value of goods not delivered by the balance sheet date.</p> <p>We identified revenue recognition as a key audit matter given it is a key performance indicator of the Company. Pressure to achieve targets, earning expectations or incentive schemes linked to performance could create an incentive for revenue to be overstated or before control has been transferred.</p>	<p>To obtain sufficient and appropriate audit evidence our principal audit procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• Evaluated the appropriateness of the revenue recognition accounting policies in compliance with the accounting standards.</li><li>• Tested the design and operating effectiveness of relevant key controls with respect to revenue recognition on a sample basis.</li><li>• Tested the design, implementation and operating effectiveness of the Company's general IT controls and key application controls over the Company's IT systems which govern revenue recognition in the general ledger accounting system.</li><li>• Performed substantive testing of selected samples of revenue transactions, recorded during the year by testing the underlying documents.</li><li>• Circularization of independent confirmation on a sample basis of customer balances at the balance sheet date.</li><li>• Obtaining supporting documentation, on a sample basis for sales transactions recorded near to balance sheet date to determine whether revenue was recognised in the correct period.</li><li>• Tested, on a sample basis, certain journal entries relating to revenues to identify and inquire on unusual items, if any.</li></ul>



## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual report, but does not include the financial statements and auditor's report(s) thereon. The Company's Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to

liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the



audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those, except for the instances mentioned below:
  - (i) Matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, and

- (ii) The back-up of the books of account and other relevant books and papers in electronic mode have not been kept on servers physically located in India on a daily basis during 1 April 2023 till 3 November 2023 for the payroll software and from 1 April 2023 till 4 June 2023 for accounting software used for maintaining books of account relating to revenue process, trade payables, journal entry and general ledger. However, the back-up were kept during the periods referred to above on servers located outside India on a daily basis.

- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 47 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting

softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- (i) The feature of recording audit trail (edit log) facility was not enabled for the accounting software used for maintaining the books of account relating to general ledger for the period 1 April 2023 to 3 October 2023.
- (ii) The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to revenue process, trade payables and journal entry.
- (iii) In absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the independent auditor's report of the service organisation for the accounting software used for maintaining the payroll process, which is operated by third-party software service provider, we are unable to comment whether the audit trail feature of the database level of the said software to log any direct data changes, was enabled and operated throughout the year for all relevant transactions recorded in the software.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Umang Banka**

Partner

Place: Bengaluru

Membership No.: 223018

Date: May 28, 2024 ICAI UDIN:24223018BKFQNF6853



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF 3M INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate.

No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has not granted any loans, secured or unsecured, to Companies, firms or limited liability partnership during the year. The Company has granted loans to other parties (employees) during the year in respect of which the requisite information is as below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted interest free loans to other parties (employees) as below:

Particulars	Loans (Amount in ₹ lakhs)
Aggregate amount during the year Others (employees)	46.20
Balance outstanding as at balance sheet date Others (employees)	51.70

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the interest free loans provided during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee or security or granted any advances in the nature of loans during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loan given to other parties (employees), in our opinion the repayment of principal has been stipulated and



the repayments or receipts have been regular. The loan given to other parties (employees) are interest free and hence there are no stipulation with respect to the payment of interest. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance

of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in case of Income-tax and Professional tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax, Sales-tax, Service-tax, Duty of Customs, Duty of Excise, Value added tax and Goods and Service Tax which have not been deposited on account of any dispute are as follows:

Statute/ Nature of dues	Demand Amount (in ₹ lakhs)	Payment under Protest (in ₹ lakhs)	Net Amount (in ₹ lakhs)	Period to which the amount relates	Forum where dispute is pending
Income tax	32,412.20	6,635.80	25,776.40	2005-06, 2007-08, 2010-11 to 2018-19, 2020-2022	Commissioner of Income Tax (Appeals)
	399.35	322.17	77.18	2006-07	High Court
	582.08	460.84	121.24	2008-10	Income Tax Appellate Tribunal
Sales tax / Value added tax/	7,486.32	1,403.49	6,082.83	2010-18	Appellate Authority up to Commissioner's level
Central Sales tax	1,877.73	1,004.43	873.40	2006-12	Sales Appellate Tribunal



Statute/ Nature of dues	Demand Amount (in ₹ lakhs)	Payment under Protest (in ₹ lakhs)	Net Amount (in ₹ lakhs)	Period to which the amount relates	Forum where dispute is pending
Excise (including service tax)	20.21	-	20.21	2014-18	Commissioner Appeals
	2,687.18	136.73	2,550.45	2007-18	Customs, Excise & Service Tax Appellate Tribunal
Custom Duty	1,961.51	-	1961.51	2005-10	High Court
	16,387.03	577.01	15,810.02	2011-14	Customs, Excise and Service Tax Appellate Tribunal
	9.90	-	9.90	2022-23	Commissioner- Appeals
Goods and Services Tax	767.91	10.32	757.79	2017-21	Appellate Authority up to Commissioner's level
	1,813.89	87.50	1,726.39	2016-18	Commissioner- Appeals

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx) (a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. :101248W/W-100022

**Umang Banka**

Partner

Place: Bengaluru

Membership No. : 223018

Date: May 28, 2024 ICAI UDIN:24223018BKFQNF6853



## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF 3M INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2024**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **OPINION**

We have audited the internal financial controls with reference to financial statements of 3M India Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act,

to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance



with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference

to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Umang Banka**

Partner

Place: Bengaluru

Membership No.: 223018

Date: May 28, 2024 ICAI UDIN:24223018BKFQNE5593



# Standalone Balance Sheet

as at March 31, 2024

(₹ in lakhs)

	Note	As at March 31, 2024	As at March 31, 2023
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	4	29,730.82	29,295.63
(b) Capital work-in-progress	4	1,232.20	2,457.02
(c) Right - of - use assets	39	2,008.42	2,914.82
(d) Intangible assets	5	35.32	31.06
(e) Financial assets			
(i) Investments	6	50,480.00	50,480.00
(ii) Loans	8	10.24	14.28
(iii) Other financial assets	9	922.06	552.18
(f) Deferred tax assets (net)	35	2,241.26	2,221.65
(g) Income tax assets (net)	35	13,789.30	13,021.31
(h) Other non-current assets	10	4,232.30	4,347.25
<b>Total non-current assets</b>		<b>104,681.92</b>	<b>105,335.20</b>
<b>(2) Current assets</b>			
(a) Inventories	11	49,800.89	56,760.33
(b) Financial assets			
(i) Trade receivables	7	67,901.14	59,510.20
(ii) Cash and cash equivalents	12(A)	85,903.81	63,198.06
(iii) Bank balances other than (ii) above	12(B)	25,903.40	245.33
(iv) Loans	8	41.46	35.97
(v) Other financial assets	9	856.09	837.71
(c) Other current assets	10	4,765.28	5,519.01
<b>Total current assets</b>		<b>235,172.07</b>	<b>186,106.61</b>
<b>Total assets</b>		<b>339,853.99</b>	<b>291,441.81</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	13	1,126.51	1,126.51
(b) Other equity	14	235,893.06	193,657.31
<b>Total equity</b>		<b>237,019.57</b>	<b>194,783.82</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	39	858.87	1,359.00
(b) Provisions	15	2,978.35	3,902.70
<b>Total non-current liabilities</b>		<b>3,837.22</b>	<b>5,261.70</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	39	934.00	1,314.00
(ii) Trade payables			
- Total outstanding dues of micro and small enterprises;	16	3,974.19	4,629.97
- Total outstanding dues of creditors other than micro and small enterprises	16	72,922.71	66,536.83
(iii) Other financial liabilities	17	4,959.08	6,193.94
(b) Other current liabilities	18	5,432.15	4,196.06
(c) Provisions	15	7,086.02	5,117.67
(d) Current tax liabilities (net)	35	3,689.05	3,407.82
<b>Total current liabilities</b>		<b>98,997.20</b>	<b>91,396.29</b>
<b>Total liabilities</b>		<b>102,834.42</b>	<b>96,657.99</b>
<b>Total equity and liabilities</b>		<b>339,853.99</b>	<b>291,441.81</b>
Material accounting policies	3		

See accompanying notes to the standalone financial statements

As per our report of even date attached  
for **BSR & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors

**Umang Banka**  
Partner  
Membership No.: 223018

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

**Pratap Rudra Bhuvanagiri**  
Company Secretary  
Membership No.: A22297

Place: Bengaluru  
Date: May 28, 2024

Place: Bengaluru  
Date: May 28, 2024

# Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in lakhs)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>I. INCOME</b>			
Revenue from operations	19	392,676.43	373,344.21
Other income	20	6,746.99	6,422.12
<b>Total income</b>		<b>399,423.42</b>	<b>379,766.33</b>
<b>II. EXPENSES</b>			
Cost of materials consumed	21	149,871.89	156,580.77
Purchases of stock-in-trade	22	82,161.94	81,310.30
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	3,785.42	(3,914.37)
Employee benefits expense	24	35,856.69	36,553.40
Finance costs	25	320.26	709.96
Depreciation and amortisation expense	4, 5 and 39	5,183.33	5,611.72
Other expenses	26	50,413.29	46,834.94
<b>Total expenses</b>		<b>327,592.82</b>	<b>323,686.72</b>
<b>III. PROFIT BEFORE TAX</b>		<b>71,830.60</b>	<b>56,079.61</b>
<b>IV. TAX EXPENSE :</b>			
(i) Current tax charge	35	18,180.55	13,966.57
(ii) Deferred tax charge	35	22.88	498.65
<b>Total tax expenses</b>		<b>18,203.43</b>	<b>14,465.22</b>
<b>V. PROFIT FOR THE YEAR</b>		<b>53,627.17</b>	<b>41,614.39</b>
<b>VI. OTHER COMPREHENSIVE INCOME / (LOSS)</b>			
Items that will not be reclassified subsequently to the statement of profit or loss			
Remeasurements of net defined benefit (liability) / asset	30	(168.84)	59.34
Income tax relating to items that will not be reclassified subsequently to profit or loss	35	42.49	(14.93)
<b>Other comprehensive income / (loss), net of tax</b>		<b>(126.35)</b>	<b>44.41</b>
<b>VII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>53,500.82</b>	<b>41,658.80</b>
<b>VIII. EARNINGS PER SHARE (NOMINAL VALUE OF ₹ 10 EACH)</b>	27		
- Basic (in ₹)		476.05	369.41
- Diluted (in ₹)		476.05	369.41
Material accounting policies	3		

See accompanying notes to the standalone financial statements

As per our report of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors

**Umang Banka**  
Partner  
Membership No.: 223018

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

**Pratap Rudra Bhuvanagiri**  
Company Secretary  
Membership No.: A22297

Place: Bengaluru  
Date: May 28, 2024

Place: Bengaluru  
Date: May 28, 2024



# Standalone Statement of Changes in Equity

for the year ended March 31, 2024

## A. EQUITY SHARE CAPITAL

For the year ended March 31, 2024

(₹ in lakhs, except for number of shares)

Equity shares of ₹ 10 each issued, subscribed and fully paid up	Number of shares	Amount
Balance as at April 1, 2023	11,265,070	1,126.51
Changes in equity share capital during the year	-	-
Balance as at March 31, 2024	11,265,070	1,126.51

For the year ended March 31, 2023

(₹ in lakhs, except for number of shares)

Equity shares of ₹ 10 each issued, subscribed and fully paid up	Number of shares	Amount
Balance as at April 1, 2022	11,265,070	1,126.51
Changes in equity share capital during the year	-	-
Balance as at March 31, 2023	11,265,070	1,126.51

## B. OTHER EQUITY

(₹ in lakhs)

Particulars	Equity share capital	Other equity				Total Other Equity	Total equity attributable to equity holders of the Company
		Reserves and surplus			Items of other comprehensive income		
		Securities premium	General reserve	Retained earnings	Remeasurements of net defined benefits liability/ (asset), net of tax		
Balance as at April 1, 2022	1,126.51	949.90	32.25	247,632.06	(862.60)	247,751.61	248,878.12
Changes in equity for the year ended March 31, 2023							
Profit for the year	-	-	-	41,614.39	-	41,614.39	41,614.39
Other comprehensive income, net of tax	-	-	-	-	44.41	44.41	44.41
Dividends (refer note 14)	-	-	-	(95,753.10)	-	(95,753.10)	(95,753.10)
Balance as at March 31, 2023	1,126.51	949.90	32.25	193,493.35	(818.19)	193,657.31	194,783.82
Balance as at April 1, 2023	1,126.51	949.90	32.25	193,493.35	(818.19)	193,657.31	194,783.82
Changes in equity for the year ended March 31, 2024							
Profit for the year	-	-	-	53,627.17	-	53,627.17	53,627.17
Other comprehensive income, net of tax	-	-	-	-	(126.35)	(126.35)	(126.35)
Dividends (refer note 14)	-	-	-	(11,265.07)	-	(11,265.07)	(11,265.07)
Balance as at March 31, 2024	1,126.51	949.90	32.25	235,855.45	(944.54)	235,893.07	237,019.57

See accompanying notes to the standalone financial statements

As per our report of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors

**Umang Banka**  
Partner  
Membership No.: 223018

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

**Pratap Rudra Bhuvanagiri**  
Company Secretary  
Membership No.: A22297

Place: Bengaluru  
Date: May 28, 2024

Place: Bengaluru  
Date: May 28, 2024



# Standalone Statement of Cash Flows

for the year ended March 31, 2024

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	71,830.60	56,079.61
<b>Adjustments for:</b>		
Depreciation and amortisation expense	5,183.33	5,611.72
Bad debts and allowance for doubtful trade receivables (net)	176.35	166.36
Liabilities no longer required written back (net)	(941.70)	(671.32)
Unrealised exchange loss/ (gain) on foreign currency transactions (net)	130.09	122.33
Gain on disposal of property, plant and equipment (net)	(72.28)	(34.56)
Interest income	(5,424.38)	(3,962.68)
Finance costs	320.26	709.96
	<b>71,202.27</b>	<b>58,021.42</b>
<b>Movement in working capital:</b>		
Increase in trade payables	5,587.40	21,500.23
Increase / (decrease) in provisions	875.16	(1,326.79)
Increase in other financial liabilities and other liabilities	689.00	578.15
Increase in trade receivables	(8,537.29)	(10,816.61)
Decrease / (increase) in inventories	6,959.44	(11,412.56)
Decrease in loans, other financial assets, other current and non current assets	119.11	1,134.32
<b>Cash generated from operations activities</b>	<b>76,895.09</b>	<b>57,678.16</b>
Income tax paid (net of refund)	(18,555.53)	(15,213.30)
<b>Net cash generated from operating activities (A)</b>	<b>58,339.56</b>	<b>42,464.86</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets including capital work in progress	(3,133.33)	(6,009.47)
Proceeds from sale of property, plant and equipment	78.48	58.54
Movement in fixed deposits with original maturity more than 3 (Three) months (net)	(25,400.00)	-
Interest received	5,574.99	3,982.58
<b>Net cash used in investing activities (B)</b>	<b>(22,879.86)</b>	<b>(1,968.35)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability (including interest thereon)	(1,488.88)	(2,444.64)
Dividends paid	(11,265.07)	(95,507.77)
<b>Net cash used in financing activities (C)</b>	<b>(12,753.95)</b>	<b>(97,952.41)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>22,705.75</b>	<b>(57,455.90)</b>



# Standalone Statement of Cash Flows

for the year ended March 31, 2024

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Cash and cash equivalents at the beginning of the year	63,198.06	120,653.96
<b>Cash and cash equivalents at the end of the year</b>	<b>85,903.81</b>	<b>63,198.06</b>
<b>Cash and cash equivalents comprise of [refer note 12(A)]:</b>		
Balances with banks:		
- in current accounts	6,389.42	2,798.06
- deposits accounts (original maturity of three months or less)	79,514.39	60,400.00
	<b>85,903.81</b>	<b>63,198.06</b>
<b>Debt reconciliation statement in accordance with Ind AS 7</b>		
<b>Reconciliation of lease liability (Non-current and Current)</b>		
Opening balance	2,673.00	2,444.02
Addition to lease liability	491.07	2,496.60
Termination of lease	(61.99)	-
Interest cost	179.67	177.03
Payment of lease liability (including interest thereon)	(1,488.88)	(2,444.64)
<b>Closing balance</b>	<b>1,792.87</b>	<b>2,673.00</b>
Material accounting policies (refer note 3)		

See accompanying notes to the standalone financial statements

As per our report of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors

**Umang Banka**  
Partner  
Membership No.: 223018

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

**Pratap Rudra Bhuvanagiri**  
Company Secretary  
Membership No.: A22297

Place: Bengaluru  
Date: May 28, 2024

Place: Bengaluru  
Date: May 28, 2024

# Notes to the Standalone Financial Statements

## 1. REPORTING ENTITY

3M India Limited ('the Company') is a subsidiary of 3M Company, USA. The Company manages its operations in four operating segments: Safety & Industrial, Transportation & Electronics, Health Care and Consumer. In India, the Company has manufacturing facilities at Ahmedabad, Bangalore, Pune and has a R&D Center in Bangalore. 3M India's four business segments bring together common or related 3M technologies that enhance the development of innovative products and services and provide efficient sharing of business resources. The Company is a public limited Company domiciled in India with its registered office situated at Plot Nos. 48-51, Electronic City, Hosur Road, Bengaluru - 560 100 and is listed on the Bombay Stock Exchange Ltd (BSE) and the National Stock Exchange Ltd (NSE).

## 2. BASIS OF PREPARATION

### A. Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May 28, 2024.

Details of the Company's material accounting policies are included in Note 3.

### B. Functional & presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

### C. Basis of measurement

These financial statements have been prepared under the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date:

- Note 29 - share-based payment arrangements and
- Note 38 - financial instruments

### D. Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of

accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 39 - leases: whether an arrangement contains a lease, lease classification and lease term.

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 3(b), 4 and 5 - useful life of property, plant and equipment and other intangible assets;
- Note 6 to 9 and 38 - impairment of financial assets;
- Note 30 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 3(f) and 11 - provision for inventories;
- Note 15 and 34 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

### E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or



# Notes to the Standalone Financial Statements

liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 29 - share-based payment arrangements and
- Note 38 - financial instruments

## F. Current/ Non-current classification

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is classified as current when –

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the

issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

## 3. MATERIAL ACCOUNTING POLICIES

### (a) Financial instruments

#### i. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

#### ii. Classification and subsequent measurement

##### Financial assets

On initial recognition, a financial asset is classified as measured at-

##### Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates



# Notes to the Standalone Financial Statements

to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

## **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **iii. Derecognition**

#### **Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

#### **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of profit and loss.

### **iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the

Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

### **(b) Property, plant and equipment**

#### **i. Recognition and measurement**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably

Items of property, plant and equipment, are measured at cost, which includes capitalised borrowing cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of profit and loss.

#### **ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### **iii. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the Statement of profit and loss.

# Notes to the Standalone Financial Statements

Leasehold improvements are amortised over the period of lease or the estimated useful life (3-10 years) whichever is lower. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Category of asset	Useful lives
Buildings	10 - 30 years
Plant and machinery	3 - 15 years
Furniture and fixtures	10 years
Office equipment	5 years
Data processing equipment	3 years
Vehicles	5 years

Depreciation/amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that the estimates of useful lives as given above best represent the period over which management expects to use these assets and are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013 for some assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Capital work in progress includes cost of property, plant & equipment under installation/ under development as at the balance sheet date.

## (c) Intangible assets

### i. Internally generated: Research and development

Expenditure on research activities is recognised in Statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit or loss as incurred. Subsequent to

initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### iii. Others

Other intangible assets are stated at acquisition cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of profit and loss. The amortisation rates used are:

Asset	Useful life
Computer software	3 years

## (d) Investment in subsidiaries

Investment in subsidiaries are shown at less impairment where the carrying amount of an investment is greater than its estimated recoverable amount it is withdrawn immediately to its recoverable amount and the difference is transferred to the statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

## (e) Impairment

### (i) Financial assets

(i) The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount

# Notes to the Standalone Financial Statements

of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the Statement of profit and loss.

The Company at end of each reporting period evaluates, if any indicators are present which might require Company to impair its financial assets.

## Write off:

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## (ii) Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash generating units (CGUs) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss

if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## (f) Inventories

Inventories are valued at the lower of cost and estimated net realizable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. The costs of raw materials and traded goods are ascertained on First-In-First-Out basis, whereas manufactured work-in-progress and finished goods are ascertained on weighted average method.

Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

The provision for inventory obsolescence is arrived on quarterly basis based on the policy determined by the Company.

## (g) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the balance sheet date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.



# Notes to the Standalone Financial Statements

## (h) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer after deduction of any trade discount, volume rebate and taxes or duties collected on behalf of the government such as goods and services tax, etc. The Company recognises revenue when it transfers control over a good or service to a customer.

For sale of finished goods and traded goods, revenue is recognised when the goods are delivered and have been accepted by customers as per the terms of the arrangement or at the time of dispatch in case of ex-works, as the case may be. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

For sale of services which includes income from contract research and management support service fee, revenue is recognized based on agreements/arrangements with the customers as the service is performed.

The Company has determined that the revenues as disclosed in Note 19 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Other income primarily includes interest income which is recognised using the effective interest rate (EIR) method.

## (i) Employee benefits

### Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

### Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the Group's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee.

### Provident fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

### Superannuation

The Company makes contribution to the Superannuation Scheme for certain employees participating in the scheme, a defined contribution scheme, administered by fund manager, based on a specified percentage of eligible employees' salary. The Company's obligation to the scheme is restricted to the contributions to the scheme.

### Defined benefit plans

#### Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company has an Employees Gratuity Fund where the investments are administered by a Fund Manager. The Company accounts for the liability of Gratuity Benefits payable in future based on an independent actuarial valuation (using the Projected Unit Credit method). Actuarial losses/ gains are recognised in Statement of profit and loss under 'Other Comprehensive Income' in the year in which they arise.

### Compensated absences

The Company provides for the encashment/ availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment/ availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation (using the Projected Unit Credit method). Actuarial losses / gains are recognised in 'Other Comprehensive Income' in the year in which they arise. The liability has been classified as current as the Group does not have unconditional right to defer the liability.

### Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

# Notes to the Standalone Financial Statements

## (j) Share-based payments

The eligible employees of the Company are allotted share appreciation rights (SARs) and restricted stock units (RSUs) pertaining to 3M Company, USA (Holding Company). The fair value of the amount payable to employees in respect of SARs and RSUs which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to the payment. The Company measures compensation expense for SARs at their fair value determined using Black-Scholes Model and RSUs based on fair market value of shares of 3M Company, USA as at each reporting date. Any change in the fair value of the liability are recognised in the Statement of profit and loss.

## (k) Income taxes

### i. Current tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

### ii. Deferred tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred

income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

## (l) Borrowing costs

Borrowing costs attributable to the assets acquired on leases are expensed in the period in which they incur in the statement of profit and loss.

## (m) Provisions and contingent liabilities

### i. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### ii. Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the





## Notes to the Standalone Financial Statements

likelihood of outflow of resources is remote, no provision or disclosure is made.

iii. Onerous contracts

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

**(n) Leases**

The Company has applied Ind AS 116 with effect from April 1, 2019 using the modified retrospective approach. At inception of the contract, the Company determines whether the contract is a lease or contains a lease arrangement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As a lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, in Statement of profit and loss and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The Company presents right-of-use assets that do not meet the definition of investment property separately in the balance sheet and lease liabilities separately within 'Financial Liabilities'.

Short-term leases and leases of low-value assets  
The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**(o) Segment reporting**

**Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the CODM. The Company publishes the standalone financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

**(p) Cash and cash equivalents**

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an

# Notes to the Standalone Financial Statements

insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**(q) Earnings per share**

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit/ loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(r) Cash flow statement**

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for

the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

**(s) Government grants**

The Company recognises an unconditional government grant related to PSI scheme in profit or loss as other income when the grant becomes receivable.

**(t) Recent Indian Accounting Standards :**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to existing standards applicable to the Company.

# Notes to the Standalone Financial Statements

## 4 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN- PROGRESS

Particulars	Freehold land*	Buildings	Plant and machinery	Furniture & fixtures	Office equipment	Data processing equipment	Vehicles	Leasehold improvements	Total
(₹ in lakhs)									
Cost at April 1, 2022	227.95	15,902.77	30,683.82	1,836.14	811.15	57.01	2.87	41.51	49,563.21
Additions	-	2,162.27	4,049.41	83.57	6.35	-	-	-	6,301.60
Disposals	-	(0.19)	(634.29)	(3.97)	(2.24)	(0.95)	-	(0.04)	(641.68)
<b>Cost at March 31, 2023</b>	<b>227.95</b>	<b>18,064.85</b>	<b>34,098.94</b>	<b>1,915.74</b>	<b>815.26</b>	<b>56.06</b>	<b>2.87</b>	<b>41.47</b>	<b>55,223.13</b>
Cost at April 1, 2023	227.95	18,064.85	34,098.94	1,915.74	815.26	56.06	2.87	41.47	55,223.13
Additions	-	369.96	3,616.26	284.19	-	-	-	-	4,270.41
Disposals	-	(1.60)	(267.16)	(48.15)	(2.23)	(1.79)	-	(6.26)	(327.19)
<b>Cost at March 31, 2024</b>	<b>227.95</b>	<b>18,433.21</b>	<b>37,448.04</b>	<b>2,151.78</b>	<b>813.03</b>	<b>54.27</b>	<b>2.87</b>	<b>35.21</b>	<b>59,166.36</b>
<b>Accumulated Depreciation</b>									
Balance at April 1, 2022	-	4,460.77	16,372.57	1,365.44	760.64	57.01	2.87	41.41	23,060.71
Depreciation for the year	-	701.63	2,583.52	172.18	27.16	-	-	-	3,484.49
Disposals	-	(0.06)	(610.44)	(3.97)	(2.24)	(0.95)	-	(0.04)	(617.70)
<b>Balance at March 31, 2023</b>	<b>-</b>	<b>5,162.34</b>	<b>18,345.65</b>	<b>1,533.65</b>	<b>785.56</b>	<b>56.06</b>	<b>2.87</b>	<b>41.37</b>	<b>25,927.50</b>
Balance at April 1, 2023	-	5,162.34	18,345.65	1,533.65	785.56	56.06	2.87	41.37	25,927.50
Depreciation for the year	-	763.65	2,872.30	171.59	21.49	-	-	-	3,829.03
Disposals	-	(1.39)	(261.17)	(48.15)	(2.23)	(1.79)	-	(6.26)	(320.99)
<b>Balance at March 31, 2024</b>	<b>-</b>	<b>5,924.60</b>	<b>20,956.78</b>	<b>1,657.09</b>	<b>804.82</b>	<b>54.27</b>	<b>2.87</b>	<b>35.11</b>	<b>29,435.54</b>
<b>Carrying value (net)</b>									
As at March 31, 2023	227.95	12,902.51	15,753.29	382.09	29.70	-	-	0.10	29,295.63
As at March 31, 2024	227.95	12,508.61	16,491.26	494.69	8.21	-	-	0.10	29,730.82

\*Title deeds of the freehold land is in the name of the Company. There has been no revaluation of property, plant and equipment done during the year.

# Notes to the Standalone Financial Statements

Capital work-in-progress	(₹ in lakhs)
Balance at April 1, 2022	2,349.66
Additions during the year	6,408.95
Capitalised during the year	6,301.60
<b>Balance at March 31, 2023</b>	<b>2,457.02</b>
Balance at April 1, 2023	2,457.02
Additions during the year	3,068.67
Capitalised during the year	4,293.49
<b>Balance at March 31, 2024</b>	<b>1,232.20</b>

## Capital work-in-progress aging schedule

March 31, 2024	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,158.66	73.54	-	-	1,232.20
Projects temporarily suspended	-	-	-	-	-
	<b>1,158.66</b>	<b>73.54</b>	<b>-</b>	<b>-</b>	<b>1,232.20</b>

March 31, 2023	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,390.87	66.15	-	-	2,457.02
Projects temporarily suspended	-	-	-	-	-
	<b>2,390.87</b>	<b>66.15</b>	<b>-</b>	<b>-</b>	<b>2,457.02</b>

There are no capital work in progress whose completion is overdue or exceeded its cost compared to its original plan.



# Notes to the Standalone Financial Statements

## 5 INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Computer Software
<b>Cost at April 1, 2022</b>	243.87
Additions	-
Disposals	(28.69)
<b>Cost at March 31, 2023</b>	<b>215.18</b>
<b>Cost at April 1, 2023</b>	215.18
Additions	23.09
Disposals	-
<b>Cost at March 31, 2024</b>	<b>238.27</b>
<b>Amortisation depreciation as on April 1, 2022</b>	187.70
Amortisation for the year	25.11
Disposals	(28.69)
<b>Balance at March 31, 2023</b>	<b>184.12</b>
<b>Amortisation depreciation as on April 1, 2023</b>	184.12
Amortisation for the year	18.83
Disposals	-
<b>Balance at March 31, 2024</b>	<b>202.95</b>
<b>Carrying value (net)</b>	
<b>As at March 31, 2023</b>	<b>31.06</b>
<b>As at March 31, 2024</b>	<b>35.32</b>

## 6 INVESTMENT

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>Non current investment</b>		
<b>Unquoted, carried at cost less impairment allowance</b>		
<b>Investment in equity instruments of subsidiary;</b>		
3M Electro & Communication India Private Limited [Wholly owned subsidiary]	50,480.00	50,480.00
[500,000 equity shares of ₹ 10/- each fully paid up]		
	<b>50,480.00</b>	<b>50,480.00</b>
Aggregate book value of unquoted investment	58,470.00	58,470.00
Aggregate amount of impairment in value of investment	7,990.00	7,990.00
Net investment carried at cost	<b>50,480.00</b>	<b>50,480.00</b>

Refer note 40 for disclosures with respect to section 186(4) of Companies Act, 2013.

Refer note 41 for details with respect to Scheme of Amalgamation with 3M Electro & Communication India Private Limited.



# Notes to the Standalone Financial Statements

## 7 TRADE RECEIVABLES

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - secured	597.57	523.85
Trade receivables considered good - unsecured*	67,446.14	59,402.58
Trade receivables - credit impaired	3,836.78	3,566.22
	<b>71,880.49</b>	<b>63,492.65</b>
Less: Loss allowance	(3,979.35)	(3,982.45)
	<b>67,901.14</b>	<b>59,510.20</b>
Of the above, trade receivables from related parties are as below (also refer note 31):		
Total trade receivables from related parties	3,189.37	2,170.90
Loss allowance	-	-
<b>Net trade receivables</b>	<b>3,189.37</b>	<b>2,170.90</b>

\* includes unbilled receivables of ₹ 1,348.82 lakhs (March 31, 2023: ₹ 1,100.03 lakhs)

### Trade receivables Ageing Schedule

(₹ in lakhs)

As at March 31, 2024	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,348.82	61,002.66	5,559.43	1.60	131.20	-	-	68,043.71
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	6.20	50.86	86.19	1,322.00	1,465.25
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	0.36	510.99	-	1,860.18	2,371.53
<b>Total</b>	<b>1,348.82</b>	<b>61,002.66</b>	<b>5,559.43</b>	<b>8.16</b>	<b>693.05</b>	<b>86.19</b>	<b>3,182.18</b>	<b>71,880.49</b>

(₹ in lakhs)

As at March 31, 2023	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,100.03	55,498.75	3,070.68	242.76	14.20	-	-	59,926.42
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	186.22	109.50	58.50	858.88	1,213.10
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	945.05	1,408.08	2,353.13
<b>Total</b>	<b>1,100.03</b>	<b>55,498.75</b>	<b>3,070.68</b>	<b>428.98</b>	<b>123.70</b>	<b>1,003.55</b>	<b>2,266.96</b>	<b>63,492.65</b>

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 38.



# Notes to the Standalone Financial Statements

## 8 LOANS

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>Non current</b>		
<b>Unsecured, considered good</b>		
Loans to employees	10.24	14.28
	<b>10.24</b>	<b>14.28</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Loans to employees	41.46	35.97
	<b>41.46</b>	<b>35.97</b>
	<b>51.70</b>	<b>50.25</b>

## 9 OTHER FINANCIAL ASSETS

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>Non current</b>		
<b>Unsecured, considered good</b>		
Security deposits*	922.06	552.18
	<b>922.06</b>	<b>552.18</b>
<b>Unsecured, considered doubtful</b>		
Security deposits	41.24	41.24
Less : Allowance for impairment	(41.24)	(41.24)
	-	-
	<b>922.06</b>	<b>552.18</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Security deposits	408.62	416.31
Others receivables	447.47	421.40
	<b>856.09</b>	<b>837.71</b>
	<b>1,778.15</b>	<b>1,389.89</b>

\*includes earnest money deposit paid ₹ 26.14 lakhs (March 31, 2023: ₹ 26.14 lakhs)

## 10 OTHER ASSETS

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>Non current</b>		
Capital advances	246.86	201.99
Balances with government authorities		
Unsecured, considered good	765.61	765.61
Payments under protest*		
Unsecured, considered good	3,219.83	3,379.65
Unsecured, considered doubtful	47.69	178.93
Less: Allowance for doubtful advances	(47.69)	(178.93)
	<b>3,219.83</b>	<b>3,379.65</b>
	<b>4,232.30</b>	<b>4,347.25</b>

# Notes to the Standalone Financial Statements

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Prepayments	1,095.31	1,229.11
Advance for supply of goods	452.80	598.89
Balances with government authorities		
Unsecured, considered good	3,217.17	3,691.01
Unsecured, considered doubtful	-	540.90
Less : Allowance for doubtful receivables	-	(540.90)
	<b>3,217.17</b>	<b>3,691.01</b>
	<b>4,765.28</b>	<b>5,519.01</b>
	<b>8,997.58</b>	<b>9,866.26</b>

\*These payments represents deposits given to government authorities against the ongoing litigations.

## 11 INVENTORIES\*

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Raw materials	23,546.81	26,826.90
[Including in - transit ₹ 9,709.71 lakhs (March 31, 2023: ₹ 9,846.22 lakhs)]		
Packing materials	931.97	825.90
Work-in-progress	2,172.97	2,063.83
Finished goods	7,968.40	8,033.24
Stock-in-trade	15,180.74	19,010.46
[Including in - transit ₹ 5,230.24 lakhs (March 31, 2023: ₹ 6,228.68 lakhs)]		
	<b>49,800.89</b>	<b>56,760.33</b>

\* Refer note 3(f) for mode of valuation of inventories

The provision for write down of inventories to net realisable value during the year amounted to ₹ 450.77 lakhs (March 31, 2023 : ₹ 612.21 lakhs). The provision estimated by the management for obsolete stock during the year amounted to ₹ 1,183.13 lakhs (March 31, 2023 : ₹ 1,234.69 lakhs).

## 12(A) CASH AND CASH EQUIVALENTS

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>Balances with banks</b>		
- In current accounts	6,389.42	2,798.06
- Deposit accounts (original maturity of three months or less)	79,514.39	60,400.00
	<b>85,903.81</b>	<b>63,198.06</b>

## 12(B) OTHER BANK BALANCES

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>Balances with banks</b>		
- Deposit accounts (original maturity of more than three months but less than twelve months)	25,654.11	-
<b>Earmarked accounts</b>	249.29	245.33
- Unclaimed dividend	<b>25,903.40</b>	<b>245.33</b>



# Notes to the Standalone Financial Statements

## 13 EQUITY SHARE CAPITAL

(₹ in lakhs except for number of shares)

	As at March 31, 2024	As at March 31, 2023
<b>Authorised :</b>		
Equity shares	1,126.51	1,126.51
[11,265,070 equity shares of ₹ 10/- each (March 31, 2023 : 11,265,070 equity shares of ₹ 10/- each)]		
	<b>1,126.51</b>	<b>1,126.51</b>
<b>Issued, subscribed and paid up</b>		
Equity shares fully paid up	1,126.51	1,126.51
[11,265,070 equity shares of ₹ 10/- each (March 31, 2023 : 11,265,070 equity shares of ₹ 10/- each)]		
	<b>1,126.51</b>	<b>1,126.51</b>

### (a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the year	11,265,070	1,126.51	11,265,070	1,126.51
Shares issued during the year	-	-	-	-
Closing balance at the end of the year	<b>11,265,070</b>	<b>1,126.51</b>	<b>11,265,070</b>	<b>1,126.51</b>

### (b) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Shares held by holding company

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
3M Company, USA (Holding company)	8,448,802	844.88	8,448,802	844.88

### (d) Details of shareholders holding more than 5 % of total number of equity shares

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
3M Company, USA (Holding company)	8,448,802	75%	8,448,802	75%

### (e) There has been no buyback of shares, issues of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the date of the balance sheet.

# Notes to the Standalone Financial Statements

## (f) Shares held by promoters at the end of the year

Promoter Name	As at March 31, 2024		
	No of Shares	% total of shares	% Change during the year
3M Company, USA (Holding company)	8,448,802	75%	-

Promoter Name	As at March 31, 2023		
	No of Shares	% total of shares	% Change during the year
3M Company, USA (Holding company)	8,448,802	75%	-

## 14 OTHER EQUITY

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
(i) Securities premium	949.90	949.90
(ii) General reserve	32.25	32.25
(iii) Remeasurements of net defined benefits liability/ (asset), net of tax	(944.54)	(818.19)
(iv) Retained earnings	235,855.45	193,493.35
	<b>235,893.06</b>	<b>193,657.31</b>

For movement of above reserves, refer statement of changes in equity.

### Nature and purpose of other equity

#### (i) Securities premium:

Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

#### (ii) General reserve:

This represents appropriation of profit by the Company and is available to the shareholders for distribution.

#### (iii) Remeasurement of defined benefit plans, net of tax effect:

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other equity' and subsequently not reclassified to the Statement of profit and loss.

#### (iv) Retained earnings:

The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit after tax is transferred from the Statement of profit and loss to retained earnings.

### Dividends

The following dividends were declared and paid by the Company during the year:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Dividend on equity shares declared and paid :</b>		
Interim dividend for the year ended March 31, 2024: ₹ Nil per share (March 31, 2023: ₹ 850 per share)	-	95,753.10
Final dividend for the year ended March 31, 2023: ₹ 100 per share (March 31, 2022: ₹ Nil per share)	11,265.07	-
	<b>11,265.07</b>	<b>95,753.10</b>
<b>Proposed Dividend on equity shares declared :</b>		
Proposed dividend on equity shares for the year ended on March 31, 2024: ₹ 685 per share (including special dividend) (March 31 2023 : ₹ 100 per share) (refer note 46)	77,165.73	11,265.07
	<b>77,165.73</b>	<b>11,265.07</b>





# Notes to the Standalone Financial Statements

## 15 PROVISIONS

(₹ in lakhs)

	As at March 31, 2024		As at March 31, 2023	
	Current	Non current	Current	Non current
<b>Provision for employee benefits</b>				
Gratuity (refer note 30)	-	2,887.76	-	2,323.52
Compensated absences	2,027.14	-	162.98	1,488.59
<b>Others (refer note 36)</b>				
Provision for asset retirement obligation	-	90.59	-	90.59
Sales tax, service tax and other litigations	2,412.42	-	1,962.99	-
Provision for sales return and volume rebate	2,646.46	-	2,991.70	-
	<b>7,086.02</b>	<b>2,978.35</b>	<b>5,117.67</b>	<b>3,902.70</b>

## 16 TRADE PAYABLES

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises (Refer note (a) below)	3,974.19	4,629.97
Total outstanding dues of creditors other than micro and small enterprises*	72,922.71	66,536.83
	<b>76,896.90</b>	<b>71,166.80</b>

### Note (a)

1. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
- Principal	3,974.19	4,629.97
- Interest	2.20	2.33
2. The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year		
- Interest	12.73	20.23
- Principal	1,146.91	1,822.13
3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
4. The amount of interest accrued and remaining unpaid at the end of each accounting year	2.20	2.33
5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note: The above information has been determined based on vendors identified by the Company and confirmed by the vendors.

\* Includes due to related party (refer note 31)

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 38.

# Notes to the Standalone Financial Statements

## Trade payables Ageing Schedule

March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	
(i) Micro and small enterprises	3,974.19	-	-	-	3,974.19
(ii) Others	72,000.43	832.84	85.45	3.99	72,922.71
(iii) Disputed dues – Micro and small enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>75,974.62</b>	<b>832.84</b>	<b>85.45</b>	<b>3.99</b>	<b>76,896.90</b>

March 31, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	
(i) Micro and small enterprises	4,629.97	-	-	-	4,629.97
(ii) Others	66,323.55	206.13	5.12	2.03	66,536.83
(iii) Disputed dues – Micro and small enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>70,953.52</b>	<b>206.13</b>	<b>5.12</b>	<b>2.03</b>	<b>71,166.80</b>

\*includes accrued expenses of ₹ 7,752.59 lakhs as at March 31, 2024 (March 31, 2023: ₹ 7,956.07 lakhs) and not due of ₹ 24,060.30 lakhs as at March 31, 2024 (March 31, 2023: ₹ 28,755.89 lakhs)

## 17 OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Employee benefit obligation	3,570.04	4,076.24
Deposits from customers	782.13	726.80
Unpaid dividends	249.29	245.33
Creditors for capital goods	155.79	198.66
Others	201.83	946.91
	<b>4,959.08</b>	<b>6,193.94</b>

The Company's exposure to currency and liquidity risks related to other financial liabilities are disclosed in note 38.

## 18 OTHER CURRENT LIABILITIES

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Advance from customers	335.78	427.59
Statutory liabilities	5,096.37	3,768.47
	<b>5,432.15</b>	<b>4,196.06</b>



# Notes to the Standalone Financial Statements

## 19 REVENUE FROM OPERATIONS

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Sale of products</b>		
Finished goods	238,095.53	223,158.90
Traded goods	148,862.92	145,515.97
<b>Sale of services*</b>	5,469.14	4,460.91
<b>Other operating revenue</b>		
Scrap sales	248.84	208.43
	<b>392,676.43</b>	<b>373,344.21</b>

\* Sale of services includes income from contract research ₹ 1,249.60 lakhs (March 31, 2023 : ₹ 1,457.76 lakhs) and management support service fee of ₹ 4,219.54 lakhs (March 31, 2023 : ₹ 3,003.15 lakhs). Also refer note 28 and 31.

### Disaggregation of revenue from operations:

(₹ in lakhs)

Business Segments	Year ended March 31, 2024	Year ended March 31, 2023
Safety and Industrial	125,057.93	123,171.72
Transportation and Electronics	163,964.78	155,128.67
Health Care	59,179.78	51,681.49
Consumer	42,795.93	40,967.55
Others	1,678.01	2,394.78
<b>Total</b>	<b>392,676.43</b>	<b>373,344.21</b>

The Company operates mainly to the needs of domestic market and export turnover is not significant in context of total turnover. Accordingly, there are no reportable geographical segments.

### Reconciliation of revenue from sale of products with the Contracted Price

(₹ in lakhs)

<b>Contracted Price</b>	399,530.24	383,006.21
Less: Reduction towards sales return, discounts, rebates etc	(6,853.81)	(9,662.00)
<b>Revenue recognised</b>	<b>392,676.43</b>	<b>373,344.21</b>

The reduction towards variable consideration comprises of scheme discounts, incentives etc.

No customers have individually accounted for more than 10% of the revenues during the years ended March 31, 2024 and March 31, 2023.

## 20 OTHER INCOME

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income from financial assets carried at amortised cost	5,424.38	3,962.68
Liabilities no longer required written back (net)	941.70	671.32
Gain on disposal of property, plant and equipment (net)	72.28	34.56
Government grant	-	880.08
Proceeds from sale of Food Safety Division	-	710.00
Miscellaneous income*	308.63	163.48
	<b>6,746.99</b>	<b>6,422.12</b>

\*includes ₹ 166.20 lakhs received from KCI Medical India Private Limited (fellow subsidiary) with respect to transfer of employees as per the arrangement entered with KCI Medical India Private Limited.

# Notes to the Standalone Financial Statements

## 21 COST OF MATERIALS CONSUMED

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Inventory of raw materials and packing materials at the beginning of the year (refer note 11)	27,652.80	20,154.61
Add: Purchases (also refer note 31)	146,697.87	164,078.96
Less: Inventory of raw materials and packing materials at the end of the year (refer note 11)	(24,478.78)	(27,652.80)
	<b>149,871.89</b>	<b>156,580.77</b>

## 22 PURCHASES OF STOCK-IN-TRADE

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Purchases of stock-in-trade	82,161.94	81,310.30
	<b>82,161.94</b>	<b>81,310.30</b>

Also refer note 31.

## 23 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Opening inventory		
- Finished goods	8,033.24	7,159.42
- Stock-in-trade	19,010.46	16,404.10
- Work-in-progress	2,063.83	1,629.64
	<b>29,107.53</b>	<b>25,193.16</b>
Closing inventory		
- Finished goods	7,968.40	8,033.24
- Stock-in-trade	15,180.74	19,010.46
- Work-in-progress	2,172.97	2,063.83
	<b>25,322.11</b>	<b>29,107.53</b>
<b>Decrease / (increase) in inventory</b>	<b>3,785.42</b>	<b>(3,914.37)</b>

## 24 EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	31,694.25	31,603.28
Gratuity expenses	652.58	721.08
Contribution to provident and other funds	1,474.11	1,458.94
Share based payment expenses, cash settled	257.70	703.87
Staff welfare expenses	1,778.05	2,066.23
	<b>35,856.69</b>	<b>36,553.40</b>



# Notes to the Standalone Financial Statements

## 25 FINANCE COSTS

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on lease liabilities	179.67	177.03
Interest on income tax matters	111.78	508.57
Others	28.81	24.36
	<b>320.26</b>	<b>709.96</b>

## 26 OTHER EXPENSES

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Corporate management fees	11,843.30	11,771.22
Royalty	7,675.99	5,744.66
Freight outward	6,572.66	7,336.97
Consumption of stores and spares	757.98	745.68
Power and fuel	2,191.00	1,999.28
Water charges	41.80	40.30
Rent	931.14	150.63
Repairs and maintenance		
- Plant and machinery	1,278.19	880.78
- Building	94.61	137.14
- Others	229.37	173.51
Insurance	289.09	246.16
Rates and taxes	835.01	479.74
Communication expenses	192.97	217.67
Travel and conveyance	1,839.82	1,603.72
Legal and professional charges (refer note (a) below)	1,826.10	1,918.57
Selling, distribution and advertisement expenses	6,310.60	5,259.89
Commission	466.07	534.06
Directors' commission and sitting fees	85.80	83.60
Provision for doubtful advances reversed	(672.14)	-
Doubtful advances written off	672.14	-
Provision for doubtful debts (net)	176.35	166.36
Exchange loss on foreign currency transactions (net)	755.11	1,843.00
Expenditure towards corporate social responsibility activities (refer note 33)	754.48	588.91
Miscellaneous expenses	5,265.85	4,913.09
	<b>50,413.29</b>	<b>46,834.94</b>

### (a) Payment to auditors #

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
As auditors:		
Audit and limited review fee	129.50	115.00
Tax audit fee	10.30	9.00
Certification fee	14.00	1.25
Reimbursement of out-of-pocket expenses	10.04	8.58
<b>Total</b>	<b>163.84</b>	<b>133.83</b>

# Excluding goods and service tax.



# Notes to the Standalone Financial Statements

## 27 EARNINGS PER SHARE

(₹ in lakhs, except for number of shares)

	Year ended March 31, 2024	Year ended March 31, 2023
Net profit attributable to equity shareholders	53,627.17	41,614.39
Weighted average number of equity shares outstanding during the year	11,265,070	11,265,070
Nominal value of equity shares (₹)	10	10
Basic earnings per share (₹)	476.05	369.41
Diluted earnings per share (₹)	476.05	369.41

## 28 INTER COMPANY AGREEMENTS AND ARRANGEMENTS

- a) **Intellectual property agreement (Royalty expenses)** – The Company has entered into Intellectual Property agreement with 3M Innovative Properties Company and 3M Company, USA effective July 1, 2006 for the payment of license fees in the form of royalties. Payments were waived off for a period of 3 years effective from July 1, 2006 to June 30, 2009. The Intellectual Property Agreement with 3M Innovative Properties Company and 3M Company, USA has been revised effective April 1, 2023. Accordingly, the Company has incurred an expenditure of ₹ 7,675.99 lakhs for the year ended March 31, 2024 (March 31, 2023: ₹ 5,744.66 lakhs) and disclosed as Royalty under other expenses (refer note 26).
- b) **Corporate management fees** – In order to avail economies of scale, the Company has entered into inter-company services support services agreement with 3M Global Service Center Management Company, USA (having expertise in establishing, operating and managing international business and incurring costs in developing, manufacturing, marketing and selling a diverse portfolio of products) with effect from April 1, 2019. The Company is charged with comprehensive support services charges by 3M Global Service Center Management Company for the services received from all the 3M group companies in the areas of Laboratory, Technical assistance and Manufacturing, Selling and Marketing, Strategic and Managerial, Information Technology, Routine Administration and Foreign Services Employees Expenses and Outsourced Services of Transaction Processing on competitive conditions. Accordingly, the Company has incurred an expenditure of ₹ 11,843.30 lakhs for the year ended March 31, 2024 (March 31, 2023: ₹ 11,711.22 lakhs) and disclosed as Corporate management fees under other expenses (refer note 26).
- c) **Contract research agreement** – The Company has entered into contract research agreement with 3M Innovative Properties Company and 3M Company, USA effective July 1, 2006 for carrying out contract research activities. During the year, Company has recognized an income of ₹ 1,249.60 lakhs (March 31, 2023 : ₹ 1,457.76 lakhs).

## 29 EMPLOYEE STOCK OPTION PLAN

### A. Description of share based payment arrangements

#### Stock appreciation rights and Restricted stock units (cash-settled)

3M Company, USA has established 3M Company Long Term Incentive Plan (LTIP). As a part of the plan, eligible employees of the Company are entitled to acquire shares of 3M Company, USA via stock options i.e., stock appreciation rights (SARs) and restricted stock units (RSUs). The eligible employees are granted stock options i.e., stock appreciation rights (SARs) and restricted stock units (RSUs) which will vest with the employees over a period of 3 years from the date of the grant and they can exercise the stock option within a stipulated period mentioned in the plan. The exercise price of SARs will be based on the grant letter and RSUs will be Nil. As of the year end a sum of ₹ 967.42 lakhs (2023: ₹ 1,314.36 lakhs) is liability and the same is included as 'Employee benefit obligation' under Other financial liabilities (refer note 17).

### B. Measurement of fair values

The Company measures compensation expense for stock appreciation rights (SARs) at their fair value determined using Black - Scholes Model and restricted stock units (RSUs) based on fair market value of shares of 3M Company, USA as on March 31, 2024.



## Notes to the Standalone Financial Statements

The fair value of the cash settled SARs and the inputs used in the measurement of fair value at grant date and measurement date of the SARs are as follows:

	As at March 31, 2024	As at March 31, 2023
Fair value (in \$)	19.39	17.42
Share price (in \$)	106.07	105.11
Expected volatility (%)	22.79%	22.79%
Expected life (years)	8.86 years	6.98 years
Expected dividends (%)	3.30%	3.30%
Risk free interest rate (%)	3.75%	3.74%

The expected term of the SARs is estimated based on the vesting term and contractual term of the SARs, as well as expected exercise behaviour of the employee who receives the SAR. Expected volatility during the expected term is based on historical volatility of the observed market prices of the 3M Company USA's publicly traded equity shares particularly over the historical period commensurate with the expected term.

### C. Reconciliation of outstanding share options

The activity in the cash-settled share based payment transactions during the year ended March 31, 2024 is set out below:

	As at March 31, 2024		As at March 31, 2023	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
<b>Stock appreciation right</b>				
Outstanding at the beginning	77,135	-	64,127	-
Granted	-	-	17,889	-
Forfeited and expired	3,416	-	506	-
Exercised	-	-	4,375	-
<b>Outstanding at the end</b>	<b>73,719</b>	<b>-</b>	<b>77,135</b>	<b>-</b>
<b>Exercisable at the end</b>	<b>65,373</b>	<b>-</b>	<b>54,621</b>	<b>-</b>
<b>Restricted stock unit</b>				
Outstanding at the beginning	17,835	-	10,648	-
Granted	-	-	10,177	-
Forfeited and expired	1,076	-	654	-
Exercised	2,533	-	2,336	-
<b>Outstanding at the end</b>	<b>14,226</b>	<b>-</b>	<b>17,835</b>	<b>-</b>
<b>Exercisable at the end</b>	<b>12,213</b>	<b>-</b>	<b>12,592</b>	<b>-</b>

### D. Expense recognised in Statement of profit and loss

An amount of ₹ 257.70 lakhs has been debited (March 31, 2023: ₹ 703.87 lakhs has been debited) to the Statement of profit and loss for the year and included under Employee benefit expenses.

### E. The weighted average share price at the date of exercise with regards to SARs and RSUs exercised during the year is Nil and USD 94.87 respectively (March 31, 2023: USD 126.25 and USD 117.89 respectively)

# Notes to the Standalone Financial Statements

## 30 EMPLOYEE BENEFITS

### (a) Defined contribution plan

The Company offers its employees defined contribution plans in the form of Provident Fund (PF), Superannuation Fund (SF) and Contribution to SF is made to 3M India Ltd Employees Superannuation Fund Trust. Other contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into superannuation fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

During the year, the Company has recognised the following amounts in the Statement of profit and loss, which are included in contribution to provident and other funds:

Benefits (contribution to)	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Provident fund	1,347.67	1,331.40
Superannuation fund	126.43	127.54
	<b>1,474.10</b>	<b>1,458.94</b>

### (b) Defined benefit plan

The Company provides for gratuity, a defined benefit plan (the Gratuity Plan), to its employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, of an amount based on the respective employee's last drawn salary and years of employment with the Company. The Company contributes all ascertained liabilities towards gratuity to the 3M India Ltd Employees Gratuity Fund Trust. Trustees administer contributions made to the trust. As of March 31, 2024 and March 31, 2023, the plan assets have been primarily invested in insurer managed funds.

A. Reconciliation of opening and closing balances of the present value of the defined benefit obligation	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Obligation at the beginning of the year	5,916.48	5,602.25
Current service cost	485.29	479.47
Interest cost	402.14	382.77
Transfers	(257.18)	-
Actuarial loss / (gains) - experience	286.05	117.53
Actuarial loss / (gains) - financial assumptions	118.07	(243.33)
Benefits paid	(662.44)	(422.21)
<b>Obligation at the end of the year</b>	<b>6,288.41</b>	<b>5,916.48</b>

B. Reconciliation of opening and closing balances of the fair value of plan assets	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Plan assets at the beginning of the year	3,592.96	1,849.47
Interest income on plan assets	234.85	141.16
Contribution	-	2,091.00
Remeasurements- Return on plan assets excluding amounts included in interest income	235.28	(66.46)
Benefits paid	(662.44)	(422.21)
<b>Plan assets at the end of the year</b>	<b>3,400.65</b>	<b>3,592.96</b>



# Notes to the Standalone Financial Statements

(₹ in lakhs)

<b>C. Reconciliation of present value of defined benefit obligation and the fair value of plan assets to the assets and liabilities recognized in the Balance Sheet</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Present value of obligation at the end of the year	6,288.41	5,916.48
Fair value of plan assets at the end of the year	(3,400.65)	(3,592.96)
Net defined benefit obligation	<b>2,887.76</b>	<b>2,323.52</b>

(₹ in lakhs)

<b>D. Expenses recognized in the Statement of profit and loss</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
Current service cost	485.29	479.47
Interest cost	402.14	382.77
Interest income on plan assets	(234.85)	(141.16)
	<b>652.58</b>	<b>721.08</b>

(₹ in lakhs)

<b>E. Remeasurements recognized in Other comprehensive income</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
Actuarial losses / (gains) on defined benefit obligation	404.12	(125.80)
Actuarial losses / (gains) on plan assets	(235.28)	66.46
	<b>168.84</b>	<b>(59.34)</b>

<b>F. Investment details of plan assets</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Fund balance with Insurance companies	100.00%	100.00%
	<b>100.00%</b>	<b>100.00%</b>

<b>G. Assumptions</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Discount rate (per annum)	7.00%	7.20%
Rate of escalation in salary (per annum)	Production - 9% Others - 6%	Production - 10% Others - 6%
Retirement age (in years)	60 years	60 years
Mortality rates	Indian Assured Lives Mortality (2006-08) (modified) Ult.	Indian Assured Lives Mortality (2006-08) (modified) Ult.
Withdrawal rates		
Under 30 years	Staff - 20% Production - 1%	Staff - 20% Production - 1%
31-34 years	Staff - 10% Production - 1%	Staff - 10% Production - 1%
35-50 years	Staff - 5% Production - 0.5%	Staff - 5% Production - 0.5%
51-60 years	Staff - 1% Production - 0%	Staff - 1% Production - 0%

# Notes to the Standalone Financial Statements

(₹ in lakhs)

H. Sensitivity analysis	Year ended March 31, 2024	Year ended March 31, 2023
The sensitivity analysis of significant actuarial assumptions as of end of reporting period is shown below.		
A. Discount rate		
Effect on defined benefit obligation due to 1% increase in discount rate	(556.15)	(531.03)
Effect on defined benefit obligation due to 1% decrease in discount rate	648.51	434.35
B. Salary escalation rate		
Effect on defined benefit obligation due to 1% increase in Salary escalation rate on production and other	642.49	434.35
Effect on defined benefit obligation due to 1% decrease in Salary escalation rate on production and other	(561.79)	(537.65)

(₹ in lakhs)

I. Maturity profile of defined benefit obligation	Amount
1. March 31, 2025	622.42
2. March 31, 2026	272.57
3. March 31, 2027	330.76
4. March 31, 2028	424.61
5. March 31, 2029	629.80
6. March 31, 2030 to March 31, 2034	1,977.30

## Notes :

- The discount rate is based on the prevailing market yield on Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- As per the best estimate of the management, contribution of ₹ 479.15 lakhs (March 31, 2024: ₹ Nil) is expected to be paid to the plans during the year ending March 31, 2025.

## 31 RELATED PARTY TRANSACTION

### Names of related parties and nature of relationship:

i) Holding company	3M Company, USA
ii) Wholly owned subsidiary	3M Electro & Communication India Private Limited
iii) Fellow subsidiaries (with whom transactions have occurred during the year)	3M APAC RDC Pte Limited
	3M Australia Pty. Limited
	3M Speciality Materials (Shanghai) Co. Ltd.
	3M Canada Company
	3M Technologies (S) Pte Ltd
	3M China Limited
	3M Thailand Limited
	3M CUNO, France
	3M Turkey
	3M Dabrowa Gornicza Edc (Coe)
	3M United Kingdom PLC
	3M Do Brasil Limitada
	3M Unitek Corporation
	3M EMEA, GmbH
	3M Vietnam Limited
	3M ESPE Dental AG
	3M Wendt GmbH





# Notes to the Standalone Financial Statements

	3M Film Construction (Shanghai) Co. Ltd.	3M Winterthur Technologies AG
	3M Global Service Management Company	3M Wroclaw SP. Z O.O.
	3M Global Technology Center LLP	Dyneon GmbH
	3M Gulf Limited	Emfi S.A.
	3M Healthcare Ireland Ltd	KCI Medical India Private Limited
	3M Healthcare US Opco LLC	MEGUIAR'S US
	3M Hong Kong Limited	P.T. 3M Indonesia
	3M Innovation (Thailand) Co. Ltd.	Trimodal Softech Solutions Private Limited
	3M Innovation Singapore Pte Limited	Dyneon B.V.
	3M International Trading (Shanghai) Co. Ltd.	Sumitomo 3M Limited
	3M Intl Trdg (Shenzhen) Co Ltd	3M Saudi Arabia
	3M Italia S.P.A.	3M Chile S.A.
	3M Japan Innovation Limited	3M Belgium S.A./N.V.
	3M Japan Ltd	3M France S.A
	3M Japan Products Limited	3M Germany Hilden GmbH
	3M Korea Limited	3M Taiwan Limited
	3M Lanka Private Limited	3M Health Care Limited, Japan
	3M Malaysia Sdn. Bhn.	Cuno 3M Poland
	3M Material Tech Hefei Co Limited	3M Material Tech(Guangzhou) Co., Limited
	3M South Asia Manufacturing Private Limited	3M Matl Tech (Suzhou) Co. Ltd
	3M New Zealand	3M Medical Devices & Mtl Mfg (Sh) Co. Ltd
iv)	Post employment-benefit plan entities	3M India Ltd Employees Gratuity Fund Trust 3M India Ltd Employees Superannuation Fund Trust
v)	Key management personnel	<b>Executive Directors</b> Ramesh Ramadurai (Managing Director) Mamta Gore (Director till May 27, 2022) Vidya Sarathy (Chief Financial Officer) (Whole-time Director effective June 1, 2022) <b>Non-executive Directors</b> Amit Laroya Bharat D. Shah Biren Gabhawala Radhika Rajan James Ernest Falteisek (Resigned effective May 30, 2023) Yun Jin <b>Others</b> V. Srinivasan (Company Secretary) (Resigned effective May 10, 2022) Pratap Rudra Bhuvanagiri (Company Secretary) (appointed with effect from August 12, 2022)

# Notes to the Standalone Financial Statements

The details of the amounts due to or due from related parties are as follows:

(₹ in lakhs)

Name of related party	As at March 31, 2024	As at March 31, 2023
<b>Trade payables</b>		
3M Company, USA	22,146.82	21,228.60
3M APAC RDC Pte Limited	1,403.11	1,203.23
3M Australia Pty. Limited	49.83	13.08
3M Canada Company	39.60	37.68
3M China Limited	742.01	425.03
3M Do Brasil Limitada	535.60	160.29
3M Electro & Communication India Private Limited	6.47	40.18
3M EMEA, GmbH	2,218.34	2,483.99
3M Hong Kong Limited	24.86	13.85
3M Innovation Singapore Pte Limited	15,855.37	18,895.66
3M Korea Limited	1,807.12	1,035.76
3M Innovation (Thailand) Co. Ltd.	-	10.63
P.T. 3M Indonesia	13.06	17.96
3M Panama Pacifico S Der L.	32.34	39.11
3M Speciality Materials (Shanghai) Co. Ltd.	2,800.61	1,317.07
3M Taiwan Limited	-	59.24
3M Winterthur Technologies AG	196.01	-
3M Thailand Limited	-	168.81
3M Medical Devices & Mtl Mfg (Sh) Co. Ltd	-	11.96
3M Traffic Manufacturing (Shanghai) Co. Ltd.	-	60.64
3M United Kingdom Plc	-	46.37
3M Unitek Corporation	70.93	-
Dyneon B.V.	7.84	-
Winterthur Tech Taican Co Ltd	-	189.87
3M Wendt GmbH	9.63	2.85
3M International Trading (Shanghai) Co. Ltd.	1.69	-
3M Healthcare US Opco LLC	4,966.20	-
3M Matl Tech (Suzhou) Co. Ltd	7.52	-
3M Material Tech Hefei Co Limited	1,429.34	820.02
3M Japan Products Limited	0.77	-
3M Film Construction (Shanghai) Co. Ltd.	81.62	-
3M Intl Trdg (Shenzhen) Co Ltd	6.01	-
Emfi S.A.	921.41	531.95
3M Healthcare Ireland Ltd	1,555.91	-
3M Japan Innovation Limited	0.02	-
Meguiar'S Us	281.31	-
Trimodal Softech Solutions Private Limited	13.20	-
KCI Medical India Private Limited	-	34.34
3M Health Care Ltd, Japan	-	257.78
	<b>57,224.55</b>	<b>49,105.93</b>



# Notes to the Standalone Financial Statements

(₹ in lakhs)

Name of related party	As at March 31, 2024	As at March 31, 2023
<b>Trade receivables</b>		
3M Company, USA	146.90	482.68
3M Australia Pty. Limited	18.00	-
3M Electro & Communication India Private Limited	2,630.69	377.39
3M Gulf Limited	29.41	-
3M Hong Kong Limited	62.48	6.13
3M International Trading (Shanghai) Co. Ltd.	7.63	-
3M Malaysia Sdn. Bhn.	8.45	18.47
3M Thailand Limited	1.43	2.79
3M Vietnam Limited	139.81	254.75
P. T. 3M Indonesia	-	0.21
3M Technologies (S) Pte Ltd	-	20.90
3M Lanka Private Limited	-	10.89
Trimodal Softech Solutions Private Limited	-	26.93
3M Global Service Management Company	-	771.29
3M Innovation Singapore Pte Limited	-	95.99
3M Material Tech Co. Ltd, China	-	2.12
KCI Medical India Private Limited	19.01	44.00
3M Lanka Private Limited	17.12	-
3M South Asia Manufacturing Private Limited	33.61	22.12
3M Global Technology Center LLP	19.64	-
3M Material Tech (Guangzhou) Co., Limited	34.25	34.24
Dyneon GMBH	20.94	-
	<b>3,189.37</b>	<b>2,170.90</b>

Details of the related party transactions entered into by the company are as follows:

(₹ in lakhs)

Name of related party	Year ended March 31, 2024	Year ended March 31, 2023
<b>Remuneration paid to Key management personnel #</b>		
<b>Short-term employee benefits</b>		
Ramesh Ramadurai	380.35	360.65
Vidya Sarathy	145.45	129.22
V. Srinivasan	-	9.01
Pratap Rudra Bhuvanagiri	69.91	35.23
	<b>595.71</b>	<b>534.11</b>

# Excludes contributions to employee retirement / post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.

<b>Sitting fees and commission paid to Key management personnel</b>		
Bharat D. Shah	30.40	29.60
Biren Gabhawala	29.00	28.20
Radhika Rajan	26.40	25.80
	<b>85.80</b>	<b>83.60</b>

# Notes to the Standalone Financial Statements

(₹ in lakhs)

Name of related party	Year ended March 31, 2024	Year ended March 31, 2023
<b>Sales of products (net of returns)</b>		
3M Company, USA	322.57	125.05
3M Gulf Limited	90.02	-
3M Thailand Limited	52.19	106.53
3M Malaysia Sdn. Bhn.	70.91	47.88
3M Korea Limited	156.95	57.93
P. T. 3M Indonesia	187.97	167.66
3M EMEA, GmbH	-	193.31
3M China Limited	-	0.45
3M Electro & Communication India Private Limited	7,371.74	5,932.73
3M Hong kong Limited	67.31	17.31
3M Technologies (S) Pte Ltd	48.39	18.65
3M Philippines, Inc.	3.79	-
3M Australia Pty. Limited	101.06	6.81
3M Vietnam Limited	432.35	473.05
Sumitomo 3M Limited	-	5.05
3M Saudi Arabia	-	963.88
3M Chile S.A.	-	3.88
3M New Zealand	-	1.38
3M International Trading (Shanghai) Co. Ltd.	7.63	-
Dyneon GmbH	20.94	-
	<b>8,933.82</b>	<b>8,121.54</b>
<b>Contributions during the year</b>		
3M India Ltd Employees Gratuity Fund Trust	-	2,091.00
3M India Ltd Employees Superannuation Fund Trust	126.43	127.16
	<b>126.43</b>	<b>2,218.16</b>
<b>Income from contract research</b>		
3M Company, USA	1,249.60	1,457.76
	<b>1,249.60</b>	<b>1,457.76</b>
<b>Income from management support services</b>		
3M Global Service Management Company	3,822.25	2,812.75
3M South Asia Manufacturing Private Limited	125.44	69.35
3M Lanka Private Limited	17.14	-
3M Global Technology Center LLP	158.67	-
KCI Medical India Private Limited	66.92	70.91
Trimodal Softech Solutions Private Limited	29.12	50.14
	<b>4,219.54</b>	<b>3,003.16</b>
<b>Income from transfer of employees</b>		
KCI Medical India Private Limited	166.20	-
	<b>166.20</b>	<b>-</b>
<b>Reimbursement of expenses from</b>		
3M Singapore Pte. Ltd.	-	360.87
3M Innovation Singapore Pte Ltd	126.86	239.58
3M Electro & Communication India Private Limited	367.76	200.55
	<b>494.62</b>	<b>800.99</b>



## Notes to the Standalone Financial Statements

(₹ in lakhs)

Name of related party	Year ended March 31, 2024	Year ended March 31, 2023
<b>Purchase of raw materials and traded goods (net of returns)</b>		
3M Company, USA	56,226.95	63,372.50
3M APAC RDC Pte Limited	4,497.82	4,129.28
3M Australia Pty. Limited	209.12	66.91
3M Film Construction (Shanghai) Co. Ltd.	167.50	131.67
3M Belgium S.A./N.V.	-	22.73
3M Canada Company	140.47	281.67
3M China Limited	1,956.03	1,893.22
3M Do Brasil Limitada	1,395.84	706.67
3M EMEA, GmbH	6,273.43	7,331.40
3M ESPE Dental AG	1,452.10	1,664.60
3M France S.A.	-	351.75
3M Germany Hilden GmbH	-	468.36
3M Hong Kong Limited	91.10	390.28
3M Innovation (Thailand) Co. Ltd.	5,955.45	2,966.29
3M Innovation Singapore Pte Limited	23,801.55	27,292.82
3M International Trading (Shanghai) Co. Ltd.	6.90	131.34
3M Italia S.P.A.	55.12	54.04
3M Japan Ltd	1.21	1,984.46
3M Japan Products Limited	7,904.14	1,807.83
3M Vietnam Limited	34.38	73.90
3M Korea Limited	4,651.75	5,667.47
3M Malaysia Sdn. Bhn.	76.38	-
3M Material Tech(Guangzhou) Co., Limited	11.39	36.91
3M New Zealand	13.25	6.63
3M Panama Pacifico S Der L.	504.29	1,100.92
3M Philippines, Inc.	-	7.47
3M Speciality Materials (Shanghai) Co. Ltd.	5,852.71	4,659.74
3M Taiwan Limited	-	611.36
3M Technologies (S) Pte Ltd	1.51	0.66
3M Thailand Limited	396.45	461.35
3M United Kingdom PLC	55.56	111.56
3M Unitek Corporation	356.85	167.17
3M Winterthur Technologies AG	1,759.46	2,361.01
3M Wroclaw SP. Z O.O.	484.15	1,021.59
3M Material Tech Hefei Co Limited	3,803.83	6,794.98
3M Dabrowa Gornicza Edc (Coe)	279.45	-
3M CUNO, France	38.45	-
3M Intl Trdg (Shenzhen) Co Ltd	26.57	-
3M Matl Tech (Suzhou) Co. Ltd	11.45	-
3M Singapore Pte. Ltd.	-	152.75
3M Wendt GmbH	28.73	10.46
3M Electro & Communication India Private Limited	47.62	881.51
3M Medical Devices & Mtl Mfg (Sh) Co. Ltd	0.73	-



# Notes to the Standalone Financial Statements

(₹ in lakhs)

Name of related party	Year ended March 31, 2024	Year ended March 31, 2023
Emfi S. A.	1,798.71	992.14
P. T. 3M Indonesia	43.24	70.84
3M Health Care Limited, Japan	-	5,220.60
3M Turkey	246.97	2.01
3M Healthcare US Opco LLC	5,948.79	-
3M Healthcare Ireland Ltd	1,594.90	-
3M Japan Innovation Limited	278.52	-
Meguiar'S Us	753.83	-
Cuno 3M Poland	-	12.86
	<b>139,234.66</b>	<b>145,473.72</b>
<b>Corporate management fees</b>		
3M Global Service Management Company	11,843.30	11,771.22
	<b>11,843.30</b>	<b>11,771.22</b>
<b>Royalty</b>		
3M Company, USA	7,675.99	5,744.66
	<b>7,675.99</b>	<b>5,744.66</b>

## 32 SEGMENT REPORTING

In accordance with Ind AS 108 'Operating segments', segment information are included in the consolidated financial statement of the Company and therefore no separate disclosure on segment information has been given in these standalone financial statement.

## 33 CORPORATE SOCIAL RESPONSIBILITY

Details of CSR expenditure in accordance with Section 135 of the Companies Act, 2013.

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
a) amount required to be spent by the company during the year	748.62	588.87
b) amount of expenditure incurred	754.48	588.91
c) shortfall at the end of the year	-	-
d) total of previous years shortfall	-	-
e) reason for shortfall	Nil	Nil
f) nature of CSR activities	Education and Community	Education and Community
g) details of related party transactions	Nil	Nil



# Notes to the Standalone Financial Statements

## 34 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts:		
- Income tax demand (including interest) (refer note (i) below)	33,127.76	29,762.80
- Custom duty demands (refer note (ii) and (iii) below)	18,358.44	18,348.54
- Sales tax matters (refer note (iv) below)	7,467.63	10,232.45
- Service tax matters (refer note (v) below)	1,326.80	1,326.80
- Central excise duty matters (refer note (vi) below)	886.13	899.82
- Goods and service tax matters (refer note (vii) below)	2,457.02	206.48

### Notes:

- (i) Income tax matters mainly relate to transfer pricing adjustments made by the Income tax authorities with respect to disallowance of intercompany charges related to corporate management fees.
- (ii) The Company during the year 2012-13 had received an order from The Commissioner of Customs demanding differential duty, interest and penalty of ₹1,961.50 lakhs, contending the availment of concessional import duty in respect of some of its products for which a demand notice was served on the Company for payment of the above amount. The Company has filed an appeal against the order including for obtaining a stay against any recovery proceedings that may be initiated and accordingly no liability has been recognised in the books.
- (iii) The Company was issued a Show Cause Notice dated December 8, 2016 by the Directorate of Revenue Intelligence (DRI) in relation to levy of customs duty on inter-company transactions for import of goods and services and hence proposing to demand differential duty of customs covering the transactions during the period December 8, 2011 to February 7, 2014. The Company has received an order in original on October 1, 2017 from Additional Director General – DRI (Adjudication), Mumbai confirming the demand raised for custom duty in show cause notice amounting to ₹7,693.52 lakhs, penalty equivalent to the custom duty amount and additional penalty and interest of ₹1,000 lakhs. The Company has executed a bank guarantee of ₹ 1,000 lakhs. The Company has filed an appeal against this order with CESTAT, Mumbai after making payment of deposit of ₹577 lakhs which is not included in the amount above.
- (iv) Sales tax cases primarily pertains to Maharashtra Value Added Tax Act, 2002 and Karnataka Value Added Tax Act, 2003. These are pertaining to the years from 2006-07 to 2017-18. These cases are with respect to the applicable rate of tax for various products and matters pertaining to declaration forms.
- (v) Service tax matters relates to cases with respect to manner of apportionment of credit availed by the Company without registering as an Input service distributor.
- (vi) Excise matters relates to penalty for allegedly dealing in goods liable to confiscation under Rule 26 of the Central Excise Act.
- (vii) The Goods and service tax matter relates to classification of handrubs for the period July 2017 to March 2021, based on notices received upon GST Audits for year 2017-18 to 2019-20 and transition of credit through TRAN-1 for year 2016-17 and 2017-18.

(₹ in lakhs)

Capital commitments	As at March 31, 2024	As at March 31, 2023
Estimated value of contracts in capital account remaining to be executed	1,606.11	293.36

# Notes to the Standalone Financial Statements

## 35 TAX EXPENSES

### (a) Amount recognised in Statement of profit and loss

(₹ in lakhs)

	March 31, 2024	March 31, 2023
Current tax	18,180.55	13,966.57
Deferred tax expense / (income) related to:		
Origination and reversal of temporary differences	22.88	498.65
<b>Tax expense for the year</b>	<b>18,203.43</b>	<b>14,465.22</b>

Note: The Company elected to exercise the option permitted under section 115BBA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

### (b) Amount recognised in other comprehensive income

(₹ in lakhs)

	March 31, 2024			March 31, 2023		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	(168.84)	42.49	(126.35)	59.34	(14.93)	44.41
	<b>(168.84)</b>	<b>42.49</b>	<b>(126.35)</b>	<b>59.34</b>	<b>(14.93)</b>	<b>44.41</b>

### (c) Reconciliation of effective tax rate

(₹ in lakhs)

	March 31, 2024		March 31, 2023	
Profit before tax		71,830.60		56,079.61
Tax at statutory income tax rate 25.168% (March 31, 2023 - 25.168%)	<b>25.168%</b>	<b>18,078.33</b>	<b>25.168%</b>	<b>14,114.12</b>
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income:				
Non-deductible expenses	0.16%	116.99	0.55%	307.41
Others	0.01%	8.11	0.08%	43.69
<b>Income tax expense</b>	<b>25.34%</b>	<b>18,203.43</b>	<b>26.00%</b>	<b>14,465.22</b>

### (d) Deferred tax assets and liabilities are attributable to the following:

(₹ in lakhs)

Particulars	Deferred tax assets		Deferred tax liabilities		Deferred tax assets / (liabilities) net	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Property, plant and equipment	-	-	800.86	792.18	(800.86)	(792.18)
Employee benefits expense	1,322.90	1,090.75	-	-	1,322.90	1,090.75
Provisions	1,719.22	1,923.08	-	-	1,719.22	1,923.08
	<b>3,042.12</b>	<b>3,013.83</b>	<b>800.86</b>	<b>792.18</b>	<b>2,241.26</b>	<b>2,221.65</b>



# Notes to the Standalone Financial Statements

## (e) Movement in temporary differences

(₹ in lakhs)

Particulars	Balance as at April 1, 2022	Recognised in profit or loss	Recognised in OCI	Balance as at March 31, 2023
Property, plant and equipment	(728.35)	(63.83)	-	(792.18)
Employee benefits expense	1,360.84	(255.16)	(14.93)	1,090.75
Provisions	2,102.74	(179.66)	-	1,923.08
	<b>2,735.23</b>	<b>(498.65)</b>	<b>(14.93)</b>	<b>2,221.65</b>

(₹ in lakhs)

Particulars	Balance as at April 1, 2023	Recognised in profit or loss	Recognised in OCI	Balance as at March 31, 2024
Property, plant and equipment	(792.18)	(8.68)	-	(800.86)
Employee benefits expense	1,090.75	189.66	42.49	1,322.90
Provisions	1,923.08	(203.86)	-	1,719.22
	<b>2,221.65</b>	<b>(22.88)</b>	<b>42.49</b>	<b>2,241.26</b>

## (f) Details of income tax assets and income tax liabilities

(₹ in lakhs)

	March 31, 2024	March 31, 2023
Income tax assets (net)	13,789.30	13,021.31
Current tax liabilities (net)	(3,689.05)	(3,407.82)
<b>Net current income tax asset/ (liability) at the end of the year</b>	<b>10,100.25</b>	<b>9,613.49</b>

## (g) The gross movement in the current income tax asset / (liability)

(₹ in lakhs)

	March 31, 2024	March 31, 2023
Net current income tax asset / (liability) at the beginning of the year	9,613.49	8,875.33
Income tax paid	18,555.53	15,213.30
Others	111.78	(508.57)
Current income tax expense	(18,180.55)	(13,966.57)
<b>Net current income tax asset/ (liability) at the end of the year</b>	<b>10,100.25</b>	<b>9,613.49</b>

## 36 MOVEMENT IN PROVISIONS

(₹ in lakhs)

Particulars	April 1, 2023	Addition	Utilisation/ reversals	March 31, 2024
a) Asset retirement obligation	90.59	0.01	0.01	90.59
b) Sales tax, service tax and other litigations	1,962.99	884.18	434.75	2,412.42
c) Provision for sales return and volume rebate	2,991.70	2,646.46	2,991.70	2,646.46
	<b>5,045.28</b>	<b>3,530.65</b>	<b>3,426.46</b>	<b>5,149.47</b>
Non current	90.59			90.59
Current	4,954.69			5,058.88

# Notes to the Standalone Financial Statements

(₹ in lakhs)

Particulars	April 1, 2023	Addition	Utilisation/ reversals	March 31, 2024
a) Asset retirement obligation	90.58	0.01	-	90.59
b) Sales tax, service tax and other litigations	2,081.29	65.48	183.78	1,962.99
c) Provision for sales return and volume rebate	3,171.92	2,991.70	3,171.92	2,991.70
	<b>5,343.79</b>	<b>3,057.19</b>	<b>3,355.70</b>	<b>5,045.28</b>
Non current	90.58			90.59
Current	5,253.21			4,954.69

## 37 CAPITAL MANAGEMENT

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt is debt as considered under long-term, short-term borrowings and lease liabilities. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2024 and March 31, 2023 was as follows -

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liability	1,792.87	2,673.00
Debt	-	-
<b>Total debt</b>	<b>1,792.87</b>	<b>2,673.00</b>
<b>Total equity</b>	<b>237,019.57</b>	<b>194,783.82</b>
<b>Debt to total equity ratio</b>	<b>0.76%</b>	<b>1.37%</b>

## 38 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

### A. Accounting classification and fair values

- Fair value through other comprehensive income (FVTOCI) - Where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income
- Fair value through profit or loss (FVTPL) - Where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.
- Amortised cost - Where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.





## Notes to the Standalone Financial Statements

The following table shows the carrying amounts of financial assets and financial liabilities as at March 31, 2024

(₹ in lakhs)

	Carrying amount					
	Note	Mandatorily at FVTPL - others	FVOCI-debt instruments	FVOCI-equity instruments	Amortised cost	Total carrying amount
<b>Financial assets not measured at fair value</b>						
Trade receivables	7	-	-	-	67,901.14	67,901.14
Loans	8	-	-	-	51.70	51.70
Other financial assets	9	-	-	-	1,778.15	1,778.15
Cash and cash equivalents	12 (A)	-	-	-	85,903.81	85,903.81
Other bank balances	12 (B)				25,903.40	25,903.40
		-	-	-	<b>181,538.20</b>	<b>181,538.20</b>
<b>Financial liabilities not measured at fair value</b>						
Trade payables	16	-	-	-	76,896.90	76,896.90
Other financial liabilities	17	-	-	-	4,959.08	4,959.08
Lease liabilities	39	-	-	-	1,792.87	1,792.87
		-	-	-	<b>83,648.85</b>	<b>83,648.85</b>

The following table shows the carrying amounts of financial assets and financial liabilities as at March 31, 2023

(₹ in lakhs)

	Carrying amount					
	Note	Mandatorily at FVTPL - others	FVOCI-debt instruments	FVOCI-equity instruments	Amortised cost	Total carrying amount
<b>Financial assets not measured at fair value</b>						
Trade receivables	7	-	-	-	59,510.20	59,510.20
Loans	8	-	-	-	50.25	50.25
Other financial assets	9	-	-	-	1,389.89	1,389.89
Cash and cash equivalents	12 (A)	-	-	-	63,198.06	63,198.06
		-	-	-	<b>124,148.40</b>	<b>124,148.40</b>
<b>Financial liabilities not measured at fair value</b>						
Trade payables	16	-	-	-	71,166.80	71,166.80
Other financial liabilities	17	-	-	-	6,193.94	6,193.94
Lease liabilities	39	-	-	-	2,673.00	2,673.00
		-	-	-	<b>80,033.74</b>	<b>80,033.74</b>

The fair value of financial assets and financial liabilities approximates to their carrying amount largely due to the short-term nature of these instruments.

# Notes to the Standalone Financial Statements

## B. Financial Risk Management

The company has exposure to the following risk arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

### i. Risk management framework

The Company's principal financial liabilities comprise finance lease obligations, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

#### (a) Financial assets that are not credit impaired

The Company has financial assets which are in the nature of cash and cash equivalents, loans to employees, unbilled revenue from related party, interest accrued on fixed deposits and receivables from related parties which are not credit impaired. These are contractually agreed with either banks, related parties or employees where the probability of default is negligible.

#### (b) Financial assets that are credit impaired

Trade receivables

The Credit services team has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available. Sale limits are established for each customer and reviewed yearly.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

The maximum exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	Carrying amount as at	
	March 31, 2024	March 31, 2023
India	67,574.41	61,706.70
Outside India	469.30	1,785.95
	<b>68,043.71</b>	<b>63,492.65</b>

(₹ in lakhs)

The maximum exposure to credit risk for trade receivables by type of counterparty is as follows -

Particulars	Carrying amount as at	
	March 31, 2024	March 31, 2023
Distributors	32,835.49	32,507.01
Other	35,208.22	30,985.64
	<b>68,043.71</b>	<b>63,492.65</b>
Less: Receivables from related party, secured receivables and receivables not considered for credit risk	1,583.86	2,960.43
Net receivables	<b>66,459.85</b>	<b>60,532.21</b>

(₹ in lakhs)



## Notes to the Standalone Financial Statements

Expected credit loss assessment for the Company as at March 31, 2023 and 2024.

The Company has divided all the debtors outstanding for the last twelve quarters into age brackets of not due, 0-90 days, 91-180 days, 181-270 days, 271-365 days and amounts outstanding for more than one year.

The Company has calculated the impairment loss arising on account of past trends in the default rate for time bucket.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Out of the total trade receivables of ₹ 71,880.49 lakhs (March 31, 2023: 63,492.65 lakhs), the exposure considered for expected credit loss is ₹ 66,459.85 lakhs (March 31, 2023: ₹ 60,532.21). The balance which is not considered for impairment primarily pertains to intercompany receivables and secured debtors.

The following table provides information about the exposure to credit risk and expected credit loss for trade and other receivables -

### March 31, 2024

	Gross carrying amount	Weighted average loss rate	Loss allowance
Current (not past due)	59,504.38	0.12%	70.29
0-90 days	2,994.98	1.35%	40.58
91-180 days	116.53	22.53%	26.26
181-270 days	7.18	75.78%	5.44
271-360 days	0.98	100.00%	0.98
> 360 days	3,835.80	100.00%	3,835.80
	<b>66,459.85</b>		<b>3,979.35</b>

### March 31, 2023

	Gross carrying amount	Weighted average loss rate	Loss allowance
Current (not past due)	54,836.40	0.33%	179.38
0-90 days	1,472.24	2.69%	39.64
91-180 days	648.55	29.22%	189.50
181-270 days	8.80	87.63%	7.72
271-360 days	186.21	100.00%	186.21
> 360 days	3,380.01	100.00%	3,380.01
	<b>60,532.21</b>		<b>3,982.45</b>

# Notes to the Standalone Financial Statements

Movements in the allowance for impairment in respect of trade and other receivables

The movement in the allowance for impairment in respect of trade and other receivables is as follows:

(₹ in lakhs)

	March 31, 2024	March 31, 2023
Balance as at April 1	3,982.45	3,930.17
Utilised during the year	(179.45)	(114.08)
Impairment loss recognised	176.35	166.36
Balance as at March 31	<b>3,979.35</b>	<b>3,982.45</b>

### iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities:

#### March 31, 2024

Particulars	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Non-derivative financial liabilities</b>					
Lease liabilities	934.00	675.94	182.93	-	1,792.87
Trade payables	76,896.90	-	-	-	76,896.90
Other financial liabilities	4,959.08	-	-	-	4,959.08
	<b>82,789.98</b>	<b>675.94</b>	<b>182.93</b>	<b>-</b>	<b>83,648.85</b>

#### March 31, 2023

Particulars	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Non-derivative financial liabilities</b>					
Lease liabilities	1,314.00	979.07	379.93	-	2,673.00
Trade payables	71,166.80	-	-	-	71,166.80
Other financial liabilities	6,193.94	-	-	-	6,193.94
	<b>78,674.74</b>	<b>979.07</b>	<b>379.93</b>	<b>-</b>	<b>80,033.74</b>



# Notes to the Standalone Financial Statements

## iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

### Exposure to currency risk

The summary of quantitative data about the Company's unhedged exposure to currency risk as reported to the management is as follows.

(₹ in lakhs)

	March 31, 2024				March 31, 2023			
	USD	EURO	SGD	Others	USD	EURO	SGD	Others
Trade and other payables	55,052.25	3,593.83	-	236.26	27,603.86	3,892.27	18,895.66	594.85
Trade and other receivables	469.31	-	-	-	686.05	-	-	-
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>54,582.94</b>	<b>3,593.83</b>	<b>-</b>	<b>236.26</b>	<b>26,917.81</b>	<b>3,892.27</b>	<b>18,895.66</b>	<b>594.85</b>

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar, SGD or Euro against all other currencies as at March 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in lakhs)

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2024</b>				
USD (for 1% movement)	545.83	(545.83)	408.46	(408.46)
EURO (for 1% movement)	35.94	(35.94)	26.89	(26.89)
SGD (for 1% movement)	-	-	-	-
Others (for 1% movement)	2.36	(2.36)	1.77	(1.77)
	<b>584.13</b>	<b>(584.13)</b>	<b>437.12</b>	<b>(437.12)</b>

(₹ in lakhs)

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2023</b>				
USD (for 1% movement)	269.18	(269.18)	201.43	(201.43)
EURO (for 1% movement)	38.92	(38.92)	29.13	(29.13)
SGD (for 1% movement)	188.96	(188.96)	141.40	(141.40)
Others (for 1% movement)	5.95	(5.95)	4.45	(4.45)
	<b>503.01</b>	<b>(503.01)</b>	<b>376.41</b>	<b>(376.41)</b>



# Notes to the Standalone Financial Statements

## 39 LEASES

The Company has taken vehicles, leasehold improvements, data processing equipment, office premises and warehouse on lease. These leases typically run for a period of eleven months to sixty months, with an option to renew the lease after that date. For certain leases, the Company is restricted from entering into any sub-lease arrangements. Information about leases for which the Company is a lessee is presented below.

### I. Right-of-use assets

(₹ in lakhs)

Particulars	Office premises	Leasehold land	Data processing equipment	Vehicles	Total
Balance as at April 1, 2022	1,155.13	360.03	943.50	61.69	2,520.34
Additions during the year	1,298.68	-	995.03	202.89	2,496.60
Depreciation charge for the year	1,287.03	3.04	734.62	77.43	2,102.12
De-recognition during the year	-	-	-	-	-
Balance as at April 1, 2023	1,166.79	357.00	1,203.91	187.15	2,914.82
Additions during the year	-	-	351.91	139.16	491.07
Depreciation charge for the year	484.03	1.26	757.43	92.76	1,335.48
De-recognition during the year	61.99	-	-	-	61.99
Balance as at March 31, 2024	620.77	355.74	798.39	233.55	2,008.42

### II. Lease liabilities

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Non current	858.87	1,359.00
Current	934.00	1,314.00
<b>Total</b>	<b>1,792.87</b>	<b>2,673.00</b>

The Company during the year incurred ₹ 931.14 lakhs (March 31, 2023: ₹ 150.63) towards expenses relating to lease of low-value assets and short termed leases respectively.

The total cash outflow for leases during the year is 1,550.87 lakhs (including interest of ₹ 179.67 lakhs) [March 31, 2023: ₹ 2,444.64 Lakhs (including interest of ₹ 177.03 lakhs)].

The incremental borrowing rate on the leases ranges from 5% to 9% depending on the nature of assets and tenure of lease.

## 40 DETAILS OF NON-CURRENT INVESTMENTS

(₹ in lakhs)

	Face value per unit	As at April 1, 2023	Purchase/ addition during the year	Sold / deletion during the year	Impairment	As at March 31, 2024
Investments in subsidiaries (Carried at cost)						
<b>Equity shares, unquoted</b>						
3M Electro & Communication India Private Limited [100% Subsidiary]	₹ 10	58,470.00	-	-	7,990.00	50,480.00
<b>Total</b>		<b>58,470.00</b>	<b>-</b>	<b>-</b>	<b>7,990.00</b>	<b>50,480.00</b>



# Notes to the Standalone Financial Statements

(₹ in lakhs)

	Face value per unit	As at April 1, 2022	Purchase/ addition during the year	Sold / deletion during the year	Impairment	As at March 31, 2023
Investments in subsidiaries (Carried at cost)						
<b>Equity shares, unquoted</b>						
3M Electro & Communication India Private Limited [100% Subsidiary]	₹ 10	58,470.00	-	-	7,990.00	50,480.00
<b>Total</b>		<b>58,470.00</b>	<b>-</b>	<b>-</b>	<b>7,990.00</b>	<b>50,480.00</b>

**41** The Boards of Directors of the Company and of 3M Electro & Communication India Private Limited (3M E&C), wholly owned subsidiary of the Company at their Meetings held on September 17, 2021 had approved the Scheme of Amalgamation of 3M E&C with the Company under Sections 230 to 232 of the Companies Act 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Appointed Date fixed under the Scheme is April 01, 2021. The Scheme of Amalgamation of 3M E&C with the Company was filed with National Company Law Tribunal (NCLT) to amalgamate the wholly owned subsidiary. The Company had received the approval from NCLT Chennai vide its Order dated August 25, 2023. Subsequent to the year end, NCLT Bangalore vide its meeting dated May 1, 2024, has reserved the Order which is not pronounced till the adoption of the above financial statements by the Board of Directors of the Company. Accordingly, there is no impact of merger in the financial statements of the Company for the year ended March 31, 2024.

## 42 RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change	Reasons for Variance
Current ratio	Current Assets	Current Liabilities	2.38	2.04	16.66%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.01	0.01	0.00%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	39.62	19.32	105.08%	Increase due to increase in the profitability
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.25	0.19	32.41%	Increase due to increase in the profitability
Inventory Turnover ratio	Cost of goods sold	Average Inventory	4.43	4.58	-3.42%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.07	6.80	-10.73%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.09	4.04	-23.56%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.88	3.94	-26.85%	Drecrease due to increase in deposits with bank as at the reporting date
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.14	0.11	22.78%	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.30	0.30	1.52%	
Return on Investment	Interest (Finance Income)	Investment	-	-	0.00%	

# Notes to the Standalone Financial Statements

**43** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 44 OTHER STATUTORY INFORMATION:

- i) The Company does not have any Benami property or any proceeding is pending against the Company for holding any Benami property.
- ii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- iii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- iv) The Company is not classified as wilful defaulter.
- v) The Company doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.
- vi) The Company has no transactions with the struck off companies.
- vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**45** The Holding Company 3M Company, USA on July 26, 2022 had announced its intent to spin off Health Care business. The Board of Directors in the earlier quarters had approved the proposal of 3M Company, USA for not to spin off the healthcare business of the Company in India and propose it to be operated under a licensed manufacturing, reselling and distributorship arrangements (herein after referred to as "agreements") . Pursuant to the completion of the planned spin-off of the Healthcare business by 3M Company USA globally into Solventum with effect from April 1, 2024, the Company has entered into the agreements dated March 31, 2024 to conduct the business operation with Solventum and its affiliates.

**46** For the year 2023-24, the Board recommended a dividend of ₹ 685 per equity share (final dividend of ₹ 160 per equity share and special dividend of ₹ 525 per equity share) at its meeting held on May 28, 2024. This payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

## 47 SUBSEQUENT EVENTS

There are no material subsequent events after the balance sheet date upto the date of adoption of these financial statements which may have significant impact on these financial statements.

As per our report of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors

**Umang Banka**  
Partner  
Membership No.: 223018

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

**Pratap Rudra Bhuvanagiri**  
Company Secretary  
Membership No.: A22297

Place: Bengaluru  
Date: May 28, 2024

Place: Bengaluru  
Date: May 28, 2024



# Independent Auditor's Report

To the Members of 3M India Limited

Report on the Audit of the Consolidated Financial Statements

## OPINION

We have audited the consolidated financial statements of 3M India Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and other comprehensive

loss, consolidated changes in equity and consolidated cash flows for the year then ended.

## BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## KEY AUDIT MATTER

See Note 3(i) and 18 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The products of the Group are primarily sold through distributors, modern trade and direct sale channels amongst others. Revenue from sale of goods is recognised at contract price after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government when control of the is transferred to the customer i.e. on delivery to customer. The Group tracks proof of delivery and reverses the value of goods not delivered by the balance sheet date.</p> <p>We identified revenue recognition as a key audit matter given it is a key performance indicator of the Group. Pressure to achieve targets, earning expectations or incentive schemes linked to performance could create an incentive for revenue to be overstated or recognised before control has been transferred.</p>	<p>To obtain sufficient and appropriate audit evidence our principal audit procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• Evaluated the appropriateness of the revenue recognition accounting policies in compliance with the accounting standards.</li><li>• Tested the design and operating effectiveness of relevant key controls with respect to revenue recognition on a sample basis.</li><li>• Tested the design, implementation and operating effectiveness of the Group's general IT controls and key application controls over the Group's IT systems which govern revenue recognition in the general ledger accounting system.</li><li>• Performed substantive testing of selected samples of revenue transactions, recorded during the year by testing the underlying documents.</li><li>• Circularization of Independent confirmation on a sample basis of customer balances at the balance sheet date.</li><li>• Obtaining supporting documentation, on a sample basis for sales transactions recorded near to balance sheet date to determine whether revenue was recognised in the correct period.</li><li>• Tested, on a sample basis, certain journal entries relating to revenues to identify and inquire on unusual items, if any.</li></ul>

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report(s) thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies are responsible for overseeing the financial reporting process of each company.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence





obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the

purposes of our audit of the aforesaid consolidated financial statements.

- b. In our opinion, proper books of account as required by law have been kept by the Holding Company and its subsidiary company so far as it appears from our examination of those, except for the instances mentioned below:
  - (i) Matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, and
  - (ii) The back-up of the books of account and other relevant books and papers in electronic mode have not been kept on servers physically located in India on a daily basis during 1 April 2023 till 3 November 2023 for the payroll software and from 1 April 2023 till 4 June 2023 for accounting software used for maintaining books of account relating to revenue process, trade payables, journal entry and general ledger. However, the back-up were kept during the periods referred to above on servers located outside India on a daily basis.
- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- f. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its

subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

B. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.
- b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2024.
- d
  - (i) The management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, other than as disclosed in the Note 42 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, other than as disclosed in the Note 42 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing

or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.  
  
As stated in Note 46 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. Based on our examination which included test checks, except for the instances mentioned below, the Holding Company and its subsidiary company, has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- (i) The feature of recording audit trail (edit log) facility was not enabled for the accounting software used for maintaining the books of account relating to general ledger for the period 1 April 2023 to 3 October 2023.
- (ii) The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to revenue process, trade payables and journal entry.
- (iii) In absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the independent auditor’s report of the service organisation for the accounting software used for maintaining the payroll process, which is operated by



third-party software service provider, we are unable to comment whether the audit trail feature of the database level of the said software to log any direct data changes, was enabled and operated throughout the year for all relevant transactions recorded in the software.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid

during the current year by the the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Umang Banka**

Partner

Place: Bengaluru

Membership No.: 223018

Date: May 28, 2024 ICAI UDIN:24223018BKFQNE5593

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF 3M INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks given in their respective auditor's reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Relationship	Clause number of the CARO report which is unfavourable
1	3M India Limited	L31300KA1987PL C013543	Holding Company	vii(a)
2	3M Electro & Communications Private Limited	U31909PY1989PT C001156	Subsidiary	vii(a)

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Umang Banka**

Partner

Membership No.: 223018

ICAI UDIN:24223018BKFQNE5593

Place: Bengaluru

Date: May 28, 2024



## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF 3M INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2024**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **OPINION**

In conjunction with our audit of the consolidated financial statements of 3M India Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS**

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing,

prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management



and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference

to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Umang Banka**

Partner

Place: Bengaluru

Membership No.: 223018

Date: May 28, 2024 ICAI UDIN: 24223018BKFQNE5593



# Consolidated Balance Sheet

as at March 31, 2024

(₹ in lakhs)

	Note	As at March 31, 2024	As at March 31, 2023
<b>I. ASSETS</b>			
(1) Non-current assets			
(a) Property, plant and equipment	4	31,176.49	30,847.67
(b) Capital work-in-progress	4	1,232.20	2,457.02
(c) Right - of - use assets	38	2,033.57	2,918.45
(d) Other intangible assets	5	35.32	31.06
(e) Financial assets			
(i) Loans	7	15.06	17.18
(ii) Other financial assets	8	940.26	571.91
(f) Deferred tax assets (net)	34	2,782.54	2,727.67
(g) Income tax assets (net)	34	14,991.05	14,228.91
(h) Other non-current assets	9	4,769.74	4,898.44
<b>Total non-current assets</b>		<b>57,976.23</b>	<b>58,698.31</b>
(2) Current assets			
(a) Inventories	10	53,179.35	61,074.10
(b) Financial assets			
(i) Trade receivables	6	70,308.98	63,503.55
(ii) Cash and cash equivalents	11(A)	104,428.88	79,820.54
(iii) Bank balances other than (ii) above	11(B)	31,355.46	245.33
(iv) Loans	7	43.86	38.37
(v) Other financial assets	8	856.09	994.54
(c) Other current assets	9	6,673.51	7,067.73
<b>Total current assets</b>		<b>266,846.13</b>	<b>212,744.16</b>
<b>Total assets</b>		<b>324,822.36</b>	<b>271,442.47</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	12	1,126.51	1,126.51
(b) Other equity	13	213,563.83	166,620.54
<b>Total equity</b>		<b>214,690.34</b>	<b>167,747.05</b>
<b>Liabilities</b>			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	38	876.60	1,359.00
(b) Provisions	14	3,307.23	4,302.19
<b>Total non-current liabilities</b>		<b>4,183.83</b>	<b>5,661.19</b>
(2) Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	38	941.18	1,315.74
(ii) Trade payables			
- Total outstanding dues of micro and small enterprises; and	15	4,049.23	4,714.25
- Total outstanding dues of creditors other than micro and small enterprises	15	78,343.00	71,730.11
(iii) Other financial liabilities	16	5,328.96	6,671.43
(b) Other current liabilities	17	5,840.84	4,501.15
(c) Provisions	14	7,670.64	5,573.90
(d) Current tax liabilities (net)	34	3,774.34	3,527.65
<b>Total current liabilities</b>		<b>105,948.19</b>	<b>98,034.23</b>
<b>Total liabilities</b>		<b>110,132.02</b>	<b>103,695.42</b>
<b>Total equity and liabilities</b>		<b>324,822.36</b>	<b>271,442.47</b>
<b>Material accounting policies</b>	3		

See accompanying notes to the consolidated financial statements

As per our report of even date attached  
for **BSR & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors

**Umang Banka**  
Partner  
Membership No.: 223018

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

**Pratap Rudra Bhuvanagiri**  
Company Secretary  
Membership No.: A22297

Place: Bengaluru  
Date: May 28, 2024

Place: Bengaluru  
Date: May 28, 2024

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in lakhs)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>I. INCOME</b>			
Revenue from operations	18	418,936.24	395,936.77
Other income	19	7,829.09	6,809.59
<b>Total income</b>		<b>426,765.33</b>	<b>402,746.36</b>
<b>II. EXPENSES</b>			
Cost of materials consumed	20	159,946.30	163,479.56
Purchases of stock-in-trade	21	85,928.13	87,856.71
Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	4,848.31	(5,305.47)
Employee benefits expense	23	39,184.88	40,034.14
Finance costs	24	321.65	727.03
Depreciation and amortisation expense	4, 5 and 38	5,293.56	5,767.91
Other expenses	25	53,121.08	49,442.67
<b>Total expenses</b>		<b>348,643.91</b>	<b>342,002.55</b>
<b>III. PROFIT BEFORE TAX</b>		<b>78,121.42</b>	<b>60,743.81</b>
<b>IV. TAX EXPENSE :</b>			
(i) Current tax charge	34	19,789.77	15,098.38
(ii) Deferred tax (credit) / charge	34	(10.03)	543.51
<b>Total tax expenses</b>		<b>19,779.74</b>	<b>15,641.89</b>
<b>V. PROFIT FOR THE YEAR</b>		<b>58,341.68</b>	<b>45,101.92</b>
<b>VI. OTHER COMPREHENSIVE INCOME / (LOSS)</b>			
Items that will not be reclassified subsequently to consolidated statement of profit or loss			
Remeasurements of net defined benefit liability / asset	29	(178.16)	54.71
Income tax relating to items that will not be reclassified subsequently to profit or loss		44.84	(13.76)
<b>Other comprehensive income / (loss), net of tax</b>		<b>(133.32)</b>	<b>40.95</b>
<b>VII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>58,208.36</b>	<b>45,142.87</b>
<b>VIII. EARNINGS PER SHARE (NOMINAL VALUE OF ₹ 10 EACH)</b>	26		
- Basic (in ₹)		517.90	400.37
- Diluted (in ₹)		517.90	400.37
Material accounting policies	3		

See accompanying notes to the consolidated financial statements

As per our report of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors

**Umang Banka**  
Partner  
Membership No.: 223018

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

**Pratap Rudra Bhuvanagiri**  
Company Secretary  
Membership No.: A22297

Place: Bengaluru  
Date: May 28, 2024

Place: Bengaluru  
Date: May 28, 2024



# Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

## A. EQUITY SHARE CAPITAL

For the year ended March 31, 2024

(₹ in lakhs, except for number of shares)

Equity shares of ₹ 10 each issued, subscribed and fully paid up	Number of shares	Amount
Balance as at April 1, 2023	11,265,070	1,126.51
Changes in equity share capital during the year	-	-
Balance as at March 31, 2024	11,265,070	1,126.51

For the year ended March 31, 2023

(₹ in lakhs, except for number of shares)

Equity shares of ₹ 10 each issued, subscribed and fully paid up	Number of shares	Amount
Balance as at April 1, 2022	11,265,070	1,126.51
Changes in equity share capital during the year	-	-
Balance as at March 31, 2023	11,265,070	1,126.51

## B. OTHER EQUITY

(₹ in lakhs)

Particulars	Equity share capital	Other equity				Total Other Equity	Total equity attributable to equity holders of the Company
		Reserves and surplus			Items of other comprehensive income		
		Securities premium	General reserve	Retained earnings	Remeasurements of net defined benefits liability/ (asset), net of tax		
Balance as at April 1, 2022	1,126.51	949.90	303.98	216,915.41	(938.52)	217,230.77	218,357.28
Changes in equity for the year ended March 31, 2023							
Profit for the year	-	-	-	45,101.92	-	45,101.92	45,101.92
Remeasurement of the net defined benefit liability / asset, net of tax effect	-	-	-	-	40.95	40.95	40.95
Dividends (refer note 13)	-	-	-	(95,753.10)	-	(95,753.10)	(95,753.10)
Balance as at March 31, 2023	1,126.51	949.90	303.98	166,264.23	(897.58)	166,620.54	167,747.04
Balance as at April 1, 2023	1,126.51	949.90	303.98	166,264.23	(897.58)	166,620.54	167,747.04
Changes in equity for the year ended March 31, 2024							
Profit for the year	-	-	-	58,341.68	-	58,341.68	58,341.68
Other comprehensive income, net of tax	-	-	-	-	(133.32)	(133.32)	(133.32)
Dividends (refer note 13)	-	-	-	(11,265.07)	-	(11,265.07)	(11,265.07)
Balance as at March 31, 2024	1,126.51	949.90	303.98	213,340.85	(1,030.90)	213,563.83	214,690.34

See accompanying notes to the consolidated financial statements

As per our report of even date attached  
for B S R & Co. LLP  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors

Umang Banka  
Partner  
Membership No.: 223018

Ramesh Ramadurai  
Managing Director  
DIN: 07109252

Vidya Sarathy  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

Pratap Rudra Bhuvanagiri  
Company Secretary  
Membership No.: A22297

Place: Bengaluru  
Date: May 28, 2024

Place: Bengaluru  
Date: May 28, 2024

# Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the Year	78,121.42	60,743.81
<b>Adjustments for:</b>		
Depreciation and amortisation expense	5,293.56	5,767.91
Bad debts and allowance for doubtful trade receivables (net)	178.57	162.94
Liabilities no longer required written back (net)	(945.25)	(691.09)
Unrealised exchange loss on foreign currency transactions (net)	136.21	127.66
Net gain on disposal of property, plant and equipment	(72.28)	(34.56)
Interest income	(6,669.97)	(4,493.86)
Finance costs	321.65	727.03
	<b>76,363.91</b>	<b>62,309.84</b>
<b>Movement in working capital:</b>		
Increase in trade payables	10,713.84	23,065.71
Increase/ (decrease) in provisions	923.62	(1,314.30)
Increase in other financial liabilities and other liabilities	693.09	636.76
Increase in trade receivables	(11,865.24)	(10,816.39)
Decrease / (increase) in inventories	7,894.75	(12,116.16)
(Increase)/ decrease in loans, other financial assets, other current and non current assets	(227.04)	1,210.92
<b>Cash generated from operations activities</b>	<b>84,496.93</b>	<b>62,976.38</b>
Income tax paid (net of refund)	(20,193.44)	(16,428.72)
<b>Net cash from operating activities (A)</b>	<b>64,303.49</b>	<b>46,547.66</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets including capital work in progress	(3,141.42)	(6,022.36)
Proceeds from sale of property, plant and equipment	78.48	58.54
Movement in fixed deposits with original maturity more than 3 (three) months (net)	(30,800.00)	-
Interest received	6,925.35	4,416.89
<b>Net cash used in investing activities (B)</b>	<b>(26,937.59)</b>	<b>(1,546.93)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability (including interest thereon)	(1,492.49)	(2,458.87)
Dividends paid (refer note 13)	(11,265.07)	(95,507.77)
<b>Net cash used in financing activities (C)</b>	<b>(12,757.56)</b>	<b>(97,966.64)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>24,608.34</b>	<b>(52,965.91)</b>
Cash and cash equivalents at the beginning of the year	79,820.54	132,786.45
<b>Cash and cash equivalents at the end of the year</b>	<b>104,428.88</b>	<b>79,820.54</b>





# Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Cash and cash equivalents comprise of [refer note 11(A)]:</b>		
Other bank balances		
- in current accounts	7,976.38	3,920.54
- deposits accounts (original maturity of three months or less)	96,452.50	75,900.00
	<b>104,428.88</b>	<b>79,820.54</b>
<b>Debt reconciliation statement in accordance with Ind AS 7</b>		
Reconciliation of lease liability (Non-current and Current)		
Opening balance	2,674.74	2,457.45
Addition to lease liability	516.46	2,496.60
Termination of lease	(61.99)	-
Interest cost	181.06	179.56
Payment of lease liability (including interest thereon)	(1,492.49)	(2,458.87)
<b>Closing balance</b>	<b>1,817.78</b>	<b>2,674.74</b>
Material accounting policies (refer note 3)		

See accompanying notes to the consolidated financial statements.

As per our report of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors

**Umang Banka**  
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Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

**Pratap Rudra Bhuvanagiri**  
Company Secretary  
Membership No.: A22297

Place: Bengaluru  
Date: May 28, 2024

Place: Bengaluru  
Date: May 28, 2024

# Notes to the Consolidated Financial Statements

## 1. REPORTING ENTITY

3M India Limited ('the Company') is a subsidiary of 3M Company, USA. The Company manages its operations in four operating segments: Safety & Industrial, Transportation & Electronics, Health Care and Consumer. In India, the Company has manufacturing facilities at Ahmedabad, Bangalore, Pune and has a R&D Center in Bangalore. 3M India's four business segments bring together common or related 3M technologies that enhance the development of innovative products and services and provide efficient sharing of business resources. The Company is a public limited Company domiciled in India with its registered office situated at Plot Nos. 48-51, Electronic City, Hosur Road, Bengaluru - 560 100 and is listed on the Bombay Stock Exchange Ltd (BSE) and the National Stock Exchange Ltd (NSE).

### Subsidiary Information:

3M Electro & Communication India Private Limited ('3M E&C' or 'Subsidiary') is a wholly owned subsidiary of 3M India Limited. 3M E&C is a private limited company domiciled in India with its registered office at Plot Nos. 95-97, Sanniyasikuppam, Udhaya Nagar, Thirubhuvanai main road, Thirubhuvanai Post, Pondicherry - 605107. 3M E&C offers a complete range of products that include the Cable jointing kits ranging from 1.1Kv to 132 KV, Heatshrinks, Coldshrinks, Kastex, Electrical Insulation Tapes, Busbar tubes, DIY Electrical kits, various kinds of water filters, water softeners, Hi flo filters, Wholehouse filters, Zeta +. In India, 3M E&C has manufacturing facilities at Pune.

3M E&C with effect from April 2022, has entered into an agreement with 3M India Limited under purchase finish goods model wherein 3M India Limited would manufacture certain products on behalf of the Company.

These consolidated financial statements comprise the Company and its subsidiary referred to collectively as "the Group".

## 2. BASIS OF PREPARATION AND CONSOLIDATION

### A. Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Group's Board of Directors on May 28, 2024.

Details of the Group's material accounting policies are included in Note 3.

### B. Functional & presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

### C. Basis of measurement

These financial statements have been prepared under the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date:

- Note 28 - share-based payment arrangements and
- Note 37 - financial instruments

### D. Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### Judgments

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 38 - leases: whether an arrangement contains a lease, lease classification and lease term.

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2024 is included in the following notes:

- Note 3(c), 4 and 5 - useful life of property, plant and equipment and other intangible assets;
- Note 6 to 8 and 37 - impairment of financial assets;
- Note 3(f) and 10 - provision for inventories;
- Note 14 and 33 - recognition and measurement of provisions and contingencies: key assumptions



# Notes to the Consolidated Financial Statements

about the likelihood and magnitude of an outflow of resources; and

- Note 29 - measurement of defined benefit obligations: key actuarial assumptions;

## E. Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 28 - share-based payment arrangements and
- Note 37 - financial instruments

## F. Current/ Non-current classification

The Group classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;

- it expects to realise the asset within twelve months after the reporting period; or

- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is classified as current when –

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle is twelve months.

## 3. MATERIAL ACCOUNTING POLICIES

### (a) Basis of Consolidation

The Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiary as disclosed in Note 40. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The financial statements of the Group companies are consolidated on a line-by-line basis and intragroup balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

# Notes to the Consolidated Financial Statements

## (b) Financial instruments

### i. Recognition and initial measurement

The Group initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

### ii. Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at-

#### Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest

method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### iii. Derecognition

#### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

#### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the consolidated Statement of profit and loss.

### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

## (c) Property, plant and equipment

### i. Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to



# Notes to the Consolidated Financial Statements

the Group and the cost of the item can be measured reliably

Items of property, plant and equipment, are measured at cost, which includes capitalised borrowing cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

## ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

## iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the consolidated Statement of profit and loss.

Leasehold improvements are amortised over the period of lease or the estimated useful life (3-10 years) whichever is lower. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Category of asset	Useful lives
Buildings	10 - 30 years
Plant and machinery	3 - 15 years
Furniture and fixtures	10 years

Office equipment	5 years
Data processing equipment	3 years
Vehicles	5 years

Depreciation/amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that the estimates of useful lives as given above best represent the period over which management expects to use these assets and are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013 for some assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Capital work in progress includes cost of property, plant & equipment under installation/ under development as at the balance sheet date.

## (d) Intangible assets

### i. Internally generated : Research and development

Expenditure on research activities is recognised in the consolidated Statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the consolidated statement of profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.



# Notes to the Consolidated Financial Statements

## iii. Others:

Other intangible assets are stated at acquisition cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the consolidated Statement of profit and loss. The amortisation rates used are:

Asset	Useful life
Computer software	3 years

## (e) Impairment

### (i) Financial assets

- (i) The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the consolidated Statement of profit and loss. The Group at end of each reporting period evaluates, if any indicators are present which might require Group to impair its financial assets.

#### *Write off:*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a

portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### (ii) Non -financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets

In such cases, the recoverable amount is determined for the Cash generating units (CGUs) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the consolidated Statement of profit and loss, is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### (f) Inventories

Inventories are valued at the lower of cost and estimated net realizable value, after providing



# Notes to the Consolidated Financial Statements

for cost of obsolescence and other anticipated losses, wherever considered necessary. The costs of raw materials and traded goods are ascertained on First-In-First-Out basis, whereas manufactured work-in-progress and finished goods are ascertained on weighted average method.

Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

The provision for inventory obsolescence is arrived on quarterly basis based on the policy determined by the Group.

## (g) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Group at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the balance sheet date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

## (h) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer after deduction of any trade discount, volume rebate and taxes or duties collected on behalf of the government such as goods and services tax, etc. The Group recognises revenue when it transfers control over a good or service to a customer.

For sale of finished goods and traded goods, revenue is recognised when the goods are delivered and have been accepted by customers as per the terms of the arrangement or at the time of dispatch in case of ex-works, as the case may

be. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

For sale of services which includes income from contract research and management support service fee, revenue is recognized based on agreements/arrangements with the customers as the service is performed.

The Group has determined that the revenues as disclosed in Note 18 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Other income primarily includes interest income which is recognised using the effective interest rate (EIR) method.

## (i) Employee benefits

### Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the Group's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee.

### Provident fund

Contribution towards provident fund for the employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

### Superannuation

The Group makes contribution to the Superannuation Scheme for certain employees participating in the scheme, a defined contribution

# Notes to the Consolidated Financial Statements

scheme, administered by fund manager, based on a specified percentage of eligible employees' salary. The Group's obligation to the scheme is restricted to the contributions to the scheme.

## Defined benefit plans

### Gratuity

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Group has an Employees Gratuity Fund where the investments are administered by a Fund Manager. The Group accounts for the liability of gratuity benefits payable in future based on an independent actuarial valuation (using the Projected Unit Credit method). Actuarial losses/gains are recognised in Statement of profit and loss under 'Other Comprehensive Income' in the year in which they arise.

### Compensated absences

The Group provides for the encashment/ availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment/ availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation (using the Projected Unit Credit method). Actuarial losses / gains are recognised in 'Other Comprehensive Income' in the year in which they arise. The liability has been classified as current as the Group does not have unconditional right to defer the liability.

### Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

## (j) Share-based payments

The eligible employees of the Group are allotted share appreciation rights (SARs) and restricted stock units (RSUs) pertaining to 3M Company, USA (Holding Company). The fair value of the amount payable to employees in respect of SARs and RSUs which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to the payment. The Group measures compensation expense for SARs at their fair value determined using Black-Scholes Model and RSUs based on fair market

value of shares of 3M Company, USA as at each reporting date. Any change in the fair value of the liability are recognised in the consolidated Statement of profit and loss.

## (k) Income taxes

### i. Current tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously

### ii. Deferred tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in consolidated financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized



# Notes to the Consolidated Financial Statements

or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Group offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

## (l) Borrowing costs

Borrowing costs attributable to the assets acquired on leases are expensed in the period in which they incur in the consolidated Statement of profit and loss.

## (m) Provisions and contingent liabilities

### i. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed. The expense relating to a provision is presented in the consolidated Statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### ii. Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

### iii. Onerous contracts

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow

of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

## (n) Leases

The Group has applied Ind AS 116 with effect from April 1, 2019 using the modified retrospective approach. At inception of the contract, the Company determines whether the contract is a lease or contains a lease arrangement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, in Statement of profit and loss and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying

# Notes to the Consolidated Financial Statements

amount of the right-of-use asset, or is recorded in statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The Group presents right-of-use assets that do not meet the definition of investment property separately in the balance sheet and lease liabilities separately within 'Financial Liabilities'.

## Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### (o) Segment reporting

#### Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Managing Director of the Group is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the CODM. Refer note 31 for segment information presented.

### (p) Cash and cash equivalents

The Group considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and

cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### (q) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit/ loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### (r) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

### (s) Government grants

The Group recognises an unconditional government grant related to PSI scheme in profit or loss as other income when the grant becomes receivable.

### (t) Recent Indian Accounting Standards :

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to existing standards applicable to the Group.



# Notes to the Consolidated Financial Statements

## 4 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN- PROGRESS

Particulars	Freehold land*	Buildings	Plant and machinery	Furniture & fixtures	Office equipment	Electrical installations	Data processing equipment	Vehicles	Leasehold improvements	Total
(₹ in lakhs)										
Cost at April 1, 2022	988.72	16,351.14	32,176.76	1,929.18	835.03	57.02	9.97	2.87	41.51	52,392.20
Additions	-	2,162.27	4,097.32	83.57	6.35	-	-	-	-	6,349.51
Disposals	-	(103.26)	(663.18)	(4.03)	(18.19)	(0.95)	-	-	(0.04)	(789.65)
<b>Balance at March 31, 2023</b>	<b>988.72</b>	<b>18,410.16</b>	<b>35,610.90</b>	<b>2,008.72</b>	<b>823.19</b>	<b>56.07</b>	<b>9.97</b>	<b>2.87</b>	<b>41.47</b>	<b>57,952.06</b>
Cost at April 1, 2023	988.72	18,410.16	35,610.90	2,008.72	823.19	56.07	9.97	2.87	41.47	57,952.06
Additions	-	369.95	3,616.26	284.19	-	-	-	-	-	4,270.40
Disposals	-	(1.60)	(269.76)	(48.15)	(2.23)	(1.79)	-	-	(6.26)	(329.78)
<b>Balance at March 31, 2024</b>	<b>988.72</b>	<b>18,778.51</b>	<b>38,957.40</b>	<b>2,244.76</b>	<b>820.96</b>	<b>54.28</b>	<b>9.97</b>	<b>2.87</b>	<b>35.21</b>	<b>61,892.68</b>
<b>Accumulated depreciation</b>										
Balance at April 1, 2022	-	4,701.88	17,225.08	1,421.54	780.95	57.02	9.57	2.87	41.41	24,240.30
Depreciation for the year	-	711.87	2,710.02	180.71	27.16	-	-	-	-	3,629.76
Disposals	-	(103.13)	(639.33)	(4.03)	(18.19)	(0.95)	-	-	(0.04)	(765.67)
<b>Balance at March 31, 2023</b>	<b>-</b>	<b>5,310.62</b>	<b>19,295.77</b>	<b>1,598.22</b>	<b>789.92</b>	<b>56.07</b>	<b>9.57</b>	<b>2.87</b>	<b>41.37</b>	<b>27,104.39</b>
Balance at April 1, 2023	-	5,310.62	19,295.77	1,598.22	789.92	56.07	9.57	2.87	41.37	27,104.39
Depreciation for the year	-	771.14	2,964.46	178.29	21.49	-	-	-	-	3,935.38
Disposals	-	(1.39)	(263.77)	(48.15)	(2.23)	(1.79)	-	-	(6.26)	(323.58)
<b>Balance at March 31, 2024</b>	<b>-</b>	<b>6,080.37</b>	<b>21,996.46</b>	<b>1,728.36</b>	<b>809.18</b>	<b>54.28</b>	<b>9.57</b>	<b>2.87</b>	<b>35.11</b>	<b>30,716.19</b>
<b>Carrying value (net)</b>										
<b>As at March 31, 2023</b>	<b>988.72</b>	<b>13,099.54</b>	<b>16,315.13</b>	<b>410.50</b>	<b>33.27</b>	<b>-</b>	<b>0.40</b>	<b>-</b>	<b>0.09</b>	<b>30,847.67</b>
<b>As at March 31, 2024</b>	<b>988.72</b>	<b>12,698.14</b>	<b>16,960.94</b>	<b>516.40</b>	<b>11.78</b>	<b>-</b>	<b>0.40</b>	<b>-</b>	<b>0.10</b>	<b>31,176.49</b>

\*Title deeds of the freehold land is in the name of the respective companies in the Group.

# Notes to the Consolidated Financial Statements

Capital work-in-progress	(₹ in lakhs)
Balance at April 1, 2022	2,294.80
Additions during the year	6,511.73
Capitalised during the year	6,349.51
<b>Balance at March 31, 2023</b>	<b>2,457.02</b>
Balance at April 1, 2023	2,457.02
Additions during the year	3,068.67
Capitalised during the year	4,293.49
<b>Balance at March 31, 2024</b>	<b>1,232.20</b>

## Capital work-in-progress aging schedule

March 31, 2024	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,158.66	73.54	-	-	1,232.20
Projects temporarily suspended	-	-	-	-	-
	<b>1,158.66</b>	<b>73.54</b>	<b>-</b>	<b>-</b>	<b>1,232.20</b>

March 31, 2023	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,390.87	66.15	-	-	2,294.80
Projects temporarily suspended	-	-	-	-	-
	<b>2,390.87</b>	<b>66.15</b>	<b>-</b>	<b>-</b>	<b>2,294.80</b>

There are no capital work in progress whose completion is overdue or exceeded its cost compared to its original plan.

## Capital work in progress whose completion is overdue:

March 31, 2024	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	-	-	-	-	-

March 31, 2023	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	-	-	-	-	-



# Notes to the Consolidated Financial Statements

## 5 OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Computer Software
<b>Cost at April 1, 2022</b>	258.15
Additions	-
Disposals	(28.69)
<b>Balance at March 31, 2023</b>	<b>229.46</b>
<b>Cost at April 1, 2023</b>	229.46
Additions	23.09
Disposals	-
<b>Balance at March 31, 2024</b>	<b>252.55</b>
<b>Accumulated amortisation</b>	
<b>Balance at April 1, 2022</b>	201.98
Amortisation for the year	25.11
Disposals	(28.69)
<b>Balance at March 31, 2023</b>	<b>198.40</b>
<b>Balance at April 1, 2023</b>	198.40
Amortisation for the year	18.83
Disposals	-
<b>Balance at March 31, 2024</b>	<b>217.23</b>
<b>Carrying value (net)</b>	
<b>As at March 31, 2023</b>	<b>31.06</b>
<b>As at March 31, 2024</b>	<b>35.32</b>

## 6 TRADE RECEIVABLES

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - secured	862.66	758.74
Trade receivables considered good - unsecured*	69,594.86	63,177.55
Trade receivables - credit impaired	3,913.82	3,630.49
	<b>74,371.34</b>	<b>67,566.78</b>
Less: Loss allowance	(4,062.36)	(4,063.23)
<b>Net trade receivables</b>	<b>70,308.98</b>	<b>63,503.55</b>
Of the above, trade receivables from related parties are as below (also refer note 30):		
Total trade receivables from related parties	576.47	2,047.77
Loss allowance	-	-
<b>Net trade receivables</b>	<b>576.47</b>	<b>2,047.77</b>

\* includes unbilled receivables of ₹ 2,218.55 lakhs (March 31, 2023: ₹ 1,351.09 lakhs)

# Notes to the Consolidated Financial Statements

## Trade receivables Ageing Schedule

(₹ in lakhs)

As at March 31, 2024	Unbilled	Curent but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Trade Receivables - considered good	2,218.55	62,184.18	5,920.44	3.15	131.20	-	-	70,457.52
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	10.68	53.56	127.70	1,350.35	1,542.29
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	0.36	510.99	-	1,860.18	2,371.53
<b>Total</b>	<b>2,218.55</b>	<b>62,184.18</b>	<b>5,920.44</b>	<b>14.19</b>	<b>695.75</b>	<b>127.70</b>	<b>3,210.53</b>	<b>74,371.34</b>

(₹ in lakhs)

As at March 31, 2023	Unbilled	Curent but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,351.09	58,135.52	4,192.18	243.29	14.20	-	-	63,936.28
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	186.31	143.92	59.17	887.97	1,277.37
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	945.05	1,408.08	2,353.13
<b>Total</b>	<b>1,351.09</b>	<b>58,135.52</b>	<b>4,192.18</b>	<b>429.60</b>	<b>158.12</b>	<b>1,004.22</b>	<b>2,296.05</b>	<b>67,566.78</b>

The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 37.

## 7 LOANS

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>Non current</b>		
<b>Unsecured, considered good</b>		
Loans to employees	15.06	17.18
	<b>15.06</b>	<b>17.18</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Loans to employees	43.86	38.37
	<b>43.86</b>	<b>38.37</b>
	<b>58.92</b>	<b>55.55</b>



# Notes to the Consolidated Financial Statements

## 8 OTHER FINANCIAL ASSETS

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>Non current</b>		
<b>Unsecured, considered good</b>		
Security deposits*	940.26	571.91
	<b>940.26</b>	<b>571.91</b>
<b>Unsecured, considered doubtful</b>		
Security deposits	41.24	41.24
Less : Provision for impairment	(41.24)	(41.24)
	-	-
	<b>940.26</b>	<b>571.91</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Security deposits	408.62	416.31
Others receivables	447.47	578.23
	<b>856.09</b>	<b>994.54</b>
<b>Unsecured, considered doubtful</b>		
Security deposits	15.40	15.40
Less : Provision for impairment	(15.40)	(15.40)
	-	-
	<b>856.09</b>	<b>994.54</b>
	<b>1,796.35</b>	<b>1,566.45</b>

\*includes earnest money deposit paid ₹ 26.14 lakhs (March 31, 2023: ₹ 26.14 lakhs)

## 9 OTHER ASSETS

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>Non current</b>		
Capital advances	246.86	201.99
Prepayments	-	-
Balances with government authorities		
Unsecured, considered good	1,014.08	1,045.10
Payments under protest*		
Unsecured, considered good	3,508.80	3,651.35
Unsecured, considered doubtful	47.69	228.79
Less: Allowance for doubtful advances	(47.69)	(228.79)
	<b>4,522.88</b>	<b>4,696.45</b>
	<b>4,769.74</b>	<b>4,898.44</b>



# Notes to the Consolidated Financial Statements

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Prepayments	1,252.45	1,288.31
Advance for supply of goods	522.22	698.98
Balances with government authorities		
Unsecured, considered good	4,898.84	5,080.44
Unsecured, considered doubtful	-	540.90
Less : Allowance for doubtful receivables	-	(540.90)
	<b>4,898.84</b>	<b>5,080.44</b>
	<b>6,673.51</b>	<b>7,067.73</b>
	<b>11,443.25</b>	<b>11,966.17</b>

\*These payments represents deposits given to government authorities against the ongoing litigations.

## 10 INVENTORIES\*

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Raw materials	23,978.90	27,133.04
[Including in - transit ₹ 9,860.18 lakhs (March 31, 2023: ₹ 9,846.22 lakhs)]		
Packing materials	942.04	834.34
Work-in-progress	2,173.50	2,064.01
Finished goods	8,631.92	9,058.55
Stock-in-trade	17,452.99	21,984.16
[Including in - transit ₹ 6,263.47 lakhs (March 31, 2023: ₹ 7,379.58 lakhs)]		
	<b>53,179.35</b>	<b>61,074.10</b>

\* Refer note 3(f) for mode of valuation of inventories

The provision for write down of inventories to net realisable value during the year amounted to ₹ 480.37 lakhs (March 31, 2023 : ₹ 656.21 lakhs). The provision estimated by the management for obsolete stock during the year amounted to ₹ 1,268.35 lakhs (March 31, 2023 : ₹ 1,293.30 lakhs).

## 11(A) CASH AND CASH EQUIVALENTS

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>Balances with banks</b>		
- In current accounts	7,976.38	3,920.54
- Deposit accounts (original maturity of three months and less)	96,452.50	75,900.00
	<b>104,428.88</b>	<b>79,820.54</b>



# Notes to the Consolidated Financial Statements

## 11(B) OTHER BANK BALANCES

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
<b>Balances with banks</b>		
- Deposit accounts (original maturity of more than three months but less than twelve months)	31,106.17	-
<b>Earmarked accounts</b>	249.29	245.33
- Unclaimed dividend	<b>31,355.46</b>	<b>245.33</b>

## 12 SHARE CAPITAL

(₹ in lakhs except for number of shares)

	As at March 31, 2024	As at March 31, 2023
<b>Authorised :</b>		
Equity shares	1,126.51	1,126.51
[11,265,070 equity shares of ₹ 10/- each (March 31, 2023: 11,265,070 equity shares of ₹ 10/- each)]		
	<b>1,126.51</b>	<b>1,126.51</b>
<b>Issued, subscribed and paid up</b>		
Equity shares fully paid up	1,126.51	1,126.51
[11,265,070 equity shares of ₹ 10/- each (March 31, 2023: 11,265,070 equity shares of ₹ 10/- each)]		
	<b>1,126.51</b>	<b>1,126.51</b>

### (a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the year	11,265,070	1,126.51	11,265,070	1,126.51
Shares issued during the year	-	-	-	-
Closing balance at the end of the year	<b>11,265,070</b>	<b>1,126.51</b>	<b>11,265,070</b>	<b>1,126.51</b>

### (b) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Shares held by holding company

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
3M Company, USA	8,448,802	844.88	8,448,802	844.88

### (d) Details of shareholders holding more than 5 % of total number of equity shares

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
3M Company, USA (Holding company)	8,448,802	75%	8,448,802	75%

# Notes to the Consolidated Financial Statements

- (e) There has been no buyback of shares, issues of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the date of the balance sheet.

**(f) Shares held by promoters at the end of the year**

Promoter Name	As at March 31, 2024		
	No of Shares	% total of shares	% Change during the year
3M Company, USA (Holding company)	8,448,802	75%	-

Promoter Name	As at March 31, 2024		
	No of Shares	% total of shares	% Change during the year
3M Company, USA (Holding company)	8,448,802	75%	-

## 13 OTHER EQUITY

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
(i) Securities premium	949.90	949.90
(ii) General reserve	303.98	303.98
(iii) Remeasurements of net defined benefits liability/ (asset), net of tax	(1,030.90)	(897.58)
(iv) Retained earnings	213,340.85	166,264.23
	<b>213,563.83</b>	<b>166,620.54</b>

Also refer statement of changes in equity.

### Nature and purpose of other equity

**(i) Securities premium**

Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**(ii) General reserve**

This represents appropriation of profit by the Group and is available to the shareholders for distribution.

**(iii) Remeasurement of defined benefit plans, net of tax**

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other equity' and subsequently not reclassified to the Statement of Profit and Loss.

**(iv) Retained earnings**

The cumulative gain or loss arising from the operations which is retained by the Group is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit after tax is transferred from the Statement of profit and loss to retained earnings.



# Notes to the Consolidated Financial Statements

## Dividends

The following dividends were declared and paid by the Group during the year:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Dividend on equity shares declared and paid :</b>		
Interim dividend for the year ended March 31, 2024: ₹ Nil per share (March 31, 2023: ₹ 850 per share)	-	95,753.10
Final dividend for the year ended March 31, 2023: ₹ 100 per share (March 31, 2022: ₹ Nil per share)	11,265.07	-
	<b>11,265.07</b>	<b>95,753.10</b>
<b>Proposed Dividend on equity shares declared :</b>		
Proposed dividend on equity shares for the year ended on March 31, 2024: ₹ 685 per share (including special dividend) (March 31, 2023 : ₹ 100 per share) (refer note 45)	77,165.73	11,265.07
	<b>77,165.73</b>	<b>11,265.07</b>

## 14 PROVISIONS

(₹ in lakhs)

	As at March 31, 2024		As at March 31, 2023	
	Current	Non current	Current	Non current
<b>Provision for employee benefits</b>				
Gratuity (refer note 29)	-	3,216.64	-	2,577.91
Compensated absences	2,214.40	-	176.23	1,633.69
<b>Others (refer note 35)</b>				
Provision for asset retirement obligation	-	90.59	-	90.59
Sales tax, service tax and other litigations	2,639.33	-	2,116.70	-
Provision for sales return and volume rebate	2,816.91	-	3,280.97	-
	<b>7,670.64</b>	<b>3,307.23</b>	<b>5,573.90</b>	<b>4,302.19</b>

## 15 TRADE PAYABLES

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues to micro and small enterprises (Refer note (a) below)	4,049.23	4,714.25
Total outstanding dues to creditors other than micro and small enterprises*	78,343.00	71,730.11
	<b>82,392.23</b>	<b>76,444.36</b>

### Note (a)

1. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
- Principal	4,049.23	4,714.25
- Interest	2.23	2.34
2. The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year		
- Interest	12.72	21.58
- Principal	1,188.58	1,886.79

# Notes to the Consolidated Financial Statements

3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
4. The amount of interest accrued and remaining unpaid at the end of each accounting year	2.23	2.34
5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

\* Includes due to related party (refer note 30)

**Note:** The above information has been determined based on vendors identified by the Company and confirmed by the vendors.

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 37.

## Trade payables Ageing Schedule

### March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	
(i) MSME	4,049.23	-	-	-	4,049.23
(ii) Others	77,345.26	895.07	98.68	3.99	78,343.00
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>81,394.49</b>	<b>895.07</b>	<b>98.68</b>	<b>3.99</b>	<b>82,392.23</b>

### March 31, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	
(i) MSME	4,714.25	-	-	-	4,714.25
(ii) Others	71,501.93	221.03	5.12	2.03	71,730.11
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>76,216.18</b>	<b>221.03</b>	<b>5.12</b>	<b>2.03</b>	<b>76,444.36</b>

\*includes accrued expenses of ₹ 8,264.89 lakhs as at March 31, 2024 (March 31, 2023: ₹ 8,536.96 lakhs) and not due of ₹ 26,249.70 lakhs as at March 31, 2024 (March 31, 2023: ₹ 29,174.14 lakhs)

## 16 OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Employee benefit obligation	3,657.07	4,219.17
Deposits from customers	1,064.98	969.26
Unpaid dividends	249.29	245.33
Creditors for capital goods	155.79	206.75
Others	201.83	1,030.92
	<b>5,328.96</b>	<b>6,671.43</b>

The Group's exposure to currency and liquidity risks related to other financial liabilities is disclosed in note 37.





# Notes to the Consolidated Financial Statements

## 17 OTHER CURRENT LIABILITIES

	As at March 31, 2024	As at March 31, 2023
Advance from customers	355.30	477.77
Statutory liabilities	5,485.54	4,023.38
	<b>5,840.84</b>	<b>4,501.15</b>

## 18 REVENUE FROM OPERATIONS

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Sale of products</b>		
Finished goods	245,449.47	229,159.21
Traded goods	166,919.26	161,218.50
<b>Sale of services*</b>	6,318.68	5,350.63
<b>Other operating revenue</b>		
Scrap sales	248.83	208.43
	<b>418,936.24</b>	<b>395,936.77</b>

\* Sale of services includes income from contract research ₹ 1,332.95 lakhs (March 31, 2023 : ₹ 1,532.19 lakhs) and management support service fee of ₹ 4,985.73 lakhs (March 31, 2023 : ₹ 3,818.44 lakhs). Refer note 27 (c) and refer note 30.

### Disaggregation of revenue from operations:

Business Segments	Year ended March 31, 2024	Year ended March 31, 2023
a) Safety & Industrial	133,328.70	130,128.25
b) Transportation & Electronics	164,940.62	156,903.62
c) Health Care	76,092.59	65,480.53
d) Consumer	42,795.93	40,967.55
e) Others	1,778.40	2,456.82
<b>Total</b>	<b>418,936.24</b>	<b>395,936.77</b>

The Group operates mainly to the needs of domestic market and export turnover is not significant in context of total turnover. Accordingly, there are no reportable geographical segments.

<b>Contracted Price</b>	426,065.75	406,045.27
Less: Reduction towards sales return, discounts, rebates etc	(7,129.51)	(10,108.50)
<b>Revenue recognised</b>	<b>418,936.24</b>	<b>395,936.77</b>

No customers have individually accounted for more than 10% of the revenues during the years ended March 31, 2024 and March 31, 2023.

## 19 OTHER INCOME

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income from financial assets carried at amortised cost	6,669.97	4,493.86
Liabilities no longer required written back (net)	920.64	691.09
Gain on disposal of property, plant and equipment (net)	72.28	34.56
Government grant	-	880.08
Proceeds from sale of Food Safety Division	-	710.00
Miscellaneous income*	166.20	-
	<b>7,829.09</b>	<b>6,809.59</b>

\*includes ₹ 166.20 lakhs received from KCI Medical India Private Limited (fellow subsidiary) with respect to transfer of employees as per the arrangement entered with KCI Medical India Private Limited.

# Notes to the Consolidated Financial Statements

## 20 COST OF MATERIALS CONSUMED

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Inventory of raw materials and packing materials at the beginning of the year (refer note 10)	27,967.38	21,156.69
Add: Purchases (also refer note 30)	156,899.86	170,290.25
Less: Inventory of raw materials and packing materials at the end of the year (refer note 10)	(24,920.94)	(27,967.38)
	<b>159,946.30</b>	<b>163,479.56</b>

## 21 PURCHASES OF STOCK-IN-TRADE

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Purchases of stock-in-trade	85,928.13	87,856.71
	<b>85,928.13</b>	<b>87,856.71</b>

Also refer note 30

## 22 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Opening inventory		
- Finished goods	9,058.55	8,136.84
- Stock-in-trade	21,984.16	17,911.64
- Work-in-progress	2,064.01	1,752.77
	<b>33,106.72</b>	<b>27,801.25</b>
Closing inventory		
- Finished goods	8,631.92	9,058.55
- Stock-in-trade	17,452.99	21,984.16
- Work-in-progress	2,173.50	2,064.01
	<b>28,258.41</b>	<b>33,106.72</b>
<b>Decrease / (increase) in inventory</b>	<b>4,848.31</b>	<b>(5,305.47)</b>

## 23 EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	34,733.58	34,793.42
Gratuity expenses	717.75	795.91
Contribution to provident and other funds	1,610.10	1,601.35
Share based payment expenses, cash settled	257.70	706.58
Staff welfare expenses	1,865.75	2,136.87
	<b>39,184.88</b>	<b>40,034.14</b>



# Notes to the Consolidated Financial Statements

## 24 FINANCE COSTS

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on lease liabilities	181.06	179.56
Interest on income tax matters	111.78	523.39
Others	28.81	24.08
	<b>321.65</b>	<b>727.03</b>

## 25 OTHER EXPENSES

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Corporate management fees	12,757.50	12,335.26
Royalty	8,142.88	6,091.79
Freight outward	6,743.74	7,577.02
Consumption of stores and spares	759.14	753.66
Power and fuel	2,231.94	2,055.35
Water charges	41.80	40.30
Rent	922.37	336.03
Repairs and maintenance		
- Plant and machinery	1,278.19	939.15
- Building	132.52	170.91
- Others	231.07	188.43
Insurance	324.45	278.03
Rates and taxes	844.56	493.77
Communication expenses	211.64	235.79
Travel and conveyance	1,951.91	1,706.14
Legal and professional charges (refer note (a) below)	1,957.57	2,012.09
Sub-contracting charges	226.17	295.96
Selling, distribution and advertisement expenses	6,536.27	5,435.58
Commission	466.07	534.06
Directors' commission and sitting fees	85.80	83.60
Provision for doubtful advances reversed	(722.00)	-
Doubtful advances written off	722.00	-
Provision for doubtful debts (net)	178.57	162.94
Exchange loss on foreign currency transactions (net)	805.57	2,050.66
Expenditure towards corporate social responsibility activities (refer note 32)	804.76	628.91
Miscellaneous expenses	5,486.59	5,037.22
	<b>53,121.08</b>	<b>49,442.67</b>

### (a) Payment to auditors #

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
As auditors:		
Audit and limited review fee	146.70	132.00
Tax audit fee	14.40	13.00
Certification fee	14.00	2.50
Reimbursement of out-of-pocket expenses	11.53	9.55
<b>Total</b>	<b>186.63</b>	<b>157.05</b>

# Excluding goods and service tax.

# Notes to the Consolidated Financial Statements

## 26 EARNINGS PER SHARE

(₹ in lakhs, except for number of shares)

	Year ended March 31, 2024	Year ended March 31, 2023
Net profit attributable to equity shareholders	58,341.68	45,101.92
Weighted average number of equity shares outstanding during the year	11,265,070	11,265,070
Nominal value of equity shares (₹)	10	10
Basic earnings per share (₹)	517.90	400.37
Diluted earnings per share (₹)	517.90	400.37

## 27 INTER COMPANY AGREEMENTS AND ARRANGEMENTS

- a) **Intellectual property agreement (Royalty expense)** – The Group has entered into Intellectual Property agreement with 3M Innovative Properties Company and 3M Company, USA effective July 1, 2006 for the payment of license fees in the form of royalties. Payments were waived off for a period of 3 years effective from July 1, 2006 to June 30, 2009. The Intellectual Property Agreement with 3M Innovative Properties Company and 3M Company, USA has been revised effective April 1, 2023. Accordingly, the Group has incurred an expenditure of ₹ 8,142.88 lakhs for the year ended March 31, 2024 (March 31, 2023: ₹ 6,091.79 lakhs) and disclosed as Royalty under other expenses (refer note 25).
- b) **Corporate management fees** – In order to avail economies of scale, the Group has entered into inter-company services support services agreement with 3M Global Service Center Management Company, USA (having expertise in establishing, operating and managing international business and incurring costs in developing, manufacturing, marketing and selling a diverse portfolio of products) with effect from April 1, 2019. The Company is charged with comprehensive support services charges by 3M Global Service Center Management Company for the services received from all the 3M group companies in the areas of Laboratory, Technical assistance and Manufacturing, Selling and Marketing, Strategic and Managerial, Information Technology, Routine Administration and Foreign Services Employees Expenses and Outsourced Services of Transaction Processing on competitive conditions. Accordingly, the Group has incurred an expenditure of ₹ 12,757.50 lakhs for the year ended March 31, 2024 (March 31, 2023: ₹ 12,335.26 lakhs) and disclosed as corporate management fee under other expenses (refer note 25).
- c) **Contract research agreement** – The Group has entered into contract research agreement with 3M Innovative Properties Company and 3M Company, USA effective July 1, 2006 for carrying out contract research activities. During the year, Group has recognized an income of ₹ 1,332.95 lakhs (March 31, 2023 : ₹ 1,532.19 lakhs).

## 28 EMPLOYEE STOCK OPTION PLAN

### A. Description of share based payment arrangements

#### Stock appreciation rights and Restricted stock units (cash-settled)

3M Company, USA has established 3M Company Long Term Incentive Plan (LTIP). As a part of the plan, eligible employees of the Group are entitled to acquire shares of 3M Company, USA via stock options i.e., stock appreciation rights (SARs) and restricted stock units (RSUs). The eligible employees are granted stock options i.e., stock appreciation rights (SARs) and restricted stock units (RSUs) which will vest with the employees over a period of 3 years from the date of the grant and they can exercise the stock option within a stipulated period mentioned in the plan. The exercise price of SARs will be based on the grant letter and RSUs will be Nil. As of the year end a sum of ₹ 967.42 lakhs (March 31, 2023: ₹ 1,319.26 lakhs) is liability and the same is included as 'Employee benefit obligation' under Other financial liabilities (refer note 16).

### B. Measurement of fair values

The Group measures compensation expense for stock appreciation rights (SARs) at their fair value determined using Black - Scholes Model and restricted stock units (RSUs) based on fair market value of shares of 3M Company, USA as on March 31, 2024.



# Notes to the Consolidated Financial Statements

The fair value of the cash settled SARs and the inputs used in the measurement of fair value at grant date and measurement date of the SARs are as follows:

	As at March 31, 2024	As at March 31, 2023
Fair value (in \$)	19.39	17.42
Share price (in \$)	106.07	105.11
Expected volatility (%)	22.79%	22.79%
Expected life (years)	8.86 years	6.98 years
Expected dividends (%)	3.30%	3.30%
Risk free interest rate (%)	3.75%	3.74%

The expected term of the SARs is estimated based on the vesting term and contractual term of the SARs, as well as expected exercise behavior of the employee who receives the SAR. Expected volatility during the expected term is based on historical volatility of the observed market prices of the 3M Company USA's publicly traded equity shares particularly over the historical period commensurate with the expected term.

## C. Reconciliation of outstanding share options

The activity in the cash-settled share based payment transactions during the year ended March 31, 2024 is set out below:

	As at March 31, 2024		As at March 31, 2023	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
<b>Stock appreciation right</b>				
Outstanding at the beginning	78,344	-	66,197	-
Granted	-	-	17,889	-
Forfeited and expired	4,625	-	1,367	-
Exercised	-	-	4,375	-
Outstanding at the end	<b>73,719</b>	-	<b>78,344</b>	-
<b>Exercisable at the end</b>	<b>65,373</b>		<b>55,753</b>	
<b>Restricted stock unit</b>				
Outstanding at the beginning	17,835	-	10,757	-
Granted	-	-	10,177	-
Forfeited and expired	1,076	-	654	-
Exercised	2,533	-	2,445	-
Outstanding at the end	<b>14,226</b>	-	<b>17,835</b>	-
<b>Exercisable at the end</b>	<b>12,213</b>		<b>12,592</b>	

## D. Expense recognised in Statement of profit and loss

An amount of ₹ 257.70 lakhs has been debited (March 31, 2023: ₹ 706.58 lakhs has been debited) to the consolidated statement of profit and loss for the year and included under Employee benefit expenses.

## E. The weighted average share price at the date of exercise with regards to SARs and RSUs exercised during the year is Nil and USD 94.87 respectively (March 31, 2023: USD 126.25 and USD 117.89 respectively)



# Notes to the Consolidated Financial Statements

## 29 EMPLOYEE BENEFITS

### (a) Defined contribution plan

The Group offers its employees defined contribution plans in the form of Provident Fund (PF) and Superannuation Fund (SF). Contribution to SF is made to 3M India Limited Employees Superannuation Fund Trust and 3M E & C India Employees Superannuation Fund Trust. Other contributions are made to the Government's funds. While both the employees and the Group pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into superannuation fund are made only by the Group. The contributions are normally based on a certain proportion of the employee's salary.

During the year, the Group has recognised the following amounts in the consolidated statement of profit and loss, which are included in contribution to provident and other funds:

Benefits (contribution to)	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Provident fund	1,478.08	1,461.81
Superannuation fund	138.45	139.56
	<b>1,616.52</b>	<b>1,601.36</b>

### (b) Defined benefit plan

The Group provides for gratuity, a defined benefit plan (the Gratuity Plan), to its employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, of an amount based on the respective employee's last drawn salary and years of employment with the Group. The Group contributes all ascertained liabilities towards gratuity to the 3M India Limited Employees Gratuity Fund Trust and 3M E&C Employees Gratuity Fund Trust. Trustees administer contributions made to the trust. As of March 31, 2022 and March 31, 2021, the plan assets have been primarily invested in insurer managed funds.

A. Reconciliation of opening and closing balances of the present value of the defined benefit obligation	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Obligation at the beginning of the year	6,489.25	6,184.65
Current service cost	532.14	530.52
Interest cost	440.12	420.71
Actuarial loss / (gains) - experience	311.61	140.69
Transfers	(257.18)	-
Actuarial loss / (gains) - financial assumptions	129.70	(268.79)
Benefits paid	(753.05)	(518.52)
<b>Obligation at the end of the year</b>	<b>6,892.58</b>	<b>6,489.25</b>

B. Reconciliation of opening and closing balances of the fair value of plan assets	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Plan assets at the beginning of the year	3,911.35	2,057.94
Interest income on plan assets	254.51	155.32
Contribution	-	2,290.00
Remeasurements- Return on plan assets excluding amounts included in interest income	263.15	(73.39)
Benefits paid	(753.05)	(518.52)
<b>Plan assets at the end of the year</b>	<b>3,675.94</b>	<b>3,911.35</b>



# Notes to the Consolidated Financial Statements

(₹ in lakhs)

<b>C. Reconciliation of present value of defined benefit obligation and the fair value of plan assets to the assets and liabilities recognized in the Balance Sheet</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Present value of obligation at the end of the year	6,892.58	6,489.26
Fair value of plan assets at the end of the year	(3,675.94)	(3,911.35)
<b>Net defined benefit obligation</b>	<b>3,216.64</b>	<b>2,577.91</b>

(₹ in lakhs)

<b>D. Expenses recognized in the Statement of profit and loss</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
Current service cost	532.14	530.52
Interest cost	440.12	420.71
Interest income on plan assets	(254.51)	(155.32)
	<b>717.75</b>	<b>795.91</b>

(₹ in lakhs)

<b>E. Remeasurements recognized in Other comprehensive income</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
Actuarial losses on defined benefit obligation	441.31	(128.10)
Actuarial losses / (gains) on plan assets	(263.15)	73.39
	<b>178.16</b>	<b>(54.71)</b>

<b>F. Investment details of plan assets</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Fund balance with Insurance companies	100.00%	100.00%
	<b>100.00%</b>	<b>100.00%</b>

<b>G. Assumptions</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Discount rate (per annum)	7.00%	7.20%
Rate of escalation in salary (per annum)	Production - 9% Others - 6%	Production - 10% Others - 6%
Retirement age (in years)	60 years	60 years
Mortality rates	Indian Assured Lives Mortality (2006-08) (modified) Ult.	Indian Assured Lives Mortality (2006-08) (modified) Ult.
Withdrawal rates		
Under 30 years	Staff - 20% Production - 1%	Staff - 20% Production - 1%
31-34 years	Staff - 10% Production - 1%	Staff - 10% Production - 1%
35-50 years	Staff - 5% Production - 0.5%	Staff - 5% Production - 0.5%
51-60 years	Staff - 1% Production - 0%	Staff - 1% Production - 0%

# Notes to the Consolidated Financial Statements

(₹ in lakhs)

H. Sensitivity analysis	Year ended March 31, 2024	Year ended March 31, 2023
The sensitivity analysis of significant actuarial assumptions as of end of reporting period is shown below.		
A. Discount rate		
Effect on defined benefit obligation due to 1% increase in discount rate	(611.03)	(584.42)
Effect on defined benefit obligation due to 1% decrease in discount rate	712.22	496.51
B. Salary escalation rate		
Effect on defined benefit obligation due to 1% increase in Salary escalation rate of production and others	705.57	476.79
Effect on defined benefit obligation due to 1% decrease in Salary escalation rate of production and others	(617.20)	(591.70)

(₹ in lakhs)

I. Maturity profile of defined benefit obligation	Amount
1. March 31, 2025	645.39
2. March 31, 2026	294.87
3. March 31, 2027	386.13
4. March 31, 2028	473.66
5. March 31, 2029	674.09
6. March 31, 2030 to March 31, 2034	2,186.69

## Notes :

- The discount rate is based on the prevailing market yield on Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- As per the best estimate of the management, contribution of ₹ 526.12 lakhs (March 31, 2024: ₹ Nil) is expected to be paid to the plans during the year ending March 31, 2025.

## 30 RELATED PARTY TRANSACTION

### Names of related parties and nature of relationship:

i)	Holding company	3M Company, USA	
ii)	Fellow subsidiaries (with whom transactions have occurred during the year)	3M APAC RDC Pte Limited	3M United Kingdom PLC
		3M Australia Pty. Limited	3M Unitek Corporation
		3M Canada Company	3M Vietnam Limited
		3M China Limited	3M Wendt GmbH
		3M CUNO, France	3M Winterthur Technologies AG
		3M Dabrowa Gornicza Edc (Coe)	3M Wroclaw SP. Z O.O.
		3M Do Brasil Limitada	Dyneon GmbH
		3M EMEA, GmbH	Emfi S.A.
		3M ESPE Dental AG	KCI Medical India Private Limited
		3M Film Construction (Shanghai) Co. Ltd.	MEGUIAR'S US



# Notes to the Consolidated Financial Statements

	3M Global Service Management Company	P. T. 3M Indonesia
	3M Global Technology Center LLP	Trimodal Softech Solutions Private Limited
	3M Gulf Limited	Dyneon B. V.
	3M Healthcare Ireland Ltd	Sumitomo 3M Limited
	3M Healthcare US Opco LLC	3M Saudi Arabia
	3M Hong Kong Limited	3M Chile S. A.
	3M Innovation (Thailand) Co. Ltd.	3M Belgium S. A. /N. V.
	3M Innovation Singapore Pte Limited	3M France S. A
	3M International Trading (Shanghai) Co. Ltd.	3M Germany Hilden GmbH
	3M Intl Trdg (Shenzhen) Co Ltd	3M Taiwan Limited
	3M Italia S. P. A.	3M Health Care Limited, Japan
	3M JAPAN INNOVATION LIMITED	Cuno 3M Poland
	3M Japan Ltd	3M Healthcare Japan Products Limited
	3M Japan Products Limited	Cuno 3M Germany
	3M Korea Limited	Cuno Inc (USA)
	3M Lanka Private Limited	Cuno Pacific Pty Ltd Australia
	3M Malaysia Sdn. Bhn.	3M Japan Limited
	3M Material Tech Hefei Co Limited	Cuno Europe (France )
	3M Material Tech(Guangzhou) Co. , Limited	Cuno K. K (Japan)
	3M Matl Tech (Suzhou) Co. Ltd	3M Technologies (S) Pte Ltd
	3M Medical Devices & Mtl Mfg (Sh) Co. Ltd	3M Thailand Limited
	3M New Zealand	3M Turkey
	3M Panama Pacifico S Der L.	3M Singapore Pte. Ltd.
	3M Philippines, Inc.	3M Speciality Materials (Shanghai) Co. Ltd.
	3M South Asia Manufacturing Private Limited	
iii)	Post employment-benefit plan entities	3M India Ltd Employees Gratuity Fund Trust
		3M India Ltd Employees Superannuation Fund Trust
		3M E&C Employees Gratuity Fund Trust
		3M E&C Employees Superannuation Fund Trust
iv)	Key management personnel	<b>Executive Directors</b>
		Ramesh Ramadurai (Managing Director)
		Mamta Gore (Director till May 27, 2022)
		Vidya Sarathy (Chief Financial Officer) (Whole-time Director effective June 1, 2022)
		<b>Non-executive Directors</b>
		Amit Laroya
		Bharat D. Shah
		Biren Gabhawala
		Radhika Rajan
		James Ernest Falteisek (Resigned effective May 30, 2023)
		Yun Jin
		<b>Others</b>
		V. Srinivasan (Company Secretary) (Resigned effective May 10, 2022)
		Pratap Rudra Bhuvanagiri (Company Secretary) (appointed with effect from August 12, 2022)

# Notes to the Consolidated Financial Statements

The details of the amounts due to or due from related parties are as follows:

(₹ in lakhs)

Name of related party	As at March 31, 2024	As at March 31, 2023
<b>Trade payables</b>		
3M Company, USA	23,465.90	24,130.57
3M APAC RDC Pte Limited	1,537.51	1,227.44
3M Australia Pty. Limited	128.76	120.89
3M Canada Company	39.60	37.68
3M China Limited	742.64	426.22
3M Do Brasil Limitada	537.34	186.01
3M EMEA, GmbH	2,886.11	3,521.85
3M Health Care Ltd, Japan	-	257.78
3M Hong Kong Limited	24.86	13.85
3M Innovation Singapore Pte Limited	15,918.78	18,938.50
3M International Trading (Shanghai) Co. Ltd.	1.69	-
3M New Zealand	6.54	-
3M Panama Pacifico S Der L.	38.87	52.80
3M Speciality Materials (Shanghai) Co. Ltd.	2,800.61	1,317.07
3M Innovation (Thailand) Co. Ltd.	-	10.63
3M Taiwan Limited	49.23	85.62
3M Thailand Limited	-	168.81
3M Traffic Manufacturing (Shanghai) Co. Ltd.	-	60.64
3M United Kingdom Plc	-	46.37
3M Unitek Corporation	70.93	-
Dyneon B.V.	7.84	-
Emfi S.A	-	531.95
3M Poland Sp. Z O.O	19.80	19.80
3M Material Tech(Guangzhou) Co Limited	114.73	38.89
Winterthur Tech Taican Co Ltd	-	189.87
3M Wendt GmbH	9.63	2.85
P.T. 3M Indonesia	13.06	17.96
3M Korea Limited	1,811.29	1,035.97
3M Medical Devices & Mtl Mfg (Sh) Co. Ltd	-	11.96
3M Material Tech Hefei Co Limited	1,429.34	820.02
KCI Medical India Private Limited	-	34.34
3M Healthcare US Opco LLC	7,164.75	-
3M Matl Tech (Suzhou) Co. Ltd	7.52	-
3M Japan Products Limited	0.77	-
3M Film Construction (Shanghai) Co. Ltd.	81.62	-
3M Intl Trdg (Shenzhen) Co Ltd	6.01	-
Emfi S.A.	921.41	-
3M Healthcare Ireland Ltd	1,614.37	-
3M Winterthur Technologies AG	196.01	-
3M Japan Innovation Limited	0.02	-
Trimodal Softech Solutions Private Limited	13.20	-
Meguiar'S Us	281.31	-
3M Healthcare Japan Products Limited	17.60	-
	<b>61,959.65</b>	<b>53,306.33</b>





# Notes to the Consolidated Financial Statements

The details of the amounts due to or due from related parties are as follows (continued):

Name of related party	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
<b>Trade receivables</b>		
3M Company, USA	146.90	708.58
3M Australia Pty. Limited	18.00	-
3M Gulf Limited	29.41	-
3M Hong Kong Limited	62.48	6.13
3M International Trading (Shanghai) Co. Ltd.	7.63	-
3M Korea Limited	10.01	-
3M Malaysia Sdn. Bhn.	8.45	18.47
3M Thailand Limited	1.43	2.79
3M Vietnam Limited	147.57	257.94
3M Technologies (S) Pte Ltd	-	20.90
P. T. 3M Indonesia	-	0.21
3M Global Service Management Company	-	796.46
3M Innovation Singapore Pte Limited	-	95.99
3M Lanka Private Limited	17.12	10.89
3M South Asia Manufacturing Private Limited	33.61	22.12
KCI Medical India Private Limited	19.01	44.00
3M Material Tech Co. Ltd, China	-	2.12
3M Global Technology Center LLP	19.64	-
3M Material Tech(Guangzhou) Co. , Limited	34.25	34.24
Dyneon GMBH	20.94	-
Trimodal Softech Solutions Private Limited	-	26.93
	<b>576.47</b>	<b>2,047.77</b>

Details of the related party transactions entered into by the company are as follows:

Name of related party	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Remuneration paid to Key management personnel #</b>		
Ramesh Ramadurai	380.35	360.65
Vidya Sarathy	145.45	129.22
V. Srinivasan	-	9.01
Pratap Rudra Bhuvanagiri	69.91	35.23
	<b>595.71</b>	<b>534.11</b>

# Excludes contributions to employee retirement / post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.

<b>Sitting fees and commission paid to Key management personnel</b>		
Bharat D. Shah	30.40	29.60
Biren Gabhawala	29.00	28.20
Radhika Rajan	26.40	25.80
	<b>85.80</b>	<b>83.60</b>

# Notes to the Consolidated Financial Statements

(₹ in lakhs)

Name of related party	Year ended March 31, 2024	Year ended March 31, 2023
<b>Sales of products (net of returns)</b>		
3M Company, USA	322.57	125.05
3M Gulf Limited	90.76	-
3M Thailand Limited	52.19	106.53
3M Korea Limited	166.96	58.30
P.T. 3M Indonesia	187.97	167.66
3M EMEA, GmbH	-	193.31
3M China Limited	-	0.45
3M Hong kong Limited	67.31	17.31
3M Technologies (S) Pte Ltd	48.39	18.65
3M Philippines, Inc.	3.79	-
3M Australia Pty. Limited	101.06	19.08
3M Vietnam Limited	503.28	479.41
Sumitomo 3M Limited	-	5.05
3M Saudi Arabia	-	963.88
3M Malaysia Sdn. Bhn.	70.91	47.88
3M New Zealand	-	1.38
3M International Trading (Shanghai) Co. Ltd.	7.63	-
Dyneon GmbH	20.94	-
3M Chile S.A.	-	3.88
	<b>1,643.76</b>	<b>2,207.81</b>
<b>Contributions during the year</b>		
3M India Ltd Employees Gratuity Fund Trust	-	2,091.00
3M India Ltd Employees Superannuation Fund Trust	-	127.16
3M E&C Employees Gratuity Fund Trust	126.43	199.00
3M E&C Employees Superannuation Fund Trust	12.48	12.02
	<b>138.92</b>	<b>2,429.17</b>
<b>Income from contract research</b>		
3M Company, USA	1,332.95	1,532.19
	<b>1,332.95</b>	<b>1,532.19</b>
<b>Income from management support services</b>		
3M Company, USA	766.18	802.26
3M Global Service Management Company	3,822.25	2,825.79
3M South Asia Manufacturing Private Limited	125.44	69.35
3M Lanka Private Limited	17.14	-
KCI Medical India Private Limited	66.92	70.91
3M Global Technology Center LLP	158.67	-
Trimodal Softech Solutions Private Limited	29.13	50.14
	<b>4,985.73</b>	<b>3,818.44</b>
<b>Reimbursement of expenses from</b>		
3M Singapore PTE Ltd	-	360.87
3M Innovation Singapore Pte Ltd	126.86	239.58
	<b>126.86</b>	<b>600.45</b>
<b>Income from transfer of employees</b>		
KCI Medical India Private Limited	166.20	-
	<b>166.20</b>	<b>-</b>



# Notes to the Consolidated Financial Statements

(₹ in lakhs)

Name of related party	Year ended March 31, 2024	Year ended March 31, 2023
<b>Corporate management fees (excluding ineligible portion of Goods and Service Tax)</b>		
3M Global Service Management Company	12,757.50	12,335.26
	<b>12,757.50</b>	<b>12,335.26</b>
<b>Royalty (excluding ineligible portion of Goods and Service Tax)</b>		
3M Company, USA	8,142.88	6,091.79
	<b>8,142.88</b>	<b>6,091.79</b>
<b>Purchase of raw materials and traded goods (net of returns)</b>		
3M Company, USA	57,823.51	64,596.22
3M APAC RDC Pte Limited	5,087.30	4,524.73
3M Matl Tech Suzhou Co Ltd	-	-
3M Japan Limited	-	1,989.47
3M Film Construction (Shanghai) Co. Ltd.	167.50	131.67
3M Australia Pty. Limited	576.48	378.26
3M Belgium S. A. /N. V.	-	22.73
3M Canada Company	140.47	281.67
3M China Limited	1,965.82	1,975.90
3M Do Brasil Limitada	1,415.29	916.68
3M EMEA, GmbH	7,629.67	7,570.64
3M ESPE Dental AG	1,452.10	1,664.60
3M France S. A	-	465.42
3M Germany Hilden GmbH	-	468.36
3M Hong Kong Limited	91.10	390.28
3M Innovation (Thailand) Co. Ltd.	5,955.45	2,966.29
3M Innovation Singapore Pte Limited	24,136.77	28,045.69
3M International Trading (Shanghai) Co. Ltd.	22.89	131.34
3M Italia S. P. A.	55.12	54.04
3M Japan Ltd	1.21	-
3M Medical Devices & Mtl Mfg (Sh) Co. Ltd	0.73	-
3M Korea Limited	4,680.36	5,667.47
3M Malaysia Sdn. Bhn.	76.38	-
3M Material Tech(Guangzhou) Co. , Limited	311.93	36.91
3M New Zealand	25.73	6.63
3M Panama S. A	-	1,100.92
3M Philippines, Inc.	-	7.47
3M Speciality Materials (Shanghai) Co. Ltd.	5,852.71	4,659.74
3M Taiwan Limited	190.74	806.97
3M Thailand Limited	396.45	461.35
3M United Kingdom PLC	55.99	112.67
3M Unitek Corporation	356.85	167.17
3M Wendt GmbH	28.73	10.46
3M Winterthur Technologies AG	1,759.46	2,361.01
3M Wroclaw SP. Z O.O.	484.15	1,021.59
3M Health Care Limited, Japan	-	5,220.60
3M Singapore Pte. Ltd.	-	152.75

# Notes to the Consolidated Financial Statements

(₹ in lakhs)

Name of related party	Year ended March 31, 2024	Year ended March 31, 2023
3M Technologies (S) Pte Ltd	1.51	0.66
Emfi S.A.	1,798.71	992.14
Cuno 3M Germany	42.02	34.03
Cuno 3M Poland	-	2,087.04
Cuno Europe (France)	-	5,631.18
Cuno Inc (USA)	4,379.93	-
Cuno K.K (Japan)	-	12.34
3M Japan Products Limited	7,929.89	1,807.83
3M Turkey	246.97	2.01
3M Panama Pacifico S Der L.	621.21	25.75
P.T. 3M Indonesia	43.24	70.84
Cuno Pacific Pty Ltd Australia	1.30	-
3M Vietnam Limited	34.38	73.90
3M Dabrowa Gornicza Edc (Coe)	279.45	-
3M CUNO, France	38.45	-
3M Healthcare US Opco LLC	8,200.23	-
3M Healthcare Ireland Ltd	1,653.36	-
3M Japan Innovation Limited	279.14	-
Meguiar'S Us	753.83	-
3M Intl Trdg (Shenzhen) Co Ltd	26.57	-
3M Matl Tech (Suzhou) Co. Ltd	11.45	-
3M Health Care Forest City	-	-
3M Healthcare	-	-
3M Material Tech(Guangzhou) Co Limited	-	-
3M Healthcare Japan Producuts Limited	18.40	-
3M Material Tech Hefei Co Limited	3,803.83	6,794.98
	<b>150,904.76</b>	<b>155,900.41</b>

## 31 SEGMENT REPORTING

### A. Basis for segmentation

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

The Group operates mainly to the needs of domestic market and export turnover is not significant in context of total turnover. Accordingly, there are no reportable geographical segments. The Group has five reportable segments, as described below.

For each of the segments, the Company’s Managing Director, who is the CODM, reviews internal management reports on at least a quarterly basis.

Segment revenue, results, assets and liabilities figures include the respective amounts identifiable to each of the segments. Other unallocable income net off unallocable expenditure are towards common services to the segments which are not directly identifiable to the individual segments as well as those at a corporate level which relate to the Group as a whole.



# Notes to the Consolidated Financial Statements

The following summary describes the products included in each of the Group's reportable segment:

Reportable segments	Products
Safety & Industrial	Major products under this segment include vinyl, polyester, foil and specialty industrial tapes and adhesives: Scotch Masking Tape, Scotch Filament Tape and Scotch Packaging Tape, Functional and Decorative Graphics, Abrasion-Resistant Films, Masking Tapes and Other Specialty Materials.
Health care	Major products include medical and surgical supplies, medical devices, skin & wound care and infection prevention products & solutions, drug delivery systems, dental and orthodontic products and food safety products.
Transportation & Electronics	Major product under this segment include personal protection products, brand & asset protection solutions, border control products, passive fire protection products for industries and commercial establishments, track and trace products, cleaning and hygiene products for the hospitality industry.  Graphics business consists of four divisional subsets- the Traffic Safety Systems Division (TSSD), the Commercial Graphics Division (CGD), the Architectural Markets Division (AMD) and the Mobile Interactive Solutions Division (MISD). TSSD products include retro reflective traffic signs for highways and cities, pavement marking and vehicle registration products and services. CGD portfolio includes products like films, inks and digital signage products. AMD products includes wall and glass cladding products coupled with architectural interior services and environmental graphics for home and office spaces. MISD products include projection systems, computer and ATM-screen privacy filters and brightness enhancement films for television, avionics and automotive displays.
Consumer	Consumer and Office business includes products such as Scotch brand, addressing the Home & Office tapes, Adhesives, Packaging protection platforms, Post-it brand with a product range of Note Pads, Dispensers, Flagging solution, Labels and Scotchguard brand addressing the stain protection market.

## B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

(₹ in lakhs)

	March 31, 2024	March 31, 2023
<b>Segment revenue (revenue from operations)</b>		
a) Safety & Industrial	133,328.70	130,128.25
b) Transportation & Electronics	164,940.62	156,903.62
c) Health Care	76,092.59	65,480.53
d) Consumer	42,795.93	40,967.55
e) Others	1,778.40	2,456.82
<b>Total revenue</b>	<b>418,936.24</b>	<b>395,936.77</b>



# Notes to the Consolidated Financial Statements

(₹ in lakhs)

	March 31, 2024	March 31, 2023
<b>Segment results</b>		
a) Safety & Industrial	17,784.34	13,664.62
b) Transportation & Electronics	36,686.22	23,691.37
c) Health Care	7,276.72	8,016.92
d) Consumer	8,103.87	8,278.06
e) Others	762.83	1,010.28
<b>Total segment results</b>	<b>70,613.98</b>	<b>54,661.25</b>
Less : Interest expense	321.65	727.03
Add : Other un-allocable income net off un-allocable expenditure	7,829.09	6,809.59
<b>Profit before tax</b>	<b>78,121.42</b>	<b>60,743.81</b>
Tax expense	19,779.74	15,641.89
<b>Profit after tax</b>	<b>58,341.68</b>	<b>45,101.92</b>
<b>Segment assets</b>		
a) Safety & Industrial	54,101.39	54,623.48
b) Transportation & Electronics	66,301.65	66,874.06
c) Health Care	27,018.43	25,068.99
d) Consumer	9,681.47	9,371.32
e) Unallocated corporate assets	167,719.42	115,504.62
<b>Total assets</b>	<b>324,822.36</b>	<b>271,442.47</b>
<b>Segment liability</b>		
a) Safety & Industrial	30,492.10	28,919.77
b) Transportation & Electronics	31,933.07	30,299.33
c) Health Care	16,345.17	12,199.90
d) Consumer	6,185.10	5,362.56
e) Unallocated corporate liabilities	25,176.58	26,913.86
<b>Total liabilities</b>	<b>110,132.02</b>	<b>103,695.42</b>
<b>Capital expenditure</b>		
a) Safety & Industrial	666.44	2,230.70
b) Transportation & Electronics	969.72	1,386.20
c) Health Care	902.44	935.77
d) Consumer	364.48	490.92
e) Unallocated capital expenditure	238.34	978.77
<b>Total capital expenditure</b>	<b>3,141.42</b>	<b>6,022.36</b>
<b>Depreciation and amortisation expenses</b>		
a) Safety & Industrial	1,741.22	1,835.75
b) Transportation & Electronics	1,678.81	1,744.99
c) Health Care	737.72	804.82
d) Consumer	340.95	285.11
e) Unallocated depreciation / amortisation expenses	794.86	1,097.24
<b>Depreciation / amortisation expenses</b>	<b>5,293.56</b>	<b>5,767.91</b>



# Notes to the Consolidated Financial Statements

## 32 CORPORATE SOCIAL RESPONSIBILITY

Details of CSR expenditure in accordance with Section 135 of the Companies Act, 2013.

	(₹ in lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
a) amount required to be spent by the company during the year	788.86	627.25
b) amount of expenditure incurred	804.76	628.91
c) shortfall at the end of the year	-	-
d) total of previous years shortfall	-	-
e) reason for shortfall	Nil	Nil
f) nature of CSR activities	Education, Community, Health, Promoting gender equality and Empowering women	Education and Community
g) details of related party transactions	Nil	Nil

## 33 CONTINGENT LIABILITIES AND COMMITMENTS

	(₹ in lakhs)	
	As at March 31, 2024	As at March 31, 2023
Claims against the Group not acknowledged as debts:		
- Income tax demand (including interest) (refer note (i) below)	33,804.13	30,248.51
- Custom duty demands (refer note (ii) and (iii) below)	18,358.44	18,348.54
- Sales tax matters (refer note (iv) below)	7,852.12	10,772.87
- Service tax matters (refer note (v) below)	1,326.80	1,326.80
- Central excise duty matters (refer note (vi) below)	1,823.22	1,910.91
- Goods and service tax matters (refer note (vii) below)	2,457.02	206.48

### Notes:

- Income tax matters mainly relate to transfer pricing adjustments made by the Income tax authorities with respect to disallowance of intercompany charges related to corporate management fees.
- The Group during the year 2012-13 had received an order from The Commissioner of Customs demanding differential duty, interest and penalty of ₹1,961.50 lakhs, contending the availment of concessional import duty in respect of some of its products for which a demand notice was served on the Group for payment of the above amount. The Group has filed an appeal against the order including for obtaining a stay against any recovery proceedings that may be initiated and accordingly no liability has been recognised in the books.
- The Group was issued a Show Cause Notice dated December 8, 2016 by the Directorate of Revenue Intelligence (DRI) in relation to levy of customs duty on inter-company transactions for import of goods and services and hence proposing to demand differential duty of customs covering the transactions during the period December 8, 2011 to February 7, 2014. The Group has received an order in original on October 1, 2017 from Additional Director General – DRI (Adjudication), Mumbai confirming the demand raised for custom duty in show cause notice amounting to ₹7,693.52 lakhs, penalty equivalent to the custom duty amount and additional penalty and interest of ₹1,000 lakhs. The Group has executed bank guarantee of ₹ 1,000 lakhs. The Group has filed an appeal against this order with CESTAT, Mumbai after making payment of deposit of ₹ 577.00 lakhs.
- Sales tax cases primarily pertains to Maharashtra Value Added Tax Act, 2002 and Karnataka Value Added Tax Act, 2003. These are pertaining to the years from 2006-07 to 2017-18. These cases are with respect to the applicable rate of tax for various products and matters pertaining to declaration forms.

# Notes to the Consolidated Financial Statements

- (v) Service tax matters relates to cases with respect to manner of apportionment of credit availed by the Group without registering as an Input service distributor.
- (vi) Excise matters relates to penalty for allegedly dealing in goods liable to confiscation under Rule 26 of the Central Excise Act and Valuation/ allowability of CENVAT credit under the Central Excise Act.
- (vii) The Goods and service tax matter relates to classification of handrubs for the period July 2017 to March 2021, notices received upon GST Audits for year 2017-18 to 2019-20 and transition of credit through TRAN-1 for year 2016-17 and 2017-18.

(₹ in lakhs)		
Capital commitments	As at March 31, 2024	As at March 31, 2023
Estimated value of contracts in capital account remaining to be executed	1,606.11	293.36

## 34 TAX EXPENSES

### (a) Amount recognised in Statement of profit and loss

(₹ in lakhs)		
	March 31, 2024	March 31, 2023
Current tax	19,789.77	15,098.38
Deferred tax expense / (income) related to:		
Origination and reversal of temporary differences	(10.03)	543.51
<b>Tax expense for the year</b>	<b>19,779.74</b>	<b>15,641.89</b>

Note: The Group elected to exercise the option permitted under section 115BBA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

### (b) Amount recognised in other comprehensive income

(₹ in lakhs)						
	March 31, 2024			March 31, 2023		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of defined benefit liability (asset)	(178.16)	44.84	(133.32)	54.71	(13.76)	40.95
	<b>(178.16)</b>	<b>44.84</b>	<b>(133.32)</b>	<b>54.71</b>	<b>(13.76)</b>	<b>40.95</b>

### (c) Reconciliation of effective tax rate

(₹ in lakhs)				
	March 31, 2024		March 31, 2023	
Profit before tax		78,121.42		60,743.81
Tax at statutory income tax rate 25.17% (March 31, 2023 - 25.17%)	<b>25.168%</b>	<b>19,661.60</b>	<b>25.168%</b>	<b>15,288.00</b>
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income:				
Non-deductible expenses	0.15%	116.99	0.26%	156.75
Others	0.00%	1.15	0.32%	197.13
<b>Income tax expense</b>	<b>25.32%</b>	<b>19,779.74</b>	<b>25.75%</b>	<b>15,641.89</b>



# Notes to the Consolidated Financial Statements

## (d) Deferred tax assets and liabilities are attributable to the following:

(₹ in lakhs)

Particulars	Deferred tax assets		Deferred tax liabilities		Deferred tax assets / (liabilities) net	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Property, plant and equipment	-	-	477.33	493.74	(477.33)	(493.74)
Employee benefits expense	1,454.93	1,200.17	-	-	1,454.93	1,200.17
Provisions	1,804.94	2,021.24	-	-	1,804.94	2,021.24
	<b>3,259.87</b>	<b>3,221.41</b>	<b>477.33</b>	<b>493.74</b>	<b>2,782.54</b>	<b>2,727.67</b>

## (e) Movement in temporary differences

### March 31, 2024

Particulars	Balance as at April 1, 2023	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at March 31, 2024
Property, plant and equipment	(493.74)	16.41	-	-	-	(477.33)
Employee benefits expense	1,200.17	209.92	44.84	-	-	1,454.93
Provisions	2,021.24	(216.30)	-	-	-	1,804.94
	<b>2,727.67</b>	<b>10.03</b>	<b>44.84</b>	<b>-</b>	<b>-</b>	<b>2,782.54</b>

### March 31, 2023

Particulars	Balance as at April 1, 2023	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at March 31, 2023
Property, plant and equipment	(455.44)	(38.30)	-	-	-	(493.74)
Employee benefits expense	1,525.15	(311.23)	(13.76)	-	-	1,200.17
Provisions	2,215.22	(193.98)	-	-	-	2,021.24
	<b>3,284.92</b>	<b>(543.51)</b>	<b>(13.76)</b>	<b>-</b>	<b>-</b>	<b>2,727.67</b>

## (f) Details of income tax assets and income tax liabilities

(₹ in lakhs)

	March 31, 2024	March 31, 2023
Income tax assets (net)	14,991.05	14,228.91
Current tax liabilities (net)	(3,774.34)	(3,527.65)
<b>Net current income tax asset/ (liability) at the end of the year</b>	<b>11,216.71</b>	<b>10,701.26</b>

## (g) The gross movement in the current income tax asset / (liability)

(₹ in lakhs)

	March 31, 2024	March 31, 2023
Net current income tax asset / (liability) at the beginning of the year	10,701.26	9,894.01
Income tax paid	20,193.44	16,428.72
Others	111.78	(523.08)
Current income tax expense	(19,789.77)	(15,098.38)
<b>Net current income tax asset/ (liability) at the end of the year</b>	<b>11,216.71</b>	<b>10,701.26</b>

# Notes to the Consolidated Financial Statements

## 35 MOVEMENT IN PROVISIONS

(₹ in lakhs)

Particulars	April 1, 2023	Addition	Utilisation/ reversals	March 31, 2024
a) Asset retirement obligation	90.59	0.01	0.01	90.59
b) Sales tax, service tax and other litigations	2,116.70	957.38	434.75	2,639.33
c) Provision for sales return and volume rebate	3,280.97	2,816.91	3,280.97	2,816.91
	<b>5,488.26</b>	<b>3,774.30</b>	<b>3,715.73</b>	<b>5,546.83</b>
Non Current	90.59			90.59
Current	5,397.67			5,456.24

(₹ in lakhs)

Particulars	April 1, 2022	Addition	Utilisation/ reversals	March 31, 2023
a) Asset retirement obligation	90.58	0.01	-	90.59
b) Sales tax, service tax and other litigations	2,235.00	65.48	183.78	2,116.70
c) Provision for sales return and volume rebate	3,341.48	3,280.97	3,341.48	3,280.97
	<b>5,667.06</b>	<b>3,346.46</b>	<b>3,525.26</b>	<b>5,488.26</b>
Non Current	90.58			90.59
Current	5,576.48			5,397.67

## 36 CAPITAL MANAGEMENT

The Group's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt is debt as considered under long-term and short-term borrowings which is on account of finance lease on office equipment and vehicles. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2024 and March 31, 2023 was as follows:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities	1,817.78	2,674.74
Debt	-	-
<b>Total debt</b>	<b>1,817.78</b>	<b>2,674.74</b>
<b>Total equity</b>	<b>214,690.34</b>	<b>167,747.05</b>
<b>Debt to total equity ratio</b>	<b>0.85%</b>	<b>1.59%</b>





# Notes to the Consolidated Financial Statements

## 37 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

### A. Accounting classification and fair values

- Fair value through other comprehensive income (FVTOCI) - Where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income
- Fair value through profit or loss (FVTPL) - Where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.
- Amortised cost - Where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.

The following table shows the carrying amounts of financial assets and financial liabilities as at March 31, 2024

(₹ in lakhs)

	Carrying amount					
	Note	Mandatorily at FVTPL - others	FVOCI-debt instruments	FVOCI-equity instruments	Amortised cost	Total carrying amount
<b>Financial assets not measured at fair value</b>						
Trade receivables	6	-	-	-	144,680.32	144,680.32
Loans	7	-	-	-	58.92	58.92
Other financial assets	8	-	-	-	1,796.35	1,796.35
Cash and cash equivalents	11 (A)	-	-	-	104,428.88	104,428.88
Other bank balances	11 (B)	-	-	-	31,355.46	31,355.46
		-	-	-	<b>282,319.92</b>	<b>282,319.92</b>
<b>Financial liabilities not measured at fair value</b>						
Trade payables	15	-	-	-	82,392.23	82,392.23
Other financial liabilities	16	-	-	-	5,328.96	5,328.96
Lease liabilities	38	-	-	-	1,817.78	1,817.78
		-	-	-	<b>89,538.97</b>	<b>89,538.97</b>

The fair value of financial assets and financial liabilities approximates to their carrying amount largely due to the short-term nature of these instruments.

The following table shows the carrying amounts of financial assets and financial liabilities as at March 31, 2023

(₹ in lakhs)

	Carrying amount					
	Note	Mandatorily at FVTPL - others	FVOCI-debt instruments	FVOCI-equity instruments	Amortised cost	Total carrying amount
<b>Financial assets not measured at fair value</b>						
Trade receivables	6	-	-	-	63,503.55	63,503.55
Loans	7	-	-	-	55.55	55.55
Other financial assets	8	-	-	-	1,566.45	1,566.45
Cash and cash equivalents	11 (A)	-	-	-	79,820.54	79,820.54
Other bank balances	11 (B)	-	-	-	245.33	245.33
		-	-	-	<b>145,191.42</b>	<b>145,191.42</b>
<b>Financial liabilities not measured at fair value</b>						
Trade payables	15	-	-	-	76,444.36	76,444.36
Other financial liabilities	16	-	-	-	6,671.43	6,671.43
Lease liabilities	38	-	-	-	2,674.74	2,674.74
		-	-	-	<b>85,790.53</b>	<b>85,790.53</b>

The fair value of financial assets and financial liabilities approximates to their carrying amount largely due to the short-term nature of these instruments.

# Notes to the Consolidated Financial Statements

## B. Financial Risk Management

The Group has exposure to the following risk arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

### i. Risk management framework

The Group's principal financial liabilities comprise finance lease obligations, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, cash and cash equivalents that are derived directly from its operations.

### ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

#### (a) Financial assets that are not credit impaired

The Group has financial assets which are in the nature of cash and cash equivalents, loans to employees, unbilled revenue from related party, interest accrued on fixed deposits and receivables from related parties which are not credit impaired. These are contractually agreed with either banks, related parties or employees where the probability of default is negligible.

#### (b) Financial assets that are credit impaired

##### Trade receivables

The Credit services team has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available. Sale limits are established for each customer and reviewed yearly.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

The maximum exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	Carrying amount as at	
	March 31, 2024	March 31, 2023
India	73,884.27	65,533.12
Outside India	487.07	2,033.66
	<b>74,371.34</b>	<b>67,566.78</b>

(₹ in lakhs)

The maximum exposure to credit risk for trade receivables by type of counterparty is as follows -

Particulars	Carrying amount as at	
	March 31, 2024	March 31, 2023
Distributors	36,949.31	35,857.53
Other	37,422.03	30,427.50
	<b>74,371.34</b>	<b>67,566.78</b>
Less: receivables from related party, secured receivables and other receivables not considered for credit risk	4,005.58	3,206.34
Net trade receivables	<b>70,365.75</b>	<b>64,360.44</b>

(₹ in lakhs)



# Notes to the Consolidated Financial Statements

Expected credit loss assessment for the Group as at March 31, 2024 and 2023:

The Group has divided all the debtors outstanding for the last twelve quarters into age brackets of not due, 0-90 days, 91-180 days, 181-270 days, 271-365 days and amounts outstanding for more than one year. The Group has calculated the impairment loss arising on account of past trends in the default rate for time bucket.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information. Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Out of the total trade receivables of ₹ 74,371.35 lakhs (March 31, 2023: 67,566.78 lakhs), the exposure considered for expected credit loss is ₹ 70,365.75 lakhs (March 31, 2023 : ₹ 64,360.44). The balance which is not considered for impairment primarily pertains to intercompany receivables and secured debtors.

The following table provides information about the exposure to credit risk and expected credit loss for trade and other receivables:

## March 31, 2024

	Gross carrying amount	Weighted average loss rate	Loss allowance
Current (not past due)	63,003.92	0.12%	74.09
0-90 days	3,324.31	1.29%	42.75
91-180 days	116.53	22.53%	26.26
181-270 days	7.18	75.78%	5.44
271-360 days	5.46	100.00%	5.46
> 360 days	3,908.36	100.00%	3,908.36
	<b>70,365.75</b>		<b>4,062.36</b>

## March 31, 2023

	Gross carrying amount	Weighted average loss rate	Loss allowance
Current (not past due)	57,656.58	0.32%	184.35
0-90 days	2,387.76	1.99%	47.44
91-180 days	676.28	28.51%	192.83
181-270 days	9.34	86.97%	8.12
271-360 days	186.31	100.00%	186.31
> 360 days	3,444.19	100.00%	3,444.19
	<b>64,360.44</b>		<b>4,063.23</b>

# Notes to the Consolidated Financial Statements

Movements in the allowance for impairment in respect of trade and other receivables

The movement in the allowance for impairment in respect of trade and other receivables is as follows:

(₹ in lakhs)

	March 31, 2024	March 31, 2023
Balance as at April 1,	4,063.23	4,072.17
Utilised during the year	(179.45)	(171.88)
Impairment loss recognised	178.57	162.94
<b>Balance as at March 31</b>	<b>4,062.35</b>	<b>4,063.23</b>

### iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities:

#### March 31, 2024

Particulars	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Non-derivative financial liabilities</b>					
Lease liabilities	941.18	683.12	193.48	-	1,817.78
Trade payables	85,016.45	-	-	-	85,016.45
Other financial liabilities	5,328.96	-	-	-	5,328.96
	<b>91,286.59</b>	<b>683.12</b>	<b>193.48</b>	<b>-</b>	<b>92,163.19</b>

#### March 31, 2023

Particulars	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Non-derivative financial liabilities</b>					
Lease liabilities	1,360.74	1,314.00	-	-	2,674.74
Trade payables	77,326.45	-	-	-	77,326.45
Other financial liabilities	6,761.16	-	-	-	6,761.16
	<b>85,448.35</b>	<b>1,314.00</b>	<b>-</b>	<b>-</b>	<b>86,762.35</b>



# Notes to the Consolidated Financial Statements

## iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Group is exposed to market risk primarily related to foreign exchange rate risk. Thus, the exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

### Exposure to currency risk

The summary quantitative data about the Group's unhedged exposure to currency risk as reported to the management is as follows.

(₹ in lakhs)

	March 31, 2024				March 31, 2023			
	USD	EURO	SGD	Others	USD	EURO	SGD	Others
Trade and other payables	59,034.84	4,261.60	-	361.66	30,733.31	4,930.13	18,938.50	775.78
Trade and other receivables	487.08	-	-	-	689.24	-	-	-
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>58,547.76</b>	<b>4,261.60</b>	<b>-</b>	<b>361.66</b>	<b>30,044.07</b>	<b>4,930.13</b>	<b>18,938.50</b>	<b>775.78</b>

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar or Euro against all other currencies as at would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in lakhs)

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2024</b>				
USD (for 1% movement)	585.48	(585.48)	438.12	(438.12)
EURO (for 1% movement)	42.62	(42.62)	31.89	(31.89)
SGD (for 1% movement)	-	-	-	-
Others (for 1% movement)	3.62	(3.62)	2.71	(2.71)
	<b>631.71</b>	<b>(631.71)</b>	<b>472.72</b>	<b>(472.72)</b>

(₹ in lakhs)

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2023</b>				
USD (for 1% movement)	300.44	(300.44)	224.83	(224.83)
EURO (for 1% movement)	49.30	(49.30)	36.89	(36.89)
SGD (for 1% movement)	189.39	(189.39)	141.72	(141.72)
Others (for 1% movement)	7.76	(7.76)	5.81	(5.81)
	<b>546.88</b>	<b>(546.88)</b>	<b>409.25</b>	<b>(409.25)</b>



# Notes to the Consolidated Financial Statements

## 38 LEASES

The Group has taken vehicles, leasehold improvements, data processing equipment, office premises and warehouse. These leases typically run for a period of eleven months to ninety six months, with an option to renew the lease after that date. For certain leases, the Group is restricted from entering into any sub-lease arrangements. Information about leases for which the Group is a lessee is presented below.

### I. Right-of-use assets

(₹ in lakhs)

Particulars	Office premises	Leasehold land	Data processing equipment	Vehicles	Total
Balance as at March 31, 2022	1,155.12	360.02	943.50	76.24	2,534.90
Additions during the year	1,298.68	-	995.03	202.89	2,496.60
Depreciation charge for the year	1,287.03	3.04	734.62	88.36	2,113.05
De-recognition during the year	-	-	-	-	-
Balance as at March 31, 2023	1,166.77	356.98	1,203.91	190.78	2,918.45
Additions during the year	-	-	351.91	164.55	516.46
Depreciation charge for the year	484.03	1.26	757.43	96.63	1,339.35
De-recognition during the year	61.99	-	-	-	61.99
Balance as at March 31, 2024	620.75	355.72	798.39	258.70	2,033.57

### II. Lease liabilities

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Non current	876.60	1,359.00
Current	941.18	1,315.74
<b>Total</b>	<b>1,817.78</b>	<b>2,674.74</b>

The Group incurred during the year ₹ 922.37 lakhs (March 31, 2023: 336.03) towards expenses relating to lease of low-value assets and short termed leases respectively.

The total cash outflow for leases is 1,492.49 Lakhs (including interest of ₹ 181.06 lakhs) for the year ended March 31, 2024.

The incremental borrowing rate on the leases ranges from 5% to 9% depending on the nature of assets and tenure of lease.

## 39 BUSINESS COMBINATION

The Boards of Directors of the Company and of 3M Electro & Communication India Private Limited (3M E&C), wholly owned subsidiary of the Company at their Meetings held on September 17, 2021 had approved the Scheme of Amalgamation of 3M E&C with the Company under Sections 230 to 232 of the Companies Act 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Appointed Date fixed under the Scheme is April 1, 2021. The Scheme of Amalgamation of 3M E&C with the Company was filed with National Company Law Tribunal (NCLT) to amalgamate the wholly owned subsidiary. The Company had received the approval from NCLT Chennai vide its Order dated August 25, 2023. Subsequent to the year end, NCLT Bangalore vide its meeting dated May 1, 2024, has reserved the Order which is not pronounced till the adoption of the above financial statements by the Board of Directors of the Company. Accordingly, there is no impact of merger in the financial statements of the Group for the year ended March 31, 2024.



# Notes to the Consolidated Financial Statements

## 40 ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of entity	Net assets, i.e., Total assets minus Total liabilities		Share in profit or loss	
	As a % of consolidated net assets	Amount	As a % of consolidated net profit or loss	Amount
<b>Parent</b>				
3M India Limited	110%	237,019.57	92%	53,627.17
<b>Subsidiary</b>				
3M Electro & Communications India Private Limited	13%	28,168.90	8%	4,714.51
Adjustment arising out of consolidation	24%	50,498.13	0%	-
<b>Total</b>	<b>100%</b>	<b>214,690.34</b>		<b>58,341.68</b>

## 41 SUBSEQUENT EVENTS

There are no material subsequent events after the balance sheet date upto the date of adoption of these financial statements which may have significant impact on these financial statements.

- 42** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 43 OTHER STATUTORY INFORMATION:

- The Group does not have any Benami property or any proceeding is pending against the Company for holding any Benami property.
- The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- The Group has not traded or invested in crypto currency or virtual currency during the financial year.
- The Group is not classified as wilful defaulter.
- The Group doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.
- The Group has no transactions with the struck off companies.
- The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

# Notes to the Consolidated Financial Statements

- 44** The Holding Company 3M Company, USA on July 26, 2022 had announced its intent to spin off Health Care business. The Board of Directors in the earlier quarters had approved the proposal of 3M Company, USA for not to spin off the healthcare business of the Company in India and propose it to be operated under a licensed manufacturing, reselling and distributorship arrangements (herein after referred to as “agreements”). Pursuant to the completion of the planned spin-off of the Healthcare business by 3M Company USA globally into Solventum with effect from April 1, 2024, the Company has entered into the agreements dated March 31, 2024 to conduct the business operation with Solventum and its affiliates.
- 45** For the year 2023-24, the Board recommended a dividend of ₹ 685 per equity share (final dividend of ₹ 160 per equity share and special dividend of ₹ 525 per equity share) at its meeting held on May 28, 2024. This payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

As per our report of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors

**Umang Banka**  
Partner  
Membership No.: 223018

**Ramesh Ramadurai**  
Managing Director  
DIN: 07109252

**Vidya Sarathy**  
Whole-time Director &  
Chief Financial Officer  
DIN: 01689378

**Pratap Rudra Bhuvanagiri**  
Company Secretary  
Membership No.: A22297

Place: Bengaluru  
Date: May 28, 2024

Place: Bengaluru  
Date: May 28, 2024



**3M India Limited**

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