



In a year of global upheavals,  
the constant has been  
every 3Mer's will to  
**rise above.**

Driven by scientific expertise, 3M India has embraced these challenging times with agility and resilience to deliver solutions that matter, uphold health and safety and nurture a more inclusive, sustainable world.



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**Registered Office:**  
Plot Nos. 48-51, Electronics City,  
Hosur Road, Bengaluru - 560100  
T: +91 80 2852 0203

**Corporate Office:**  
Concorde Block, UB City,  
24, Vittal Mallya Road,  
Bengaluru - 560001  
T: +91 80 2223 1414

Dear Shareholders,

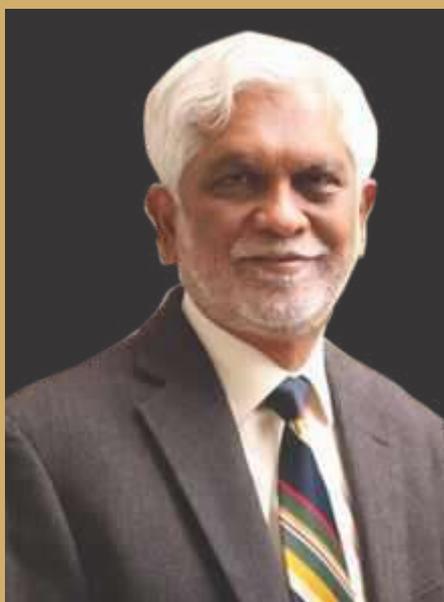
It is my privilege to write to you again as the Chairman of 3M India Limited, and present to you the Annual Report of your Company's performance for the Financial Year 2019-20.

We are experiencing unprecedented times today. As I write this message, our economy is adapting to the dynamic challenges emerging out of the ongoing COVID-19 situation. With the onset of the pandemic, economies were forced to shut down which triggered a sharp global downturn and contraction. The outlook for the remainder of this financial year also remains very uncertain at this time. Realistic estimates by economy watchers such as International Monetary Fund (IMF) reveal the likely contraction of the global economy by 4.9% in FY 2020-21.

India's economy experienced a soft demand most of fiscal FY 2019-20 with fall in investment and domestic consumption and slow growth of agriculture and manufacturing sectors. The real GDP decelerated to its lowest in over six years in the third quarter of FY 2019-20. The outbreak of COVID-19 towards the last quarter of FY 2019-20 further aggravated the slowdown, impacting all sectors of the economy.

Coming out of a difficult year, and moving into an uncertain period, your Company registered a modest performance while focusing on strengthening the portfolio mix, maintaining fiscal prudence and cash flow management through most of FY 19-20. Your Company's revenue from operations on a standalone basis de-grew by 1.56% and on a consolidated basis de-grew by 1% for the financial year ended March 31, 2020. The operating margin on a standalone basis for the current year is 13.59% compared to 19.02% for the previous financial year and on a consolidated basis, it is 16.34% for the current year vs 18.75 % for the previous financial year.

COVID-19 brought with it several new and unprecedented challenges. I would like to commend the leadership and employees of your Company for a comprehensive response to the situation. Actions were undertaken to



## Bharat D. Shah

Chairman

**“Adversity is often the true test of character and it is the spirit of resilience that shines through tough times, time and again.”**

protect employees and ensure business continuity through a smooth transition to work from home. Medical and safety products were prioritised to nodal government agencies and hospitals overcoming supply chain disruptions. The employees of the Ranjangaon plant were committed to support critical manufacturing lines to ensure essential supplies throughout the lockdown period. Humanitarian support was also extended to local communities affected by lockdown restrictions with timely food security initiatives.

Your Company's emphasis on sustainable growth was evident in the several CSR initiatives undertaken to support various causes under education, community and environment. The culture of the company continues to celebrate innovation, inclusivity and doing good, extending to all stakeholders.

We are looking at uncertain times ahead. I am confident of your Company's ability to adapt with resilient business models and financial strength, continuing to take advantage of emerging opportunities and offering differentiated value to customers.

On behalf of the Board of Directors of 3M India Limited, I want to thank you, our shareholders, for your trust and continued support. We are also very thankful to the various government agencies which extended their unstinting support through the year, and more specifically during the recent lockdown period to facilitate movement of essential commodities and critical staff members. I wish the 3M India team the very best to continue to operate safely and effectively manage the volatile period ahead of us.

Thank you.

Bharat D. Shah  
Chairman of the Board  
3M India Limited