



Many Cultures. One Soul. India.
Myriad Needs. One Solution. 3M.



'Celebrating Diversity. Pride in Unity.'

A society of enduring differences. Difference of Culture, Costume, Cuisine, Caste, Creed, Colour, Conviction and Custom. Yet a Nation with one soul.

India's constitution recognizes 22 languages, and then there are the numerous dialects. Home to every religion known to mankind. Blessed with snow-clad mountains, sun-drenched beaches and everything in between. Abode of diverse cultures and an astonishing range of colors. India was never truer to herself when celebrating her own diversity.

In multifarious ways, 3M perfectly complements Indian Diversity. From facilitating safety on the road to enhancing the beauty and effectiveness of vehicles, from deploying solutions for the Oil & Gas and Telecommunication sectors to helping individuals get organized. From stepping up the standards of Indian healthcare to making life beautiful with an array of home products. 3M truly complements the diversity of India, in more ways than one.

India. One land embracing many. 3M. One brand serving many.



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Registered Office

Plot No. 48-51, Electronics City
Hosur Road
Bangalore - 560 100
Tel : 080 - 28520203
Fax : 080 - 28520576

Corporate Office

Concorde Block, UB City
24, Vittal Mallya Road
Bangalore - 560 001
Tel : 080 - 22231414
Fax : 080 - 22231450





Our Values

- Act with uncompromising honesty and integrity in everything we do.
- Satisfy our customers with innovative technology and superior quality, value and service.
- Provide our investors an attractive return through sustainable, global growth.
- Respect our social and physical environment around the world.
- Value and develop our employees' diverse talents, initiative and leadership.
- Earn the admiration of all those associated with 3M worldwide.



Message from the Chairman

This would be the first Meeting of the shareholders I would be presiding after I

assumed responsibility of this august position in September 2008, from the outgoing Chairman Mr. Thomas P. Spencer and I look forward to dutifully fulfilling the same.

3M India also has a new leader at its helm, with Mr. Ajay Nanavati taking over from Mr. Bert O' Donoghue. I would like to acknowledge Mr. Bert O' Donoghue's leadership in taking the Indian company to its current position of being one of the fastest growing subsidiaries in the 3M World. Mr. Ajay Nanavati has a wealth of experience in 3M and will prove to be a worthy successor in taking 3M India to the next level.

The year ended December 31, 2008 was a year of mixed fortunes for us. Amidst the global financial crisis which has hit governments, organizations and people from all walks of life alike, I'm happy to report that 3M India has been able to maintain its topline growth. The profits however were lower than the last financial year mainly because of a change in product mix and lower margins. This clearly demonstrates that we have the ability and discipline to survive and thrive in this current challenging environment.

Exploring new markets and opportunities and transforming ideas into innovative products that are intuitive to local customer needs have helped us deliver during these tough times and these strategies will continue to keep our momentum going in the coming year. The company also expended substantial capital expenditure during the year by setting up new facilities at Pune and undertaking expansion of capacity at its Ahmedabad plant.

I have to mention that 2008 was a significant year in 3M India's history as the company crossed a major milestone – 20 years of innovation in India. I would like to applaud the leadership as well as all our 3M India employees who have shaped 3M India's path of progress this far.

There is no doubt that 2009 is going to be a tough year for us. An unprecedented global recession has descended upon us. World leaders, institutions and the business community globally are working towards surviving this meltdown. Our diversified businesses and strong foundation has enabled us to withstand such economic storms in the past and we will continue to strive to ensure that we rise above this crisis and follow our goals of attaining global leadership in markets, products and manufacturing processes.

I would like to remind everyone that we are poised to take on the challenges and the market opportunities offered by the current environment and we will emerge competitive and stay focused on our vision to be the most innovative enterprise globally. In these turbulent times I am confident that we can rely on the 3M culture, our values, and our way of working and looking at the world to meet the challenges in the years to come.



D. J. Balaji Rao
Chairman

We enter the new financial year in turbulent times. 2009 offers tough challenges as we come off a year that started off very well for us but ended with a tough last quarter.

Despite the economic slowdown that set in, in mid 2008, your company ended the year with a net sales increase of 21%, in line with our expectations. We were able to register this commendable growth, because of your company's diversified product portfolio and excellent results from the Health Care and Display & Graphics businesses. Though we did an excellent job of managing costs and increasing prices, this was not enough to offset the rapid decline of the Indian rupee and it, in turn, adversely impacted our bottomline.

Our technology is focused on meeting local needs. Hence, localization has been the key theme of your company's operations in 2008 and we have made some strides with the development of products like the 3M™ Dust Free Ventura Adaptor and the 3M™ Pavement Markers, to name a few. It was also the first year when we made significant investments in developing our manufacturing capabilities which were wholly funded by your company's internal operations. I'm delighted to inform you that our new manufacturing facility at Ranjangaon, Pune has started its commercial operations with its first commercial dispatch of a locally developed tape product (DC Tape 9109) from the Industrial Tapes division. The expansion of our facility at Ahmedabad is also making steady progress. These developments will be key to our growth in the years ahead.



Message from the Managing Director

Your company also completed 20 successful years in India in 2008. For the past 20 years, 3M India's growth has been steady and upward and today we are one of the most admired companies in India.

I applaud & congratulate 3M employees who have raised their bar of excellence and continued to take 3M India to what it

is today. Your company has also been continuously focusing on people and processes to build leaders who can tide over these challenging times. Testament to this is that 3M Company was recently ranked as the No.1 Company in its list of 2008 Best Companies for Leaders in a survey conducted by The Chief Executive Magazine.

I would like to thank my predecessor, Mr. Bert O'Donoghue, from whom I took over the reins of the company in October 2008, for handing over a strong company well on the path to growth. I'd also like to thank our Board of Directors for their continued support. Mr. Thomas P. Spencer resigned as Chairman of the Board in 2008 and I would like to thank him for his support and encouragement of all our efforts in India. I welcome Mr. D. J. Balaji Rao who has been appointed as our Chairman. We look forward to his inspired leadership and continued support for the challenges we have ahead.

Ajay Nanavati
Managing Director



Diverse Markets. One Solution. 3M

India is the land of diversity. Truly multi-ethnic, multi-lingual and multi-religious. But driven by one spirit. The unfailing spirit of oneness, the spirit of Unity. 3M India is a perfect match for India's multifaceted customer profile. While our products serve distinct markets, they are guided by one over riding philosophy; to help our customers succeed.

The ubiquitous diversity is common not only to India, but also to 3M. Indian roads, industries, homes & offices are bedecked, sustained & facilitated by 3M products.

Let's take a tour of India; onto the roads first. Those bright **road safety signs** that you see there? Those are 3M products. **Vehicles on the road** are enhanced with 3M products for performance, appearance and maintenance. If those exciting **car graphics** grab your attention, small wonder they are 3M products. Those towering buildings out there are certainly attention grabbing. From the outside to the inside 3M enhances their functionality & safety, with a range of solutions for the **construction market**.

You see an Industrial plant? 3M is a part of the **Industrial process** with processes as varied as grinding, bonding, masking, packaging, fluid filtering and more. This apart, 3M has products to enhance **worker safety**. And not to forget the **Oil & Gas** Industry where 3M caters to exploration, production, transportation, refining, marketing and employee safety.





Have you observed the number of new hospital chains that are coming up? 3M helps step up the quality of **Indian healthcare**. Clinics, hospitals, medical practitioners and food safety companies benefit from a wide range of 3M products. Oh! These malls look so attractive. The product showcase is amazing; thanks to 3M's **graphic solutions**.

Now let's step into an office. 3M's Post-it® and Scotch® brands have revolutionized **communication at the workplace**. There has been a sea change in the way business is done. The telephone and the internet have revolutionized business efficiency. However, Indian **telecommunications** is still at an evolving stage. 3M offers a comprehensive suite of scalable solutions to telecom service providers.

3M enhances **power utility functions** too. It caters to sealing, connecting, terminating, shielding and insulating applications even under extreme conditions. Finally, we are at home. Here life is beautiful, easy & manageable with a slew of 3M's Scotch Brite® products like cloths, sponges, scrub pads, hand held **cleaning tools for homes**.

A diverse nation. A truly diverse company serving its millions. Touching their lives; be it at home, office, in a hospital or on the road.



A strong sense of localization driven by the vagaries of Indian conditions and the versatile customer profile that India offers.



Brand Owner Services

End to end solutions (from design to execution) for Brand Identity Programs; including Facility Signs, Promotional Graphics, Rear Projection on Glass, Fleet Graphics and Ambient Graphics.



Polymer Processing Additives (PPA)

This locally manufactured PPA for resin producers and compounders has been developed keeping local requirements such as logistics, price and quality in mind.



Raised Pavement Markers

3M designed them keeping in mind product durability for high traffic conditions of the Indian market.



Median Markers

Keeping Indian traffic conditions in mind, 3M's Median Markers are tough, vandal-proof, dirt-resistant and retro-reflective providing highest visibility to the road-medians at nights.

Diverse Challenges. Unique Answers.



Rubber Adhesive

An indigenously developed Rubber Adhesive used for bonding vinyl sheets and wood laminates to meet the local operating and processing environment.



Fiber Management System

3M's Fiber Management System is customized keeping in mind the unique product requirements of Indian Telecom Operators.



Health Care Products

3M has developed a range of locally produced disinfectant and cleaning solutions, keeping in mind health care practices in Indian hospitals.

Unique Dust Free Sander

Dust Free Sanders, for dry sanding of cars, developed using the 'Ventura' technology features an adaptor with a dust collection bag making the process less tedious and less messy.

