



3M INDIA LIMITED
REGD OFFICE : 48-51, ELECTRONICS CITY, HOSUR ROAD, BANGALORE 560 100
STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2017

Rs. in Lakhs (except in respect of item 11)

| SI No | Particulars | 3 months ended 31 March 2017 (Audited) (Refer note 8) | 3 months ended 31 December 2016 (Unaudited) | 3 months ended 31 March 2016 (Audited) (Refer note 8) | Year ended 31 March 2017 (Audited) | Year ended 31 March 2016 (Audited) |
|-----------------|---|--|---|--|--|--|
| PART - I | | | | | | |
| 1 | Income | | | | | |
| | Revenue from operations | 64,829.45 | 59,899.98 | 58,548.04 | 245,784.93 | 222,375.81 |
| | Other income | 1,559.05 | 1,185.93 | 641.85 | 4,946.63 | 1,783.31 |
| | Total income | 66,388.50 | 61,085.91 | 59,189.89 | 250,731.56 | 224,159.12 |
| 2 | Expenses | | | | | |
| | (a) Cost of materials consumed | 19,861.86 | 13,365.27 | 14,360.88 | 68,120.20 | 62,907.95 |
| | (b) Purchases of stock-in-trade | 17,899.93 | 15,187.21 | 17,559.04 | 64,543.12 | 58,315.20 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (4,775.36) | 4,416.08 | (972.34) | (872.37) | (1,041.88) |
| | (d) Excise duty | 2,438.83 | 2,277.43 | 2,351.04 | 9,487.28 | 8,416.10 |
| | (e) Employee benefits expense | 6,019.14 | 7,216.72 | 6,210.77 | 28,003.04 | 25,038.59 |
| | (f) Finance cost | 131.46 | 30.61 | 147.53 | 227.19 | 224.86 |
| | (g) Depreciation and amortisation expense | 1,146.03 | 1,172.79 | 1,239.06 | 4,674.74 | 4,892.83 |
| | (h) Other expenses | 9,822.67 | 10,933.08 | 9,344.16 | 39,626.40 | 35,095.26 |
| | Total expenses | 52,544.56 | 54,599.19 | 50,240.14 | 213,809.60 | 193,848.91 |
| 3 | Profit from ordinary activities before exceptional items (1-2) | 13,843.94 | 6,486.72 | 8,949.75 | 36,921.96 | 30,310.21 |
| 4 | Exceptional items | - | - | - | - | - |
| 5 | Profit from ordinary activities before tax (3+4) | 13,843.94 | 6,486.72 | 8,949.75 | 36,921.96 | 30,310.21 |
| 6 | Tax expense | | | | | |
| | (a) Current tax | 4,406.45 | 2,179.59 | 2,720.21 | 12,788.65 | 11,343.38 |
| | (b) Deferred tax | 398.14 | 63.81 | (201.67) | 57.57 | (509.33) |
| 7 | Net profit for the period (5-6) | 9,039.35 | 4,243.32 | 6,431.21 | 24,075.74 | 19,476.16 |
| 8 | Other comprehensive income (net of tax) | | | | | |
| | Items that will not be reclassified subsequently to profit or loss | | | | | |
| | Remeasurements of net defined benefit plans | (305.15) | (22.78) | (22.78) | (373.49) | (91.13) |
| | Income tax relating to items not to be reclassified to profit or loss | 105.47 | 7.93 | 3.91 | 129.26 | 31.54 |
| | Total other comprehensive income (net of tax) | (199.68) | (14.85) | (18.87) | (244.23) | (59.59) |
| 9 | Total comprehensive income (7+8) | 8,839.67 | 4,228.47 | 6,412.34 | 23,831.51 | 19,416.57 |
| 10 | Paid up equity share capital (face value of Rs.10 each) | 1,126.51 | 1,126.51 | 1,126.51 | 1,126.51 | 1,126.51 |
| 11 | Earnings per share (face value of Rs. 10 each) (not annualised) | | | | | |
| | (a) Basic | 80.24 | 37.67 | 57.09 | 213.72 | 172.89 |
| | (b) Diluted | 80.24 | 37.67 | 57.09 | 213.72 | 172.89 |

Reconciliation of net profit as reported earlier:

| SL No. | Particulars | 3 months ended 31 March 2016 | Year ended 31 March 2016 |
|--------|---|------------------------------------|--------------------------------|
| I | Net profit after tax as per previous GAAP | 5,841.32 | 20,092.98 |
| | Impact of graded vesting of stock options | (183.05) | 123.04 |
| | Incremental provision on expected credit loss | (49.47) | (593.82) |
| | Effect of unwinding of interest on security deposits | 12.23 | 61.69 |
| | Effect of amortisation of advance lease rentals | (10.18) | (52.87) |
| | Effect of reversal of straight lining of lease rental (Inflation indexed) | (18.60) | (80.55) |
| | Changes in deferred tax due to Ind AS adoption | 829.42 | (96.26) |
| | Interest on warranty provision | (6.97) | (26.91) |
| | Others | (2.36) | (10.73) |
| II | Total comprehensive income as per Ind AS | 6,412.34 | 19,416.57 |



Equity reconciliation

| SL No. | Particulars | Net impact on reserves |
|--------|---|------------------------|
| | Balance as per IGAAP as on 31 March 2016 | |
| | Adjustments under Ind AS: | 100,864.33 |
| 1 | Impact of graded vesting of stock options | |
| 2 | Incremental provision on expected credit loss | (861.95) |
| 3 | Effect of amortisation of advance lease rentals | (593.82) |
| 4 | Effect of unwinding of interest on security deposits | (441.50) |
| 5 | Changes in deferred tax due to Ind AS adoption | 427.45 |
| 6 | Reversal of rent equalisation reserve | (703.20) |
| 7 | Depreciation charged on asset retirement obligation | 200.96 |
| 8 | Interest on provision for asset retirement obligation | (36.70) |
| 9 | Interest on warranty provision | (44.28) |
| 10 | Others | (3.34) |
| | Balance as per Ind AS as on 1 April 2016 | (0.05) |
| | | 98,807.90 |

Notes:

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| 1 | The above financial results and this release have been reviewed by the Audit Committee of the Board and approved by the Board of Directors on 26 May 2017. |
| 2 | The financial results for the quarter and year ended 31 March 2017 have been audited by the Statutory auditors of the Company. The reports of the Statutory auditors is unqualified. The audit report of the Statutory auditors is being filed with the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') and is also available on the Company's website. |
| 3 | The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015, Companies (Indian Accounting Standard) Amendment Rules 2016 and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016. |
| 4 | Segment Reporting in the financial results: Based on the "management approach" as defined in Ind AS 108 - Operating segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segments. |
| 5 | The Company has, pursuant to the search conducted in 2014, received a Show Cause Notice dated 8 December 2016 from the Directorate of Revenue Intelligence, allegedly rendering the Company liable to pay differential customs duty amounting to Rs 8,007 lakhs under the provisions of the Customs Act, 1962. The Company based on the legal advice obtained, is in the process of filing its response to the Show Cause Notice and believes that no liability is required to be recorded in the books. |
| 6 | The Company has prepared a reconciliation of the net profit for the corresponding periods under the previously applicable Generally Accepted Accounting Principles ('Previous GAAP') with the total comprehensive income as reported in these financial results under Ind AS. The net profit reconciliation for the quarter and year ended 31 March 2016 for financial results are presented above. |
| 7 | The Company has prepared an equity reconciliation between the equity for the comparative period under previous GAAP and the equity as reported in the statement of assets and liabilities under Ind AS. The equity reconciliation as at 31 March 2016 for financial results are presented above. |
| 8 | The figures for the quarter ended 31 March 2017 and 31 March 2016 are the balancing figures between audited results in respect of full financial years and the published unaudited year to date figures upto the end of the third quarter of the relevant financial year, which were subjected to limited review. |

