

Cummins India Limited

Registered Office: Cummins India Office Campus, Tower A, 5th Floor,
Survey No. 21, Balewadi, Pune 411 045
(CIN : L29112PN1962PLC012276)
Telephone : 020 67067000 Fax : 020 67067015
Website : www.cumminsindia.com
E-mail : cil.investors@notes.cummins.com

NOTICE OF THE MEETING

To

The Members of Cummins India Limited,

NOTICE is hereby given that the Fifty-Seventh Annual General Meeting of the members of Cummins India Limited will be held on Thursday, the 9th day of August, 2018, at 12:00 noon at the Multifunctional Hall, Cummins India Office Campus, Survey No. 21, Balewadi, Pune - 411 045, to transact the following business as ordinary business:

1. To receive, consider and adopt the audited standalone financial statements of the Company for the Financial Year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the audited consolidated financial statements of the Company for the Financial Year ended March 31, 2018 and the report of the Auditors thereon.
3. To declare final dividend on equity shares and to ratify the interim dividend declared by the Board of Directors.
4. To appoint a Director in place of Mr. Antonio Leitao (DIN: 05336740), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. To appoint Mr. Sandeep Sinha as a Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that Mr. Sandeep Sinha (DIN: 02400175), who was appointed as an Additional Director by the Board of Directors of the Company on February 1, 2018 pursuant to Article 110 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting as per Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice along with the requisite deposit from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

6. To appoint Mr. Mark Levett as a Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that Mr. Mark Levett (DIN: 00368287), who was appointed as an Additional Director by the Board of Directors of the Company on March 2, 2018 pursuant to Article 110 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting as per Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice along with the requisite deposit from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

7. To appoint Mr. Sandeep Sinha as Managing Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to the appointment of Mr. Sandeep Sinha (DIN: 02400175) as the Managing Director of the Company for a period of three (3) years and upon the terms and conditions as mentioned in the explanatory statement including remuneration with liberty to the Board of Directors from time to time to alter the said terms and conditions of appointment and remuneration as it may deem fit.”

8. To ratify remuneration payable to the Cost Auditors, M/s. Ajay Joshi & Associates for the Financial Year 2018-19

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration not exceeding ₹ 950,000/- (Rupees Nine Lacs Fifty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses payable to the Cost Auditors, M/s. Ajay Joshi and Associates, Cost Accountants for the year ending March 31, 2019, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified.”

9. To consider the material related party transaction with Cummins Limited, UK

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that approval of the Company be and is hereby accorded in respect of material related party transaction(s) for sale of engines/gensets, their parts and accessories by the Company to Cummins Limited, UK in the ordinary course of business and at arm’s length basis for a consideration estimated at ₹ 100,000 Lacs for the Financial Year 2018-19.”

10. To consider the material related party transaction with Tata Cummins Private Limited

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that approval of the Company be and is hereby accorded in respect of material related party transaction(s) for purchase of B, C and L series internal combustion engines, parts and accessories thereof by the Company from Tata Cummins Private Limited in the ordinary course of business and at arm’s length basis for a consideration estimated at ₹ 125,000 Lacs for the Financial Year 2018-19.”

By Order of the Board,
For Cummins India Limited,

K. Venkata Ramana
Group Vice President - Legal & Company Secretary
Membership No. : FCS4138

Place : Pune
Date : July 06, 2018

NOTES:

- a. The additional information pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Item Nos. 4 to 6 and the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), in respect of Special Business at Item Nos. 7 to 10 of the Notice set out above is annexed hereto.
- b. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

- c. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, August 04, 2018 to Thursday, August 09, 2018 (both days inclusive). If the final dividend as recommended by the Board of Directors is declared at the ensuing Annual General Meeting of the Shareholders of the Company, payment of such dividend will be made to those Shareholders whose names appear on the Register of Members and records of the Depositories respectively, as at the end of business hours on Friday, August 03, 2018.
- d. Dividend will be preferably paid through National Electronic Clearing Services (NECS), under separate intimation to the Members, wherever the facility is available. In other cases, dividend will be paid by account payee or not negotiable banking instruments. To ensure timely payment of dividend, the Members are requested to update their respective correct bank accounts either with Depository Participant or Registrar and Transfer Agent, from time to time.
- e. Members requiring information on the audited financial statement for the year ended March 31, 2018 are requested to write to the Company at least seven (7) days before the date of the meeting to enable the Company to furnish the information.
- f. The Company has appointed Link Intime India Private Limited, Mumbai as its Registrar and Transfer Agent. All correspondence relating to transfer and transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, dematerialization of shares, payment of dividend etc. will be attended to and processed at the office of the Registrar and Transfer Agent at the following address:-

Link Intime India Private Limited
Unit: Cummins India Limited
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400083, Maharashtra
Phone No.: (022) 49186270
Fax No.: (022) 49186060
Contact person: Mrs. Sujata Poojary
E-mail:sujata.poojary@linkintime.co.in /rnt.helpdesk@linkintime.co.in

- g. Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to Sections 205A and 205C, and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed / unpaid dividend, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, were required to be transferred to the IEPF. Sections 124 and 125 of the Companies Act 2013 ('Act'), read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), both of which were applicable with effect from September 7, 2016, also contain similar provisions for transfer of such amounts to the IEPF. Accordingly, all unclaimed / unpaid dividend remaining unclaimed / unpaid for a

period of seven (7) years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven (7) consecutive years or more are required to be transferred to an IEPF Demat Account.

The Company has already sent notices to all the members, whose dividends are lying unpaid / unclaimed against their name for seven (7) consecutive years or more. The Company is taking necessary steps to transfer shares to IEPF as and when the detailed procedure and mechanism is published by the Government. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

- h.** Unclaimed dividends for the Financial Years 2010-11 and 2011-12 can be claimed from the Company by completing the requisite formalities. To claim final dividend for the Financial Year 2010-11 and interim dividend for the Financial Year 2011-12, the requisite formalities are required to be completed prior to September 09, 2018, and March 16, 2019 respectively. Thereafter the unclaimed dividend for the said years is liable to be transferred to the Investor Education and Protection Fund established by the Central Government as per Section 125 of the Act. For details on unclaimed dividend(s), the Members are requested to write to Link Intime India Private Limited, Mumbai at the above address.
- i.** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Private Limited.
- j.** Pursuant to Section 72 of the Companies Act, 2013, 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.
- k.** Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- l.** Members / Proxies / Representatives are requested to bring the attendance slip enclosed to the Notice for attending the meeting.
- m.** The Company had on February 10, 1987, sub-divided each Equity Share of the face value of ₹ 100/- each into ten Equity Shares of the face value of ₹ 10/- each. Subsequently, on December 4, 2000, the Company sub-divided each Equity Share of the face value of ₹ 10/- each into five Equity Shares of the face value of ₹ 2/- each. The Company has in the past sent reminders to those Members who have not claimed new certificates for sub-divided Shares of the face value of ₹ 2/- each. Members who have not so far surrendered their old certificates in exchange for new certificates for sub-divided Shares of the face value of ₹ 2/- each, are requested to do so immediately.
- n.** The Company on September 26, 2011, allotted Bonus Shares in the ratio of 2:5. Members holding shares in physical form, to whom shares certificates were sent by post and were returned unclaimed by postal authorities are requested to contact the Registrar and Transfer Agent of the Company immediately.
- o.** The Company encourages Members to intimate / update their e-mail addresses to receive the Annual Report and other communication electronically in support of the "Go Green" initiative of the Ministry of Corporate Affairs (MCA). Members may intimate / update their e-mail address by sending a mail to cumminsgogreen@linkintime.co.in with their name and folio details. Members holding shares in demat may please update their e-mails with the respective depository participant. The Company will send all communication including the Annual Report via e-mail to the Members who have provided their e-mail addresses to the Company / Depositories. A copy of the Annual Report will be available on the Company's website www.cumminsindia.com. A printed copy of the report will be furnished free of cost upon receipt of a request for the same.

- p. The relevant documents as referred to in Item Nos. 4 to 10 of the Notice and the Explanatory Statement attached hereto will be kept open for inspection by the Members at the Registered Office of the Company on any working day (Monday to Friday) between 10.00 a.m. to 12.00 noon.
- q. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Act and Rule 20 & Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Members the electronic facility to exercise their right to vote at the Annual General Meeting (AGM). The business at the AGM may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a Member to vote using the e-voting facility, and a Member may avail of the facility at his/her/it's discretion, subject to compliance with the instructions prescribed below:

E-Voting Process

- i) The e-voting period begins on August 06, 2018 (9:00 a.m. IST) and ends on August 08, 2018 (5:00 p.m. IST). During this period Members of the Company, holding shares either in physical form or in dematerialized (demat) form, as on the cut-off date i.e. August 03, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The Members should log on to the e-voting website www.evotingindia.com.
- iii) Click on "Shareholders" / "Members".
- iv) Now Enter your User ID,
- i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> ● If both the details are not recorded with the Depository or Company, please enter the Member's ID / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the

demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for “Cummins India Limited” on which you choose to vote.
- xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Shareholders can also cast their vote using CDSL’s mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

r. General:

- i) 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 of August 03, 2018.
- ii) A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be eligible to vote again at the AGM.

- iii) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- iv) The Chairman shall, at the end of discussion on the resolutions on which voting is to be held at the AGM, call for voting with the assistance of scrutinizer by use of ballot paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. In case of any queries or grievances regarding e-voting, the Members may:

- contact Mr. Avneesh Mishra, Manager- Legal & Secretarial, Cummins India Limited, Pune
E-mail: avneesh.mishra@cummins.com, Phone: 020-67067000

OR

- refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under 'Help' section or write an email to helpdesk.evoting@cdslindia.com.

- v) Mr. S.V Deulkar, Partner (Membership No. FCS 1321 CP No. 965) of SVD & Associates, Company Secretaries, Pune, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- vi) The result shall be declared by the Company within forty-eight hours from conclusion of the meeting. The results declared along with the Scrutinizer's Report will be placed on the website of the Company at <http://www.cumminsindia.com/investors/notices> immediately after the result is declared by the Chairman and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Ltd. where equity shares of the Company are listed.

- s. Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- t. 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.
- u. The Members are requested to carry their valid photo identity proof along with the attendance slip for verification purpose.
- v. Route map to reach the venue of the AGM is attached to the Notice.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and additional information as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) with respect to following items of the Notice.

Item No. 4

Re-appointment of Mr. Antonio Leitao

Mr. Antonio Leitao (DIN: 05336740) joined the Board of Cummins India Limited on August 01, 2013. Mr. Leitao (aged 54) holds a degree in electrical engineering from the University of Brittany in France and an executive MBA from Stanford University.

Mr. Leitao is the Vice President – Cummins Inc. and Europe ABO leader. Prior to assuming this role in January 2017, he served as President of Cummins Power Generation (PGBU), Vice President of Powergen Market, Executive Director of Global Commercial Products and Director of EMEA & APAC Commercial Generator Set Business. He joined Cummins in 2002 as the Director for Commercial Generator Sets in the Europe, Middle East and Africa region. In 2007, Mr. Leitao assumed leadership of the Commercial Generator Set business in the Asia Pacific region and in 2008 he was promoted to Executive Director of Commercial Products. In that role, he was responsible for the global commercial generator set business. Previously, Mr. Leitao was employed by SDMO, a French company that produces power-generating equipment, where he served in operations, electrical engineering and global sales roles.

The Company has received the following documents from Mr. Leitao in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of the Companies Act, 2013:

- (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; and
- (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

For Mr. Leitao's attendance at the meetings of the Board of Directors, Members may refer to the Corporate Governance Report appended as Annexure '4' to the Directors' Report for Financial Year 2017-18.

Mr. Leitao does not hold any shares in the Company and is not related to any Directors, Managers or Key Managerial Personnel in the Company.

Except Mr. Leitao, no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Members' approval is solicited for the resolution at Item No. 4 of the accompanying Notice.

Item No. 5 & 7

To appoint Mr. Sandeep Sinha as a Director and Managing Director

Mr. Sandeep Sinha (DIN: 02400175) was appointed as an Additional Director and Managing Director of the Company with effect from February 1, 2018. Mr. Sinha, (aged 47), holds a bachelor's degree in Production Engineering from the Manipal Institute of Technology (India) and a master's degree from the Kelley School of Business, Indiana University (USA).

Mr. Sinha joined Cummins in 2004 as a Corporate Indirect Purchasing Manager. Since then, he has held several leadership roles in Corporate Strategy in the USA; New & ReCon Parts and Industrial Engine Business in India. He was a significant contributor in building many elements of our current capability and facility footprint in Phaltan (India) including the start-up of ReCon in India, our local Parts Distribution Center and many product line expansions and upgrades. Mr. Sinha served as the Chief Operating Officer of Cummins India where he developed relationships with key Original Equipment Manufacturer (OEM) partners and strategic customers, and led many internal initiatives central to Cummins' business in India.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors (the "Board"), at its Meeting held on February 1, 2018, subject to approval of the Members, appointed Mr. Sandeep Sinha (DIN: 02400175) as an Additional Director of the Company with effect from February 1, 2018. As per Article 110 of the Articles of Association of the Company and pursuant to Section 161 of the Companies Act, 2013, Mr. Sinha holds office of Additional Director till the

date of this Annual General Meeting. A notice has been received from a Member, as required under Section 160 of the Companies Act, 2013, along with required deposit of ₹ 100,000 (Rupees One Lac only), proposing the candidature of Mr. Sinha for office of the Director.

At the said meeting, the Board also appointed Mr. Sinha as the Managing Director of the Company for a period of 3 years effective from February 1, 2018 pursuant to Sections 196, 197 and other applicable provisions, if any, read together with Schedule V to the Act and the Rules framed thereunder on the terms and conditions as given below:

- **Salary:** Consolidated Salary not exceeding ₹ 4.20 crores per annum till the tenure of appointment including:
 - i) Annual increment;
 - ii) Annual variable pay which may vary maximum between variable compensation payout factor 0 to 2. The variable pay is decided on the ROANA (Return on Average Net Assets) performance of Cummins Inc. for the previous year. Until financial results of Cummins Inc. are finalised, audited and published, the payout factor is not confirmed for payment;
 - iii) Grants: Cummins Long Term Retention Grant (LTG) as per policy of Cummins Inc. cost not exceeding ₹ 1.5 Cr. per annum which includes the following elements:
 - a) Performance cash: 34% of the total LTG to be borne by Cummins India Ltd.
 - b) Performance shares: 33% of the total LTG to be borne by Cummins Inc.
 - c) Stock Options: 33% of the total LTG to be borne by Cummins Inc.

In addition to salary, Mr. Sandeep Sinha will be entitled for the following perquisites:

- **Medical / Hospitalization Benefits:** As per Company policy.
- **Free use of Car:** One Company maintained car with driver for Company's business.
- **Minimum Remuneration:**

The above remuneration shall be subject to limits laid down under Sections 196 and 197 of the Companies Act, 2013 including any statutory modifications and/or re-enactment thereof.

In the absence of inadequacy of profits, in any year, the remuneration payable to Mr. Sandeep Sinha by way of salary, allowances and perquisites shall not exceed the limits prescribed under Schedule V of the Companies Act, 2013 and rules made thereunder or any statutory modifications and/or re-enactment thereof.

The Company has received the following documents from Mr. Sinha, in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of the Companies Act, 2013:

- (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; and
- (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

For Mr. Sinha's attendance at the meetings of the Board, Members may refer to the Corporate Governance Report appended as Annexure '4' to the Directors' Report for Financial Year 2017-18.

Mr. Sinha does not hold any shares in the Company and is not related to any Directors, Managers or Key Managerial Personnel in the Company.

Except Mr. Sinha, no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 5 & 7 of the Notice.

The Members' approval is solicited for the resolutions at Item Nos. 5 & 7 of the accompanying Notice.

Item No. 6

Appointment of Mr. Mark Levett as a Director

The Board of Directors appointed Mr. Mark Levett (DIN: 00368287) as an Additional Director with effect from March 2, 2018, under Article 110 of the Articles of Association of the Company.

Under Section 161 of the Companies Act, 2013, Mr. Levett holds office of the Additional Director till the date of the forthcoming Annual General Meeting. A notice has been received from a Member, as required under Section 160 of the Companies Act, 2013, along with required deposit of ₹ 100,000 (Rupees One Lac only), proposing the candidature of Mr. Levett for office of the Director.

Mr. Mark A. Levett (aged 69) holds a BA from Hanover College and an MBA from Michigan State University. He possesses expertise in general management and distribution which will bring added value to the Company.

Mr. Levett has served as the Chief Executive Officer of Cummins Foundation from 2013 to 2015. Mr. Levett has been the Vice President of Corporate Responsibility and Community Relations at Cummins Inc. since 2013. He served as Vice President and General Manager of High Horsepower Business of Cummins Inc. from 1999 to 2013. He served as a Non-Executive Director of Cummins India Ltd., from 2005 to 2013. He served as a Director of Cummins Westport Inc. Mr. Levett serves as the Vice Chairman of Hanover College.

The Company has received the following documents from Mr. Levett in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of the Companies Act, 2013:

- (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; and
- (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Mr. Levett does not hold any shares in the Company and is not related to any Directors, Managers or Key Managerial Personnel in the Company.

Except Mr. Levett, no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Members' approval is solicited for the resolution at Item No. 6 of the accompanying Notice.

Item No. 8

Ratification of Remuneration to Cost Auditor

The Board of Directors of the Company on the recommendation of the Audit Committee, have approved the appointment of M/s. Ajay Joshi and Associates, Pune, to conduct the audit of the cost records of the Company for the Financial Year 2018-19 at the remuneration not exceeding ₹ 950,000/- (Rupees Nine Lac Fifty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses.

In terms of the provisions of Section 148 of the Companies Act, 2013 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 Board is of the opinion that the fees quoted by M/s. Ajay Joshi and Associates, Pune, are reasonable and in line with the rates prevailing in the market for the similar assignment.

No Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Members' approval is solicited for the resolution at Item No. 8 of the accompanying Notice.

Item Nos. 9 & 10

Related Party Transactions of material nature

Under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Shareholders through resolution. The said Regulation further provides a definition of the term 'Material' as follows:

"A transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last Audited Financial Statements of the Company."

As a part of its regular business, the Company sells the internal combustion engines gensets their parts and accessories, etc. to Cummins Limited, UK at an arm's length basis under the purchase orders raised from time to time and in the Financial Year 2018-19, the aggregate value of these transactions is likely to be around ₹ 100,000 Lacs ("Cummins on-going transaction"). It may be noted that during the Financial Year 2017-18, the total consolidated turnover of the Company was ₹ 506,020 Lacs and that the Company had transactions with Cummins Limited, UK of ₹ 62,428 Lacs (i.e. 12.34%).

Further, as a part of its regular business, the Company purchases B, C and L series internal combustion engines, their parts and accessories, etc. from Tata Cummins Private Limited, Jamshedpur ('TCPL') at an arm's length basis under the purchase orders raised from time to time and in the Financial Year 2018-19, the aggregate value of these transactions is likely to be around ₹ 125,000 Lacs ("TCPL on-going transaction"). It may be noted that during the Financial Year 2017-18, the total consolidated turnover of the Company was ₹ 506,020 Lacs and that the Company had transactions with TCPL of ₹ 79,210 Lacs (i.e. 15.65%).

Similar trend of transactions with Cummins Limited, UK and TCPL is expected in the current year.

Cummins Limited, UK is a subsidiary of Cummins Inc., USA which is the Holding Company of the Company. TCPL is 50:50 joint venture Company between Cummins Inc., USA and Tata Motors Limited, India. Mr. Sandeep Sinha, Managing Director (also, the Key Managerial Personnel as per Section 203 of the Companies Act, 2013) of the Company is also a Director of TCPL and Mr. Rajiv Batra, Chief Financial Officer (also, the Key Managerial Personnel as per Section 203 of the Companies Act, 2013) of the Company is also a Director of TCPL.

Neither Mr. Sinha nor Mr. Batra or any of their relatives holds any shares in the Company, Cummins Limited, UK or TCPL.

The Audit Committee of the Board of Directors of the Company reviewed the Cummins on-going transactions and TCPL on-going transactions and recommended the same for approval by the Board of Directors and Members of the Company at their meeting held on May 24, 2018. The Board of Directors also at their meeting held on May 24, 2018 reviewed the Cummins on-going transactions and TCPL on-going transactions and proposed the same to be placed before the Members for their approval.

The Members' approval to the above material Related Party Transactions is sought in terms of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Mr. Sandeep Sinha, Managing Director and Mr. Rajiv Batra, Chief Financial Officer being interested in the TCPL on-going transactions at Item No.10 as Directors of TCPL, no other Director, Key Managerial Personnel, or their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 9 & 10 of the Notice.

The Members' approval is solicited for the resolutions at Item Nos. 9 & 10 of the accompanying Notice.

By Order of the Board,
For Cummins India Limited,

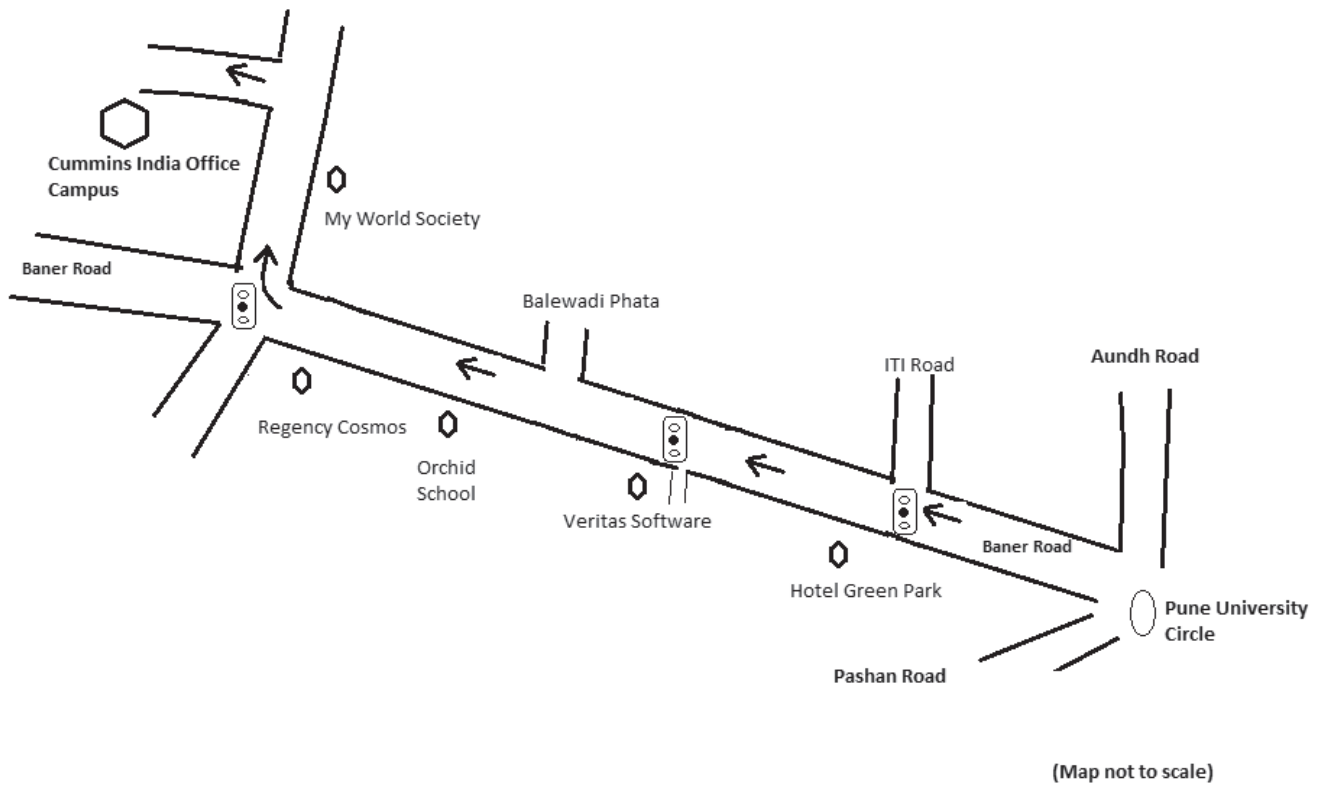
K. Venkata Ramana
Group Vice President - Legal & Company Secretary
Membership No. : FCS4138

Place : Pune
Date : July 06, 2018

Cummins India Limited

Registered Office: Cummins India Office Campus, Tower A, 5th Floor,
Survey No. 21, Balewadi, Pune 411 045
(CIN : L29112PN1962PLC012276)
Telephone : 020 67067000 Fax : 020 67067015
Website : www.cumminsindia.com
E-mail : cil.investors@notes.cummins.com

Route map for the venue of the AGM



Venue: Cummins India Limited
Multifunctional Hall,
Cummins India Office Campus,
Tower A, Survey No. 21,
Balewadi, Pune 411 045