

Cummins India Limited

Registered Office: Kothrud, Pune 411 038 (INDIA)

NOTICE OF THE MEETING

To
The Members of Cummins India Limited

NOTICE is hereby given that an Extra-ordinary General Meeting of Cummins India Limited will be held at Hotel Le Meridien, Majestic II, 1st Floor, Raja Bahadur Mill Road, Pune 411001, on Friday, the 9th day of September 2011, at 10.30 a.m., to transact the following Special Business :

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

“RESOLVED that pursuant to Section 94 and other applicable provisions of the Companies Act, 1956, the Authorised Share Capital of the Company be increased from Rs. 400,000,000 (Rupees Four Hundred Million) divided into 200,000,000 (Two Hundred Million) Equity Shares of Rs. 2/- each to Rs. 800,000,000 (Rupees Eight Hundred Million) divided into 400,000,000 (Four Hundred Million) Equity Shares of Rs. 2/- each by creation of additional 200,000,000 (Two Hundred Million) Equity Shares of Rs. 2/- each”.

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

“RESOLVED that pursuant to Section 16 and other applicable provisions of the Companies Act, 1956, Clause 5 of the Company’s Memorandum of Association (MOA) be amended by deleting the words ‘The Share Capital of the Company will be Rs. 400,000,000 (Rupees Four Hundred Million) divided into 200,000,000 Equity Shares of Rs. 2 each’ and substituting the words ‘The Share Capital of the Company will be Rs. 800,000,000 (Rupees Eight Hundred Million) divided into 400,000,000 (Four Hundred Million) Equity Shares of Rs. 2/- each’ in its place”.

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

“RESOLVED that pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, Article 3 of the Company’s Articles of Association be substituted by the following Article :

‘3. The Share Capital of the Company consists of Rs. 800,000,000 (Rupees Eight Hundred Million) divided into 400,000,000 (Four Hundred Million) Equity Shares of Rs. 2/- each’ ”.

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

“RESOLVED that in accordance with the applicable provisions of the Companies Act, 1956 read with Article 166 of the Articles of Association of the Company and the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such approvals as may be necessary, consent of the Members be and is hereby granted to the Board of Directors of the Company, to capitalize a sum of Rs. 158,400,000 (Rupees Fifteen Crores Eighty Four Lacs Only) standing to the credit of General Reserve Account of the Company and transfer the same to the Share Capital of the Company for the issue of fully paid Bonus Shares of the face value of Rs. 2/- each, out of the Authorised Share Capital of the Company and that the same be distributed amongst the existing Members of the Company, whose names shall appear on the Company’s Register of Members and records of the Depositories on such date (Record Date) as may be determined by the Board of Directors (Board) or the Official(s) authorised by the Board, in proportion of 2 such Bonus Equity Shares for 5 existing issued, subscribed and paid-up Equity Shares of the Company on the following terms and conditions :

- i) The Bonus Shares so issued and allotted shall be treated for all purposes as an increase of nominal amount of Equity Capital of the Company held by each eligible Member.
- ii) The new Equity Shares shall be subject to the Memorandum of Association and the Articles of Association of the Company and shall rank pari-passu in all respects with the existing issued, subscribed and paid-up Equity Shares of the Company, except the said new Equity Shares shall not be entitled to any dividend declared prior to the allotment thereof.
- iii) All fractions resulting from the issue of Bonus Shares in the aforesaid manner shall be consolidated into full bonus shares and the same shall be allotted to person(s) appointed by the Board in trust and the said person(s) shall have the authority to dispose of such consolidated bonus shares in such manner as it may deem appropriate and the proceeds of such consolidated bonus shares (after adjusting all expenses and taxes relating to such sale) shall be divided and distributed proportionately amongst those members who would be entitled to fractional entitlements of such Bonus Shares.
- iv) No Letter(s) of Allotment shall be issued to the allottees of the Bonus Shares. Share Certificates will be issued and dispatched to the Members who hold the existing shares in physical form and the respective beneficiary accounts will be credited with the Bonus Shares, for such Members who hold the existing Equity Shares in dematerialised form, within the prescribed time.
- v) The allotment and issue of fully paid up new Equity Shares as Bonus Shares and/or payment of any sum in cash in lieu of fractional shares as aforesaid to the extent that may relate to non-resident members of the Company, shall be subject to the approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and other applicable regulations.
- vi) The Board is hereby authorised to take necessary steps for listing of the Bonus Shares so allotted on the Stock Exchanges where the Equity Shares of the Company are listed in terms of the Listing Agreement and other applicable guidelines, rules or regulations.
- vii) The Board including any Committee of the Board and or any Director and or Official(s) of the Company authorised by the Board, be and are hereby authorised to follow such procedure, take such steps, settle any question, difficulty or doubt on any matter(s) arising out of the issue of the aforementioned Bonus Shares as may be necessary and expedient to give effect to this Resolution”.

By Order of the Board

Pune
August 4, 2011

Dinesh Castellino
Vice President Legal & Company Secretary

NOTES :

- a. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business of the Notice set out above is annexed hereto.
- b. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- c. The relevant documents as referred to in 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.

ANNEXURE TO THE NOTICE

Information as per Section 173 of the Companies Act, 1956 -

Item Nos. 1, 2 and 3

On the occasion of the 50th Annual General Meeting of the Company, the Board of Directors had recommended that Bonus Equity Shares be issued to the Members of the Company.

In view of the proposed Bonus Issue, it is proposed to increase the Authorised Share Capital of the Company from Rs. 400,000,000 (Rupees Four Hundred Million) divided into 200,000,000 (Two Hundred Million) Equity Shares of Rs. 2/- each to Rs. 800,000,000 (Rupees Eight Hundred Million) divided into 400,000,000 (Four Hundred Million) Equity Shares of Rs. 2/- each.

Consequent to increase in the Authorised Share Capital of the Company, it is essential to make necessary changes to the Memorandum of Association and the Articles of Association of the Company to give effect to the proposed increase in the Authorised Share Capital.

The Board therefore recommends the said increase in the Authorised Share Capital as set out in Item No. 1 and the consequent amendment to the Memorandum of Association of the Company as set out in Item No. 2 and amendment to the Articles of Association of the Company as set out in Item No. 3 of this Notice.

None of the Directors of the Company is interested in the above resolutions except Mr. B. H. Reporter, Director, who may be considered to be interested to the extent of 75,000 shares held by him in the Company.

Item No. 4

The Company has, with the continued support of its Members, created substantial value for its Members since inception by consistent and sustained performance.

In commemoration of the 50th Annual General Meeting of the Company and with a view to celebrate the Company's excellent performance over the past several years, it is proposed to further enhance value for the Members by issuing and allotting fully paid Bonus Shares of the face value of Rs. 2/- each in the ratio of 2:5. The Board of Directors at its meeting held on August 4, 2011, have recommended capitalization of Rs. 158,400,000 (Rupees Fifteen Crores Eighty Four Lacs Only) towards issuance of the said Bonus Shares.

None of the Directors of the Company is interested in the above resolution except Mr. B. H. Reporter, Director, who may be considered to be interested to the extent of 75,000 shares held by him in the Company.

By Order of the Board

Pune
August 4, 2011

Dinesh Castellino
Vice President Legal & Company Secretary