



**CUMMINS INDIA LIMITED**  
**CODE OF PRACTICES AND PROCEDURES FOR**  
**FAIR DISCLOSURE AND PROTECTION OF UNPUBLISHED PRICE**  
**SENSITIVE INFORMATION**

**1. Introduction:**

The Securities and Exchange Board of India (SEBI), for protection of investors and to regulate the securities market, has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“the PIT Regulations”) under the powers conferred on it under the SEBI Act, 1992 and amended the same from time to time. The PIT Regulations came into force w.e.f. May 15, 2015 and are applicable to all companies whose securities are listed on any Stock Exchange in India.

The PIT Regulations replaced the erstwhile, SEBI (Prohibition of Insider Trading) Regulations, 1992. The Regulations requires to formulate, a code of practices and procedure for fair disclosure and protection of unpublished price sensitive information (“Fair Disclosure Code”).

Accordingly, the Board of Directors of Cummins India Limited (hereinafter referred to as ‘the Company’) has formulated and adopted this Fair Disclosure Code which is effective from May 15, 2015.

Further, PIT (Amendment) Regulations 2018 notified on December 31, 2018 and subsequent amendment to PIT Regulations notified on January 21, 2019 requires every listed Company, inter alia, to formulate a policy for determination of ‘Legitimate purpose’ as a part of this code formulated under regulation 8 of PIT Regulation. Accordingly, the Board of Directors in their meeting held on March 29, 2019 adopted this new Code covering a policy for determination of ‘Legitimate purpose’. Therefore, in pursuance of the said regulations, the Board of Directors of the Company have revised the following Code of practices and procedures for Fair Disclosures and Protection of Unpublished Price Sensitive Information to take effect from April 01, 2019.

**2. Scope:**

The Company endeavors to preserve and protect the confidentiality of Unpublished Price Sensitive Information (“UPSI”) so as to prevent its misuse. To achieve these objectives, and in compliance with the PIT Regulations, the Company has adopted this Fair Disclosure Code.

This Fair Disclosure Code ensures timely and adequate disclosure of UPSI which would impact the price of its securities and to maintain uniformity, transparency and fairness in dealing with all its stakeholders.

The Company is committed towards ensuring timely and accurate disclosure based on applicable legal and regulatory requirements.

**3. Terms and Definitions:**

1. “Connected Person” shall mean a person as defined under Regulation 2(1)(d) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.



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2. “Generally available information” shall mean information that is accessible to the public on a non-discriminatory basis.

Note: Information published on the website of a stock exchange, would ordinarily be considered as generally available.

3. “Insider” shall mean- any person (e.g. Individual, Company, Association or Body of Individuals, whether incorporated or not) who is:

- i. a connected person (including deemed connected person); or
- ii. in possession of or having access to UPSI.
- iii. Any person who is in receipt of UPSI for legitimate purpose.

Note: Since “generally available information” is defined, it is intended that anyone in possession of or having access to UPSI should be considered an “insider” regardless of how one came in possession of or had access to such information.

4. “Legitimate purpose” shall include sharing of UPSI in the ordinary course of business by an Insider with:

- 1) Auditors;
- 2) Partners;
- 3) Collaborators;
- 4) Lenders;
- 5) Customers;
- 6) Suppliers;
- 7) Merchant Bankers and valuers;
- 8) Legal Advisors;
- 9) Insolvency Professionals;
- 10) Any other advisors or consultants; and
- 11) Any other Insider.

*Provided that* such sharing has not been carried out to evade or circumvent the prohibitions of the PIT Regulations

5. “Unpublished Price Sensitive Information” shall mean —

Any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to following-



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- i. Financial results;
- ii. Dividends;
- iii. Change in capital structure;
- iv. Mergers, de-merges, acquisitions, delisting, disposals and expansion of business and such other transactions;
- v. Changes in key managerial personal;

**Note:** Words and expressions used but not defined in this Fair Disclosure Code shall have the same meaning assigned to them in the PIT Regulations or the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made thereunder, as the case may be or in any amendment thereto.

#### 4. Principles of Fair Disclosure:

The Company shall adhere to the following principles for the purpose of this Code: —

- Promptly disclose any confirmed UPSI that would impact the price of securities; by informing such UPSI to the Stock Exchanges and by publishing the same on official website of the Company.
- Ensure uniform and universal dissemination of UPSI to avoid selective disclosures.
- Ensure that in the event of any UPSI being selectively or inadvertently disclosed, such information shall be immediately made generally available to public.
- Within one (1) working day send an appropriate and fair response to queries on news report and requests for verification of market rumors by regulatory authorities.
- Ensure that only published price sensitive information is shared with analysts, investors and researchers.
- Maintain transcripts or records of proceedings of meetings with analysts or other investors and promptly publish the same on the official website, to ensure official and uniform disclosures are made.
- Ensure that all UPSI is kept confidential and disclosed only on 'need to know' basis.
- Ensure that the parties with whom UPSI is disclosed for any reason, shall execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confident except as provided under Regulations 3(3) of the PIT Regulations and shall not otherwise trade in securities of the company when in possession of UPSI.



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**5. Compliance Officer & Chief Investor Relations Officer:**

The Compliance Officer as designated under Code of Insider Trading of the Company shall act as a 'Chief Investor Relations Officer' who shall administer the Code to ensure the policies as stated hereinabove are practiced and followed by the Company.

**6. Policy for Determination of Legitimate Purposes:**

a) **"Legitimate purpose"** shall mean sharing of UPSI in the ordinary course of business by an Insider with following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the PIT Regulations:

- i. Auditors;
- ii. Partners;
- iii. Collaborators;
- iv. Lenders;
- v. Customers;
- vi. Suppliers;
- vii. Merchant Bankers and valuers;
- viii. Legal Advisors;
- ix. Insolvency Professionals;
- x. Any other advisors or consultants; and
- xi. Any other Insider.

**b) Sharing of UPSI for legitimate purpose:**

The UPSI shall be shared by any person(s) authorized by the Board of Directors or Chief Investor Relations Officer in this behalf, only in furtherance of legitimate purpose(s) which shall include the following;

- i. Sharing of UPSI in the ordinary course of business by any Insider, Designated Person, or by any authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants;
- ii. Sharing of UPSI where such communication is in furtherance of performance of duty (ies);
- iii. Sharing of UPSI for discharge of legal obligation(s);
- iv. Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the Chief Investor Relations Officer of the Company;
- v. Sharing of UPSI for any other purpose as may be prescribed under the SEBI



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Regulations or Company Law or any other applicable law for the time being in force, in this behalf.

Provided that such sharing should not be carried out to evade or circumvent the prohibitions of PIT Regulations.

However, other provisions/ restrictions as prescribed under the PIT Regulations or any other law for the time being in force in this behalf, shall be observed.

**c) UPSI in the Ordinary Course of Business**


UPSI in the Ordinary Course of Business shall mean information disclosed to those persons within the Company or persons connected with the Company who need the information to discharge their duty or legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the said information.

**d) Recipient of UPSI for legitimate purpose**

Recipient of UPSI for legitimate purpose shall be considered as insider for the purpose of this code. Accordingly, the person who shares UPSI shall give proper notice to the recipient of UPSI to maintain confidentiality of such UPSI in compliance with SEBI (PIT) Regulations, 2015.

This Code may be reviewed from time to time by the Stakeholders Relationship Committee of the Board of Directors of the Company.

For Cummins India Limited

 Name: Sandeep Sinha  
Managing Director  
DIN: 02400175

Approved by: Board of Directors  
Original date of approval: May 15, 2015  
Last modified: March 29, 2019  
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