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-Fifth Annual General Meeting of Cummins India Limited will be held at the Multifunctional Hall, Cummins India Office Campus, Survey No. 21, Balewadi, Pune - 411 045 on Thursday, the 4th day of August, 2016, at 12:00 noon, to transact the following business:

1. To consider and adopt the audited standalone financial statement of the Company for the Financial Year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon.

2. To consider and adopt the audited consolidated financial statement of the Company for the Financial Year ended March 31, 2016 and the reports 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. Mark Smith (DIN: 06852777), who retires by rotation and being eligible, offers himself for re-appointment.

5. To appoint a Director in place of Mr. Casimiro Antonio Vieira Leitao (DIN: 05336740), who retires by rotation and being eligible, offers himself for re-appointment.

6. To appoint Auditors to hold office from the conclusion of this Fifty-Fifth Annual General Meeting till the conclusion of Company's Sixtieth Annual General Meeting.

"RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as may be applicable, M/s. S R B C & Co. LLP, Chartered Accountants (Firm Registration No. 324982E), be and are hereby appointed as statutory auditors of the Company, in place of retiring auditors M/s. Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), to hold the office from the conclusion of this meeting until the conclusion of the 60th Annual General Meeting, at such remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

7. TO DETERMINE THE REMUNERATION PAYABLE TO THE COST AUDITORS, M/S. AJAY JOSHI & ASSOCIATES FOR THE FINANCIAL YEAR ENDING MARCH 31, 2017.

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, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, Messrs. Ajay Joshi and Associates, Cost Accountants be paid ₹ 9,00,000/- (Rupees Nine Lacs only) as the remuneration plus service tax as applicable and re-imbursement of out of pocket expenses for carrying out the cost audit of the Company for the Financial Year 2016-17."

8. 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 internal combustion engines, their parts and accessories by the Company to Cummins Limited, UK in the ordinary course of business and on arm's length basis for a consideration estimated at ₹ 1,40,000 Lacs for the Financial Year 2016-17."

9. 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 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 on arm's length basis for a consideration estimated at ₹ 1,25,000 Lacs for the Financial Year 2016–17."

10. TO CONSIDER REVISION IN REMUNERATION OF MR. ANANT J. TALAULICAR, MANAGING DIRECTOR.

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

"RESOLVED that in partial modification of resolution passed at the fifty-second Annual General Meeting of the Company held on August 1, 2013 and subject to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with Schedule V to the Act and the Rules made thereunder, consent of the Company be and is hereby accorded for increase in the remuneration of Mr. Anant J. Talaulicar as Managing Director of the Company, by way of change in the existing remuneration payable to Mr. Anant J. Talaulicar with effect from April 1, 2016 for the remainder period of the tenure of his office, as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER that the Board be and is hereby authorised to vary the terms and conditions of appointment including remuneration payable to Mr. Anant J. Talaulicar, provided that the remuneration payable to Mr. Anant J. Talaulicar shall not exceed the maximum limits as applicable for the payment of such managerial remuneration specified in the Companies Act, 2013.

RESOLVED FURTHER that the Board and the Company Secretary be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board,
For Cummins India Limited,

K. Venkata Ramana
Group Vice President
Legal & Company Secretary
Membership No. FCS 4138

Pune
June 16, 2016

NOTES:

a. The 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, July 30, 2016 to Thursday, August 4, 2016 (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, July 29, 2016.

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 DP or RTA, from time to time.

e. Members requiring information on the audited Financial Statement for the year ended March 31, 2016 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-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai: 400 078
Phone No.: (022) 2594 6970
Fax No.: (022) 2594 6969
Contact person: Mrs. Maheshwari Patil
E-mail: maheshwari.patil@linkintime.co.in / rnt.helpdesk@linkintime.co.in

g. Unclaimed dividends for the Financial Years 2008-09 and 2009-10 can be claimed from the Company by completing the requisite formalities. To claim final dividend for the Financial Year 2008-09 and interim dividend for the Financial Year 2009-2010, the requisite formalities are required to be completed prior to August 31, 2016, and January 6, 2017 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.

h. 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.

i. 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.

j. Members are requested to bring their copy of the Annual Report to the annual general meeting.

k. Members/ Proxies/ Representatives are requested to bring the attendance slip enclosed to the Annual Report / Notice for attending the meeting.

l. 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 Shareholders who have not claimed new certificates for sub-divided Shares of the face value of ₹ 2/- each. Shareholders 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.

m. The Company on September 26, 2011, allotted Bonus shares in the ratio of 2:5. Shareholders holding shares in physical form who have not yet claimed the Bonus share certificates are requested to contact the Registrar and Transfer Agent of the Company immediately.

n. 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.

o. The relevant documents as referred to in Item Nos. 7 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.

p. Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 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:

i) The e-voting period begins on August 1, 2016 (9:00 a.m. IST) and ends on August 3, 2016 (6:00 p.m. IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. July 29, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii) The shareholders should log on to the e-voting website www.evotingindia.com.

iii) Click on "Shareholders".

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) ● 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. ● If both the details are not recorded with the depository or Company, please enter the member 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 login 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 on or after June 30, 2016. 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.

q. 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 July 29, 2016.

ii) A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed 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 Ms. Priyanka P. Shetye, Cummins India Limited, Pune (email: priyanka.p.shetye@cummins.com)

OR

- refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.co.in 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 Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the voting at the general meeting unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

r. 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.

s. 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.

t. For route map to reach the venue of the AGM, please refer page no. 12.

ANNEXURE TO THE NOTICE

Information as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Item No. 4

Re-appointment of Mr. Mark Smith

Mr. Mark Smith (Age: about 49 years) joined the Board of Cummins India Limited on May 23, 2014. Mr. Smith is a Bachelor of Arts with specialization in Economics from the University of Kent, UK. He has also completed his Masters in Business Management from the Kellogg School of Management, Northwestern University, USA. Mr. Smith is a qualified member of Institute of Chartered Accountants in England and Wales. Mr. Smith does not hold any shares in the Company and is not related to any other Director of the Company. Mr. Smith is the Vice President, Investor Relations at Cummins Inc. USA.

The Company has received the following documents 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 from Mr. Smith:

(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.

For Mr. Smith's attendance at the meetings of the Board and Audit and Risk Management Committee, Members may refer to the Corporate Governance Report appended as Annexure '3' to the Directors' Report for Financial Year 2015-16.

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

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

Item No. 5

Re-appointment of Mr. Casimiro Antonio Vieira Leitao

Mr. Casimiro Antonio Vieira Leitao (Age: about 52 years) joined the Board of Cummins India Limited on August 3, 2012. Mr. Leitao is a Bachelor of Science in Electrical Engineering and Masters in Business Administration. Mr. Leitao possesses expertise in Sales and Marketing and has a deep understanding of customer needs and channel dynamics in Power Products Business. He is on the Board of Cummins Northeast, LLC. He does not hold any shares in the Company and is not related to any other Director of the Company.

The Company has received the following documents 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 from Mr. Leitao:

(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.

For Mr. Leitao's attendance at the board meetings, Members may refer to the Corporate Governance Report appended as Annexure '3' to the Directors' Report for Financial Year 2015-16.

Except Mr. Leitao, no other Director or Key Managerial Personnel, or their respective relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Shareholders' approval is solicited for the resolution at Item No. 5 of the accompanying Notice.

Item No. 6

Appointment of Statutory Auditors

The Company's auditors M/s. Price Waterhouse (Firm Registration No. 301112E) have already completed more than ten years as Statutory Auditors of the Company.

In view of the provisions of rotation of auditor under Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint S R B C & Co. LLP (Firm Registration No. 324982E) from conclusion of this Annual General Meeting till the conclusion of 60th Annual General Meeting, subject to ratification by Members at every annual general meeting, if required. S R B C & Co. LLP have informed the Company *vide* letter dated May 2, 2016, that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013.

S R B C & Co. LLP have also confirmed that they are eligible for the said appointment. S R B C & Co. LLP have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

The Audit and Risk Management Committee at its meeting held on May 25, 2016 has recommended appointment of S R B C & Co. LLP for approval by the Shareholders at the ensuing annual general meeting.

No Director or Key Managerial Personnel, or their respective relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

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

Explanatory Statement as required under Section 102 of the Companies Act, 2013

Item No. 7

Remuneration to Cost Auditor

The Board of Directors of the Company on the recommendation of the Audit and Risk Management Committee, approved the appointment of Messrs. Ajay Joshi and Associates, Pune, to conduct the audit of the cost records of the Company for the Financial Year 2016-17.

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 fixed by the Members of the Company.

The Board is of the opinion that the fees quoted by Messrs. Ajay Joshi and Associates, Pune are reasonable and in line with the rates prevailing in the market for similar assignment.

No Director or Key Managerial Personnel, or their respective relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Shareholders' approval is solicited for the resolution at Item No. 7 of the accompanying Notice.

Item Nos. 8 and 9

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 to Cummins Limited, UK at arm's length basis under the purchase orders raised from time to time and in the Financial Year 2016-17, the aggregate value of these transactions is likely to be around ₹ 140,000 Lacs ("on-going transaction"). It may be noted that during the Financial Year 2015-16, the total turnover of the Company was ₹ 472,429 Lacs and that the Company had transactions with Cummins Limited, UK of ₹ 58,294 Lacs (*that is*, of 12.34%).

Further, as a part of its regular business, the Company purchases B and L series internal combustion engines, their parts and accessories from Tata Cummins Private Limited, Jamshedpur ('TCPL') on arm's length basis under the purchase orders raised from time to time and in the Financial Year 2016-17, the aggregate value of these transactions is likely to be around ₹ 125,000 Lacs ("on-going transaction"). It may be noted that during the Financial Year 2015-16, the total turnover of the Company was ₹ 472,429 Lacs and that the Company had transactions with TCPL of ₹ 56,839 Lacs (*that is*, of 12.03%).

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 parent company of the Company. TCPL is 50-50% joint venture company between Cummins Inc. USA and Tata Motors Limited. Cummins Inc. USA is the parent company of Cummins India Limited. Mr. Anant J. Talaulicar, Chairman & Managing Director (also, the Key Managerial Personnel as per Section 203 of the Companies Act, 2013) of the Company is also the Managing Director of TCPL. 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.

The Audit and Risk Management Committee of the Board of Directors of the Company reviewed the on-going transactions and approved the same at their meeting held on May 25, 2016. The Board of Directors also at their meeting held on May 25, 2016 reviewed the on-going transactions and proposed the same to be placed before the Shareholders for their approval.

The Shareholders' 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. Anant J. Talaulicar, Managing Director and Mr. Rajiv Batra, Chief Financial Officer being interested in the transaction with TCPL as Directors of TCPL, no other Director, Key Managerial Personnel, or their respective relatives is in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 8 & 9 of the Notice.

The Shareholders' approval is solicited for the resolutions at Item Nos. 8 & 9 of the accompanying Notice.

Item No. 10

Revision in remuneration of Mr. Anant J. Talaulicar as Managing Director

Mr. Anant J. Talaulicar is on the Board of the Company as the Managing Director of the Company since April 25, 2003. Over last thirteen years, Mr. Talaulicar has made significant contribution to the Company's growth and in planning and implementing the Company's business strategies.

Mr. Talaulicar (Age: about 55 years) is a Mechanical Engineer from Mysore University, M. S. from Michigan University, U.S.A. and M.B.A. from Tulane University, U.S.A. Mr. Talaulicar possesses expertise in Finance, Manufacturing, Product Management, Strategy and Marketing.

His directorships/committee positions are as under:

Sr. No.	Name of the Companies	Nature of office held
1.	Cummins India Limited	Chairman & Managing Director Member (Audit and Risk Management Committee) Member (Stakeholders Relationship Committee) Member (Nomination and Remuneration Committee) Member (Corporate Social Responsibility Committee
2.	Tata Cummins Private Limited	Managing Director Member (Audit Committee) Chairman (Corporate Social Responsibility Committee)
3.	KPIT Technologies Limited	Independent Director
4.	Cummins Generator Technologies India Private Limited	Director Chairman (Corporate Social Responsibility Committee)
5.	Valvoline Cummins Private Limited	Director Chairman (Corporate Social Responsibility Committee)
6.	Cummins Research and Technology India Private Limited	Director Member (Corporate Social Responsibility Committee)
7.	Cummins Technologies India Private Limited	Director Chairman (Corporate Social Responsibility Committee)

Since 2004, Mr. Talaulicar also leads the Cummins India Foundation which has implemented sustainable community initiatives in the areas of higher education, energy and environment and social justice and local community infrastructure development. He serves as the Chairman of the Manufacturing Council of the Confederation of Indian Industries, is on the Executive Committee of the Society of Indian Automobile Manufacturers.

The Board of Directors at their meeting held on February 2, 2016 have passed a resolution for upward revision of the remuneration payable to Mr. Talaulicar effective April 1, 2016, benchmarking it to the remuneration paid to the CEOs placed in the similar industry, subject to the approval of the Shareholders of the Company, after taking into consideration recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company.

It is proposed to increase the existing remuneration payable to Mr. Talaulicar as follows with effect from April 1, 2016 for the remainder period of his term i.e. up to April 24, 2018, subject to the approval of the Shareholders of the Company:-

1. **Salary:** Consolidated salary not exceeding ₹ 34 Lacs per month. The consolidated salary shall be inclusive of statutory benefits such as provident fund, gratuity etc. as may be applicable from time to time.

   In addition to the salary, Mr. Talaulicar will be entitled for the following perquisites and statutory benefits:

2. **Housing and other benefits:**

   a) Fully furnished accommodation at Pune and Mumbai. If the same is taken on rent, the actual rent/ license fees paid for both accommodations shall not exceed ₹ 10,00,000/- per month;

   b) Gas, Electricity and Water at actuals at Pune and Mumbai; and

   c) Domestic help at Pune and Mumbai accommodation.

3. **Medical Benefits:** Reimbursement of Medical Expenses, for self and family. (Family includes spouse, dependent children and parents).

4. **Club Fees:** Fees of any two clubs, one at Pune and another at Mumbai (excluding life memberships).

5. **Uniform:** Uniform and shoes, as applicable to the employees of the Company.

6. **Free use of Car:** One car each with driver for Company's business at Pune and Mumbai.

7. **Communication facilities at Residence:** Telecommunication facilities and computers with modems and other hardware at Pune and Mumbai residence.

   Such of the above benefits, as are in the nature of perquisites, will be valued as per Income Tax Rules in force from time to time; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

8. **Minimum Remuneration:** The above remuneration shall be subject to limits laid down under Section 197 of the Act or any statutory modifications and/or re-enactment thereof.

9. **Perquisites not included in managerial remuneration:** The following perquisites shall not be included in the computation of the ceiling on remuneration,
   - **a)** Contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax law; and
   - **b)** Gratuity payable and encashment of leave, if any as per the rules of the Company.

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

Mr. Talaulicar does not hold any shares in the Company and is not related to any other Director of the Company.

For Mr. Talaulicar' s remuneration last drawn and attendance at the meetings of the Board and its Committees, Members may refer to the Corporate Governance Report appended as Annexure '3' to the Directors' Report for Financial Year 2015-16.

The resolution set out in the accompanying Notice together with this Explanatory Statement is and should be treated as an abstract of the written memorandum executed between the Company and Mr. Talaulicar under Section 190 of the Act and the same is hereby circulated to the Shareholders of the Company.

Except Mr. Talaulicar, no other Director or Key Managerial Personnel, or their respective relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

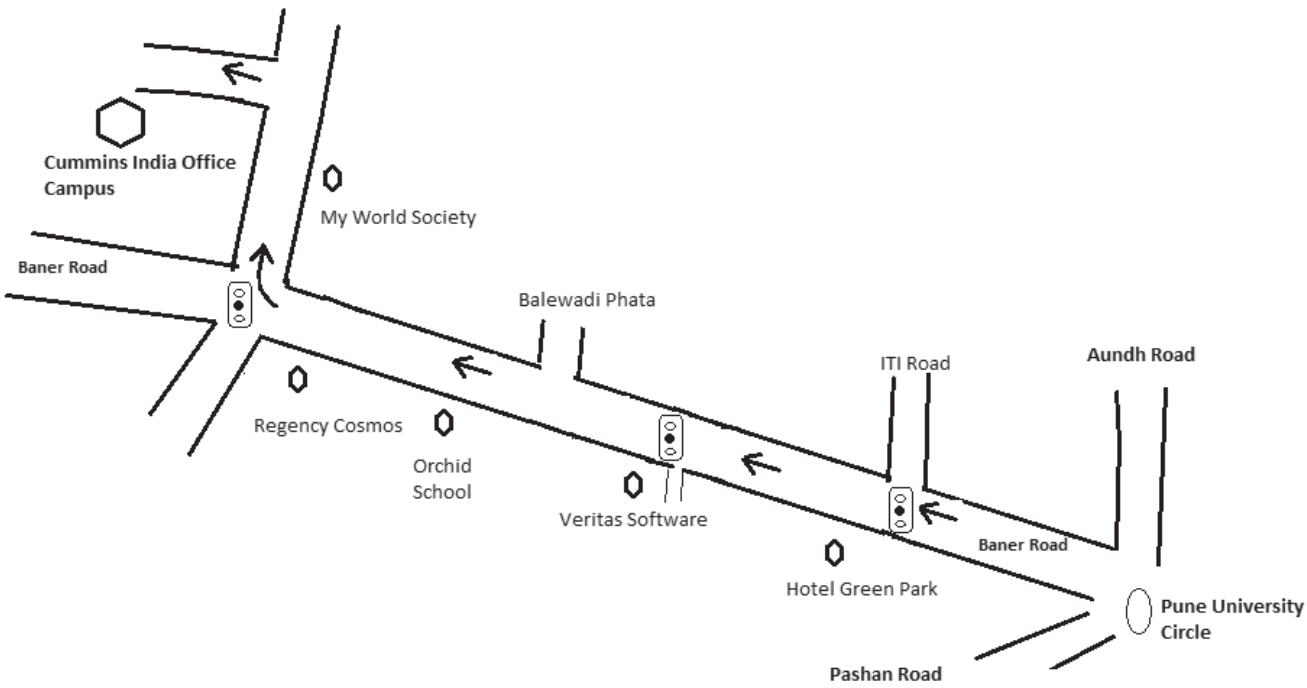
The Shareholders' approval is solicited for the resolution at Item No. 10 of the accompanying Notice.

By Order of the Board,
For Cummins India Limited,

K. Venkata Ramana
Group Vice President
Legal & Company Secretary
Membership No. FCS 4138

Pune
June 16, 2016

Route map for the venue of the AGM



(Map not to scale)

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and
the Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Cummins India Limited

Registered Office: Cummins India Office Campus, Tower A, 5th Floor,
Survey no. 21, Balewadi, Pune 411045
(CIN : L29112PN1962PLC012276)
Telephone : 020 67067000 Fax : 020 67067015
Website : www.cumminsindia.com
E-mail : cil.investors@notes.cummins.com

Name of the member (s) : _____

Registered address : _____

E-mail Id : _____

Folio No. / DP ID - Client ID : | | | | | | | | | | | | | | | | |

I/We, being the member(s) holding _____ shares of the above named Company, hereby appoint

Name : _____ E-mail : _____

Address : _____ Signature : _____

or failing him/her

Name : _____ E-mail : _____

Address : _____ Signature : _____

or failing him/her

Name : _____ E-mail : _____

Address : _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 55th Annual General Meeting of the Company, to be held on Thursday, August 4, 2016 at 12.00 noon at the Multifunctional Hall, Cummins India Office Campus, Survey no. 21, Balewadi, Pune 411 045, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Vote (Optional see Note 2)* (Please mention no. of shares)		
		For	Against	Abstain
	ORDINARY BUSINESS			
1.	Adoption of the audited standalone financial statement of the Company for the Financial Year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon			
2.	Adoption of the audited consolidated financial statement of the Company for the Financial Year ended March 31, 2016 and the reports of the Auditors thereon			

Sr. No.	Resolutions	Vote (Optional see Note 2)* (Please mention no. of shares)		
		For	Against	Abstain
3.	Approval of final dividend for the Financial Year ended March 31, 2016 and to ratify the interim dividend paid in February 2016			
4.	Appointment of a director in place of Mr. Mark Smith, who retires by rotation and being eligible, seeks re-appointment			
5.	Appointment of a director in place of Mr. Casimiro Antonio Vieira Leitao, who retires by rotation and being eligible, seeks re-appointment			
6.	Appointment of Auditors to hold office from the conclusion of this Fifty-Fifth Annual General Meeting till the conclusion of Company's Sixtieth Annual General Meeting			
	SPECIAL BUSINESS			
7.	Determination of remuneration payable to the Cost Auditors of the Company			
8.	Approval on material related party transaction			
9.	Approval on material related party transaction			
10.	Revision in remuneration of Mr. Anant J. Talaulicar, Managing Director			

Signed this _____ day of _____ 2016.

Please affix revenue stamp of not less than ₹ 1/-

Signature of the member

Signature of the proxy holder(s)

Note :

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statement and notes, please refer to Notice of the 55th Annual General Meeting.
3. *It is optional to indicate your preference. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.