



November 08, 2019

Mr. Yogesh Deshmukh
Manager – Listing Compliance Dept.,
National Stock Exchange ('NSE'),
Exchange Plaza, BKC,
Bandra (East),
Mumbai – 400 051

Subject: Clarification on Financial Results for the quarter and half year ended September 30, 2019.

Dear Sir,

With reference to the subject captioned, NSE has sought clarification from us towards segment reporting format pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further to the discussion with you over phone, we hereby furnish the below details for your reference.

Para 23 of Ind AS 108 states that ***"An entity shall report a measure of profit or loss for each reportable segment. An entity shall report a measure of total assets and liabilities for each reportable segment if such amounts are regularly provided to the chief operating decision maker."***

Further Para 24 of Ind AS 108 states that ***"An entity shall disclose the following about each reportable segment if the specified amounts are included in the measure of segment assets reviewed by the chief operating decision maker or are otherwise regularly provided to the chief operating decision maker, even if not included in the measure of segment assets:"***

- a) the amount of investment in associates and joint ventures accounted for by the equity method, and***
- b) the amounts of additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets (see Ind AS 19, Employee Benefits) and rights arising under insurance contracts."***

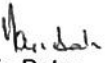
The above paragraphs signify that the requirement of the accounting standard is to disclose the information disclosed to the chief operating decision maker. Please note that the disclosure on operating segments in our results adequately ensures compliance with the requirements of Ind AS 108.

Kindly also note that the assets and liabilities pertaining to the "Lubes" segment do not form part of Consolidated Statement of Assets and Liabilities, as the same is accounted for as per equity method of accounting. All the assets and liabilities in the Consolidated Statement of Assets and Liabilities pertain to "Engines" segment. The relevant information relating to Engine segment has been disclosed in the results and statement of assets and liabilities.

Kindly let us know if you need any further clarifications.

Thanking you,

For Cummins India Limited


Rajiv Batra
Chief Financial Officer

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