August 21, 2020

To,
National Stock Exchange ('NSE'),
Exchange Plaza, BKC,
Bandra (East),
Mumbai-400 051

Subject: Clarification on Financial Results for the quarter and year ended March 31, 2020.

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 please refer to the below details for your reference:

Para 23 of Ind AS 1 08 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.

Further, in response to your query, we are resubmitting the Note number 6 (refer Annexure A) on segment information which was earlier submitted in the results on June 17, 2020 in the revised format as per the requirements of Annexure IV of the SEBI Circular CIR/CFD/CMD/15/2015.

Kindly let us know if you need any further clarifications.

Yours truly,
For Cummins India Limited,

AJAY SHRIRAM PATIL

Digitally signed by AJAY SHRIRAM PATIL
Date: 2020.08.21 19:50:08 +05'30'

Ajay Patil
Chief Financial Officer

Encl.: As above

(This letter is digitally signed)

Cummins India Limited
Registered Office
Cummins India Office Campus
Tower A, 5th Floor, Survey No. 21, Balewadi
Pune 411 045 Maharashtra, India
Phone +91 20 67067000 Fax +91 20 67067015
cumminsindia.com
cil.investors@notes.cummins.com
CIN : L29112PN1962PLC012276

Annexure A

Cummins India Limited

6 Operating segment information:

On a review of all the relevant aspects including, in particular, the system of internal financial reporting to the Board of Directors, which is the Chief Operating Decision Maker ('CODM'), and considering the economic characteristics of the operations, the Group is of the view that it operates in two segments viz. 'Engines' and 'Lubes'. Lubes segment comprises of a joint venture viz. Valvoline Cummins Private Limited, which is accounted for as per equity method under relevant Ind AS standard. The CODM evaluates the Group's performance based on an analysis of various parameters. Engine segment comprises of Cummins India Limited and other Group Companies which have been aggregated considering the nature of products, class of customer etc.

'Following information is provided to the CODM for Lubes segment for monitoring its performance:

(₹ Lacs)

Particulars	**Quarter ended**			**Year ended**	
	March 31, 2020	**December 31, 2019**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
	(Audited) (Note 7)	**(Unudited)**	**(Note 7)**	**(Audited)**	**(Audited)**
Segment Revenue					
Engines #	104,192	143,154	132,342	509,587	556,455
Lubes*	28,393	34,844	35,239	129,418	133,276
Total	**132,585**	**177,998**	**167,581**	**639,005**	**689,731**
Less: Elimination/Adjustments	28,393	34,844	35,239	129,418	133,276
Net sales/Income from Operations	**104,192**	**143,154**	**132,342**	**509,587**	**556,455**
Segment Results - Profit before tax from each segment					
Engines #	10,734	23,382	20,992	72,789	100,131
Lubes*	4,309	6,526	6,252	21,202	20,758
Total	**15,043**	**29,908**	**27,244**	**93,991**	**120,889**
Less: Elimination/Adjustments	2,710	4,103	4,218	13,242	14,000
Total Profit before tax	**12,333**	**25,805**	**23,026**	**80,748**	**106,889**

* The above numbers represent full numbers in the statement of profit and loss of Valvoline Cummins Private Limited and are not Group's proportionate share.

For relevant information of segment assets and liablities relating to engine segment refer consolidated statement of assets and liabilities.