# 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 Fourth 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 6th day of August, 2015, at 12.00 noon, to transact the following business:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2015 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.

2. To declare final dividend on equity shares and to ratify the interim dividend declared by the Board of Directors.

3. 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.

4. To appoint a Director in place of Mr. Edward Phillip Pence (DIN 06577765), who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

**SPECIAL BUSINESS:**

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

   "RESOLVED that Ms. Suzanne Wells (DIN 6954891), who was appointed as an Additional Director by the Board of Directors of the Company on August 22, 2014, pursuant to Article 110 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting under Section 161 (1) of the Companies Act, 2013 and in respect of whom the Company has received a notice from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company".

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

   "RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rules thereunder, Messrs Ajay Joshi and Associates, Cost Accountants be paid ₹ 900,000/- (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 2015-16".

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special 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 on arm's length basis for a consideration estimated at ₹ 124,600 Lacs for the Financial Year 2015-16".

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special 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 there of by the Company from Tata Cummins Private Limited on arm's length basis for a consideration estimated at ₹ 101,000 Lacs for the Financial Year 2015–16".

By Order of the Board,

K. Venkata Ramana
Group Vice President
Legal & Company Secretary

Mumbai
May 28, 2015

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**NOTES:**

a. The information pursuant to Clause 49 of the Equity Listing Agreement with the Stock Exchanges in respect of Item Nos. 3 & 4 and the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), in respect of Special Business at Item Nos. 6 to 9 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, August 1, 2015 to Thursday, August 6, 2015 (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 July 31, 2015.

d. Members requiring information on the audited Statement of Profit and Loss for the year ended March 31, 2015 and the Balance Sheet as at that date 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.

e. 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

f. Unclaimed dividends for the Financial Years 2007-08 and 2008-09 can be claimed from the Company by completing the requisite formalities. To claim final dividend for the Financial Year 2007-08, Special Equity Dividend for the Financial Year 2008-09 and interim dividend for the Financial Year 2008-09, the requisite formalities are required to be completed prior to August 27, 2015, January 6, 2016 and March 1, 2016 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), members are requested to write to Link Intime India Private Limited, Mumbai at the above address.

g. 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.

h. 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.

i. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

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

k. 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.

l. 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.

m. 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.

n. The relevant documents as referred to in Item Nos. 6 to 9 of the Notice and the Explanatory Statement attached here to 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.

o. 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:

The procedure/ instructions for e-voting are as under:

A. In case of members receiving e-mail:

a. Log on to the e-voting website www.evotingindia.com

b. Click on “Shareholders” tab.

c. 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.

d. Enter the Image Verification as displayed and Click on Login.

e. If you are holding shares in demat form and had voted on an earlier voting of any company by logging on to www.evotingindia.com, then your existing password is to be used.

f. 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)<br>● 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. |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.<br># Please enter the DOB or Dividend Bank Details in order to login. If 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 point c. |

g. After entering all details appropriately, click on “SUBMIT”.

h. Members holding shares in physical form will be directed to 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.

i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

j. Click on the EVSN for the relevant business of Cummins India Limited on which you choose to vote.

k. 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.

l. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

m. 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.

n. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

o. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

p. If Demat account holder has forgotten the existing password then "Enter the User ID" and the image verification code and click on Forgot Password & enter the details as prompted by the system.

B. In case of Institutional shareholders:

a. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.

b. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

c. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

e. Institutional shareholders should upload a scanned copy of the Board Resolution and Power of Attorney (POA), which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

C. In case of members receiving the physical copy:

a. Please follow all steps from sl. no. A.a. to A.p. above to cast vote.

D. The e-voting period begins on August 3, 2015 (9.00 a.m. IST) and ends on August 5, 2015 (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 of July 31, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

E. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

F. General:

a. In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at www.evotingindia.com under 'HELP'.

b. If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.

c. 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 31, 2015.

d. Mr. S V Deulkar, Practicing Company Secretary, Pune, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

e. The Scrutinizer shall within a period of not exceeding Three (3) working days from the conclusion of the e-voting period 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.

p. 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.

q. 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.

## ANNEXURE TO THE NOTICE

**Information as per Clause 49 of the Listing Agreement with the Stock Exchanges -**

**Item No. 3**

**Re-appointment of Mr. Casimiro Antonio Vieira Leitao**

Mr. Casimiro Antonio Vieira Leitao 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. Mr. Leitao is on the Board of Cummins Northeast, LLC. Mr. Leitao does not hold any shares in the Company and is not related with 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 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.

The shareholders' approval is solicited for the resolution at Item No. 3 of the accompanying Notice. Except Mr. Leitao, no other Director or Key Managerial Personnel, or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 3 of the Notice.

**Item No. 4**

**Re-appointment of Mr. Edward Phillip Pence**

Mr. Edward Phillip Pence joined the Board of Cummins India Limited on May 10, 2013. Mr. Pence is a Bachelor of Arts in English and Communications and has pursued Executive Programme from Stanford University. Mr. Pence possesses expertise in Automotive Business and Automotive Field Marketing. Mr. Pence does not hold any shares in the Company and is not related with 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. Pence :

(i) consent in writing to act as 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.

The shareholders' approval is solicited for the resolution at Item No. 4 of the accompanying Notice. Except Mr. Pence, no other Director or Key Managerial Personnel, or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

**Item No. 6**

**Appointment of Ms. Suzanne Wells as a Director of the Company**

The Board of Directors appointed Ms. Suzanne Wells as an Additional Director with effect from August 22, 2014, under Article 110 of the Articles of Association of the Company. Under Section 161 of the Companies Act, 2013, Ms. Wells holds office of the Additional Director till the date of the forthcoming Annual General Meeting. A notice has been received from a member, as required under Section 160 of the Companies Act, 2013, along with required deposit of ₹ 1 Lac, proposing the candidature of Ms. Wells for office of the Director.

Ms. Wells has completed her Bachelors in Industrial and Systems Engineering from the Ohio State University and Masters in Business Administration from the Kelley School of Business - Indiana University. In addition to her expertise in Marketing and Sales, her additional functional expertise lies in Manufacturing, Quality, Purchasing, Finance and General Management. Ms. Wells does not hold any shares in the Company and is not related with 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 she is not disqualified under Section 164 (2) of the Companies Act, 2013 from Ms. Wells :

(i) consent in writing to act as 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.

The shareholders' approval is solicited for the resolution at Item No. 6 of the accompanying Notice. Except Ms. Wells, no other Director or Key Managerial Personnel, or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of the Notice.

**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 2015-16.

In terms of the provisions of Section 148(3) 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.

The shareholders' approval is solicited for the resolution at Item No. 7 of the accompanying Notice. No Director or Key Managerial Personnel, or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 of the Notice.

**Item No. 8**

**Related Party Transaction of material nature**

Under Clause 49 (VII) of the Equity Listing Agreement with the Stock Exchanges, all Related Party Transactions shall require prior approval of the Audit Committee and all Material Related Party Transactions shall require approval of the shareholders by a Special Resolution. The said Clause further provides for 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 arms' length basis under the Purchase Orders raised from time to time amounting to the aggregate approx. of ₹ 124,600 Lacs in Financial Year 2015-16 ("on-going transaction"). It may be noted that during the Financial Year 2013-14, the total turnover of the Company was ₹ 397,667 Lacs and that the Company had transactions with Cummins Limited, UK of ₹ 76,381 Lacs (*that is*, of 19.20%). Cummins Limited, UK is a subsidiary of Cummins Inc. USA which is the parent company of the Company.

The Audit and Risk Management Committee of the Board of Directors of the Company reviewed the on-going transaction and approved the same in their Meeting held on May 28, 2015. The Board of Directors, also, in their Meeting held on May 28, 2015, reviewed the on-going transaction and proposed the same to be placed before the shareholders for their approval.

No Director, Key Managerial Personnel, or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 8 of the Notice.

The shareholders' approval is solicited for the resolution at Item No. 8 of the accompanying Notice as a Special Resolution.

**Item No. 9**

**Related Party Transaction of material nature**

Under Clause 49 (VII) of the Equity Listing Agreement with the Stock Exchanges, all Related Party Transactions shall require prior approval of the Audit Committee and all Material Related Party Transactions shall require approval of the shareholders by a Special Resolution. The said Clause further provides for 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 purchases B and L series internal combustion engines, their parts and accessories from Tata Cummins Private Limited, Jamshedpur ('TCPL') on arms' length basis under the Purchase Orders raised from time to time amounting to the aggregate approx. of ₹ 101,000 Lacs in Financial Year 2015-16 ("on-going transaction"). It may be noted that during the Financial Year 2013-14, the total turnover of the Company was ₹ 397,667 Lacs and that the Company had transactions with TCPL of ₹ 32,807.31 Lacs (*that is*, of 8.23 %).

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 transaction and approved the same in their Meeting held on May 28, 2015. The Board of Directors, also, in their Meeting held on May 28, 2015, reviewed the on-going transaction and proposed the same to be placed before the shareholders for their approval.

No Director, Key Managerial Personnel, or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 9 of the Notice.

The shareholders' approval is solicited for the resolution at Item No. 9 of the accompanying Notice as a Special Resolution.

By Order of the Board,

K. Venkata Ramana
Group Vice President
Legal & Company Secretary

Mumbai
May 28, 2015