

Cummins India Limited

Registered Office: Kothrud, Pune 411 038 (INDIA)

NOTICE OF THE MEETING

To

The Members of Cummins India Limited

NOTICE is hereby given that the Forty-Seventh Annual General Meeting of Cummins India Limited will be held at Hotel Le Meridien, Majestic Hall, 1st Floor, Raja Bahadur Mill Road, Pune 411 001, on Thursday, the 24th day of July, 2008 at 12.30 p.m., to transact the following business:

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended March 31, 2008 and the Balance Sheet as at that date.
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. Mark Levett, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Venu Srinivasan, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Glyn Price, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, Mr. Anant J. Talaulicar be and is hereby re-appointed as Managing Director of the Company for a period of five years from April 25, 2008 to April 24, 2013, on such terms as set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting."

By Order of the Board

Pune
May 22, 2008

Dinesh Castellino
Vice President Legal &
Company Secretary

NOTES:

- a. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business of the Notice set out above is annexed hereto.
- b. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- c. The Register of Members and the Share Transfer Books of the Company will remain closed from July 19, 2008 to July 24, 2008 (both days inclusive). If the final equity 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 18, 2008.
- d. Members requiring information on the audited Profit and Loss Account for the year ended March 31, 2008 and the Balance Sheet as at that date, are requested to write to the Company at least seven days before the date of the meeting to enable the Company to furnish the information.
- e. The Company has appointed Intime Spectrum Registry Limited, Mumbai as its Registrar and Transfer Agent, effective May 15, 2002. Therefore, all correspondence relating to transfer and transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, dematerialisation of shares, payment of dividend etc. will be attended to and processed at the office of Registrar and Transfer Agent at the following address: -

Intime Spectrum Registry Limited
Unit: Cummins India Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai: 400 078
Phone No.: (022) 2594 6970-78
Fax No. : (022) 2594 6969
Contact person: Mr. N. Mahadevan Iyer
E-mail: mahadevan.iyer@intimespectrum.com/ rnt.helpdesk@intimespectrum.com
- f. Unclaimed dividend for the financial year 2000-2001, can be claimed from the Company by completing the requisite formalities, prior to August 30, 2008, as thereafter the unclaimed dividend for the said year is liable to be transferred to the Investor Education and Protection Fund established by the Central Government as per Section 205A of the Companies Act, 1956. For details, Members are requested to contact Mr. P. S. Phansalkar, Sr. Manager-Secretarial on email Pradip.S.Phansalkar@Cummins.com [Tel. No. (020) 3023 3005]. For unclaimed dividend for the years 2001-2002 onwards, members are requested to write to Intime Spectrum Registry Limited, Mumbai at the above address.
- g. On December 4, 2000, the Company sub-divided each of its Equity Share of the face value of Rs. 10/- each into five Equity Shares of the face value of Rs. 2/- each. Prior to this, the Company had on February 10, 1987, sub-divided each of its Equity Share of the face value of Rs. 100/- each into ten Equity Shares of the face value of Rs. 10/- each. The Equity Shareholders who have not so far surrendered their old certificates in exchange for new certificates for sub-divided Shares of the face value of Rs. 2/- each, are requested to do so immediately.

Information as required to be given as per Clause 49 of the Listing Agreement with the Stock Exchanges is given below for item Nos. 3 to 5 of the Notice of the 47th Annual General Meeting of the Company to be held at the venue, date and time mentioned therein.

Re-appointment of Mr. Mark Levett

As Vice- President of Cummins Inc. U.S.A., Mr. Mark Levett is responsible for its High Horse Power Engine Business. He joined the Board of Cummins India Limited on February 28, 1991. Mr. Mark Levett has done his B.A. from Hanover College and M.B.A. from Michigan State University, U.S.A. He possesses expertise in marketing and distribution which will bring added value to the Company.

Mr. Levett is on the Boards of the following other companies, viz., (i) Cummins Komatsu Engine Company (ii) Cummins Westport Inc. (iii) Cummins Mid-South LLC and (iv) Cummins Rocky Mountain LLC.

Mr. Mark Levett does not hold any shares in the Company and is not related with any other Director of the Company.

Re-appointment of Mr. Venu Srinivasan

Mr. Venu Srinivasan joined the Board of Cummins India Limited on January 27, 2000. An Engineer from Madras University, Mr. Venu Srinivasan has also done MS (Management) from Purdue University, U.S.A. He has rich experience in the Engineering field and the Company stands to benefit significantly from his experience and expertise.

Mr. Srinivasan is on the Boards of the following other companies viz., (i) TVS Motor Company Limited (Chairman and Managing Director) (ii) Sundaram-Clayton Limited (Managing Director) (iii) Wabco-TVS (India) Limited (iv) Harita NTI Limited (Chairman) (v) TVS Electronics Limited (Chairman) (vi) TVS Finance and Services Limited (vii) Lucas TVS Limited (viii) T V Sundaram Iyengar & Sons Limited (ix) Sundaram Textiles Limited (x) Southern Roadways Limited (xi) Sundram Fasteners Limited (xii) Sundaram Non-Conventional Energy Systems Ltd. He is also a member of the Shareholders/ Investors Grievance Committee of the Board of Directors of (i) TVS Motor Company Limited (ii) Sundaram-Clayton Limited (iii) TVS Electronics Limited and (iv) TVS Finance and Services Limited.

Mr. Venu Srinivasan does not hold any shares in the Company and is not related with any other Director of the Company.

Re-appointment of Mr. Glyn Price

Mr. Glyn Price is Vice President and General Manager of Cummins Inc. U.S.A. and is responsible for Turbo Technologies business in China and India. Mr. Price joined the Board of Cummins India Limited on June 2, 2005. Mr. Glyn Price holds an M.Sc. in Business Management and is also a Chartered Certified Accountant, UK. His financial experience and exposure to general management make him an asset to the Company.

Mr. Price is on the boards of the following other companies viz., (i) Cummins Turbo Technologies Limited (Chairman) (ii) Cummins Turbo Technologies Limited, UK (Chairman) (iii) Wuxi Vane Wheel Engineering Company Limited (Chairman) (iv) Wuxi Cummins Turbo Technologies Company Limited (Vice Chairman).

Mr. Glyn Price does not hold any shares in the Company and is not related with any other Director of the Company.

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173(2) of the Companies Act, 1956.

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned at item 7 in the accompanying Notice of the 47th Annual General Meeting of the Company to be held at the venue, date and time mentioned therein.

ITEM 7

Mr. Anant J. Talaulicar completed his first term as Managing Director of the Company on April 24, 2008. During the past five years, Mr. Talaulicar has made significant contribution to the Company's growth and in planning & implementing the Company's business strategies.

Mr. Anant J. Talaulicar 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. Anant J. Talaulicar possesses expertise in Finance, Manufacturing, Product Management, Strategy and Marketing. He is on the Boards of the following other companies, viz., (i) Cummins Sales and Service India Limited (Chairman) (ii) Cummins Generator Technologies India Limited (Chairman) (iii) Tata Cummins Limited (Managing Director) (iv) KPIT Cummins Infosystems Limited (v) Cummins Auto Services Limited (vi) Valvoline Cummins Limited (vii) Cummins Research and

Technology India Limited (viii) Cummins Turbo Technologies Limited and (ix) Bosch Chassis Systems India Limited. He is also a member of the Audit Committee of the Board of Directors of (i) KPIT Cummins Infosystems Limited (ii) Bosch Chassis Systems India Limited and (iii) Tata Cummins Limited.

The Board of Directors of the Company at their meeting held on January 30, 2008, have approved re-appointment of Mr. Anant J. Talaulicar as Managing Director of the Company for a period of five years from April 25, 2008 to April 24, 2013, subject to approval of the Shareholders. Mr. Talaulicar had been working with Cummins Inc. U.S.A. for about 17 years prior to being deputed to India in 2003 and continues to draw salary from Cummins Inc., U.S.A. The Board of Directors have approved following remuneration payable by the Company to Mr. Talaulicar as Managing Director for the above mentioned period:

1. **Salary:** Consolidated Salary: Rs. 1,001/- per month.
In addition to salary, Mr. Anant J. Talaulicar will be entitled to the following benefits-
2. **Housing and other benefits:**
 - a) Fully furnished accommodation at Pune and Mumbai. If the same is taken on rent, the actual rent / licence fee paid shall not exceed Rs. 1,000,000/- per month
 - b) Gas, Electricity and Water at actuals at Pune and Mumbai.
 - c) Servants 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. **Accident Insurance Cover:** Group Accidental Insurance cover up to Rs. 600,000/- and Insurance on account of death cover up to Rs. 2,600,000/- as per prevalent rules of the Company. Premium is to be paid by the Company.
7. **Free use of Car:** One car each with driver for Company's business at Pune and Mumbai.
8. **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.

9. **Minimum Remuneration:**

The above remuneration shall be subject to limits laid down under Sections 198 and 309 of the Companies Act, 1956 or any statutory modifications and/or re-enactment thereof.

In the absence or inadequacy of profits, in any year, the remuneration payable to Mr. Anant J. Talaulicar by way of salary, allowances and perquisites shall not exceed the limits prescribed under Schedule XIII of the Companies Act, 1956 and rules made thereunder or any statutory modifications and/or re-enactment thereof.

An abstract of the terms of contract between the Company and Mr. Anant J. Talaulicar under Section 302 of the Companies Act, 1956, was circulated to the members on February 16, 2008. Mr. Talaulicar does not hold any shares in the Company and is not related with any other Director of the Company.

Except Mr. Anant J. Talaulicar, no other Director is concerned or interested in this resolution.

By Order of the Board

Pune
May 22, 2008

Dinesh Castellino
Vice President Legal &
Company Secretary

PROXY

Cummins India Limited

Registered Office: Kothrud, Pune 411 038 (INDIA)

I/We, (L.F. No or

DP ID NO. Client ID No.)

(Address).....

being a Member/Members of Cummins India Limited, Pune 411 038, do hereby appoint

of or/failing him/her

..... of as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the 47th Annual General Meeting of the Company to be held at Hotel Le Meridien, Majestic Hall, 1st floor, Raja Bahadur Mill Road, Pune 411 001, on Thursday, the 24th day of July 2008 at 12.30 p.m. and at any adjournment thereof.

IN WITNESS whereof I/we have set my/our hand/hands this day of 2008.

Please
affix
15 Ps.
Revenue
Stamp

(Signature of the Shareholder across the stamp)

in the presence of

(witness)

Note: The proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the meeting.