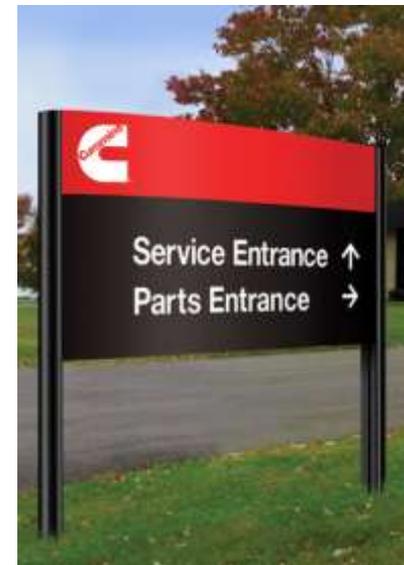




Cummins India Limited Analyst Meet

May 16, 2012



Cummins Inc.

Engine Business



Distribution Business



Power Generation Business



Power Generation



Generator Technologies

Components Group



Emission Solutions



Filtration



Turbo Technologies



Fuel Systems

HQ in Columbus,
Indiana since 1919

44,000 employees

R&D: \$329 million

Cummins
Business
Services



Operations in 190 Countries

50 manufacturing locations

500 distributor locations
5,200 dealer locations

Making people's lives better by
unleashing the Power of Cummins



Cummins Business Model

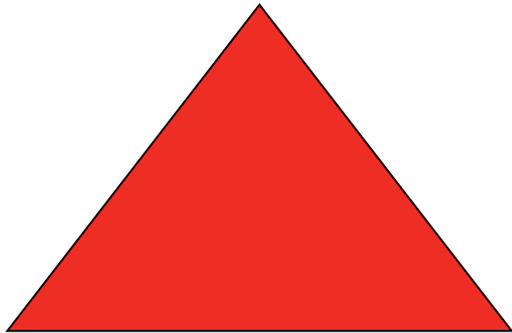
- Guiding Principles - Vision, Mission, Core Values
- Corporate & BU Objectives, Strategies, Initiatives, Projects -- (Goal Trees)
- Cummins Operating System (COS):
 - Ten Common Practices
 - Functional Excellence Framework (FE Statements, Measures, Processes, Tools, People Development)
 - Common Business Processes (Strategy, Performance Management/People Development, New Product Development)



Why We Are Here – Guiding Principles

Vision:

“Making people’s lives better by unleashing the Power of Cummins”



Personality:

- Decisive
- Driven To Win
- Agile
- Passionate
- Caring

Core Values:

- Integrity
- Innovation
- Delivering Superior Results
- Corporate Responsibility
- Diversity
- Global Involvement

Mission:

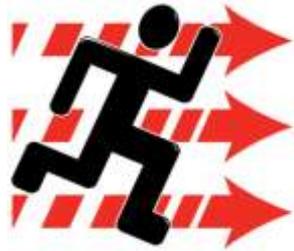
- Motivating people to act like owners working together
- Exceeding customer expectations by always being first to market with the best products
- Partnering with our customers to make sure they succeed
- Demanding that everything we do leads to a cleaner, healthier, safer environment
- Creating wealth for all stakeholders



COS 10 Practices



Put the customer first, and provide real value



Synchronize flows (material, physical and information)



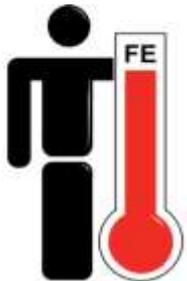
Design quality in every step of the process



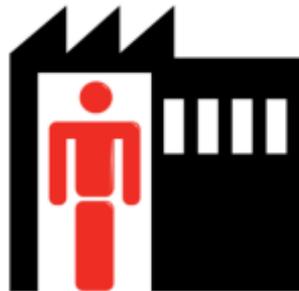
Involve people and promote teamwork



Ensure equipment and tools are available and capable



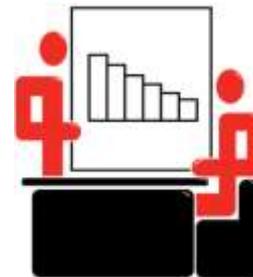
Create functional excellence



Establish the right environment



Treat preferred suppliers as partners



Follow common problem solving techniques



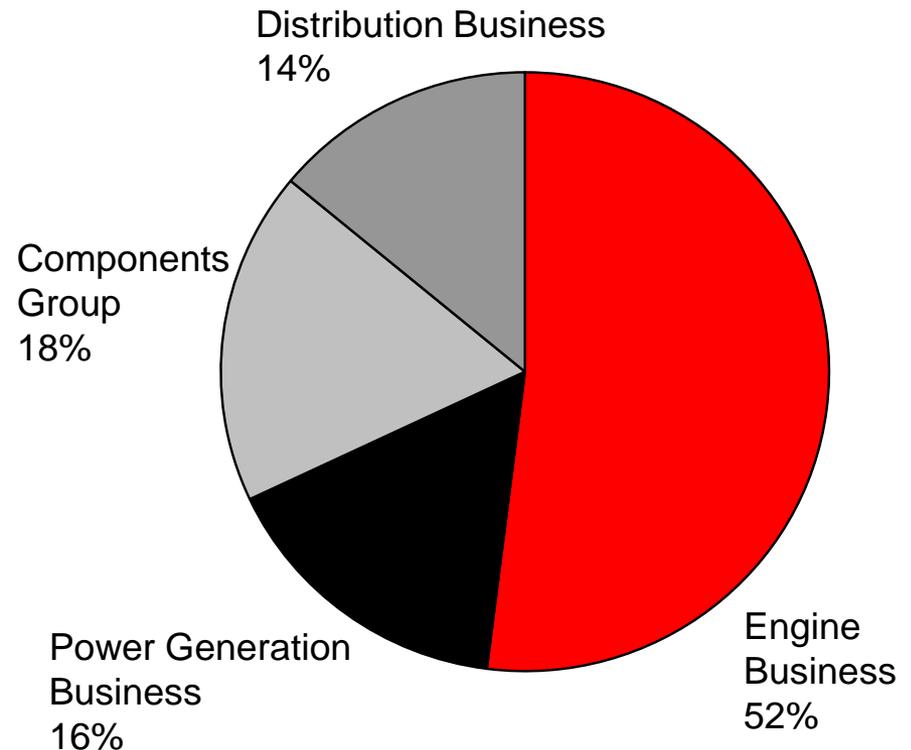
Use Six Sigma as the primary process improvement method

Cummins Inc.

- Macro growth trends play to Cummins' strength
- Vision/Mission/Values
- Demonstrated technology leadership
- Global footprint
- Leaders

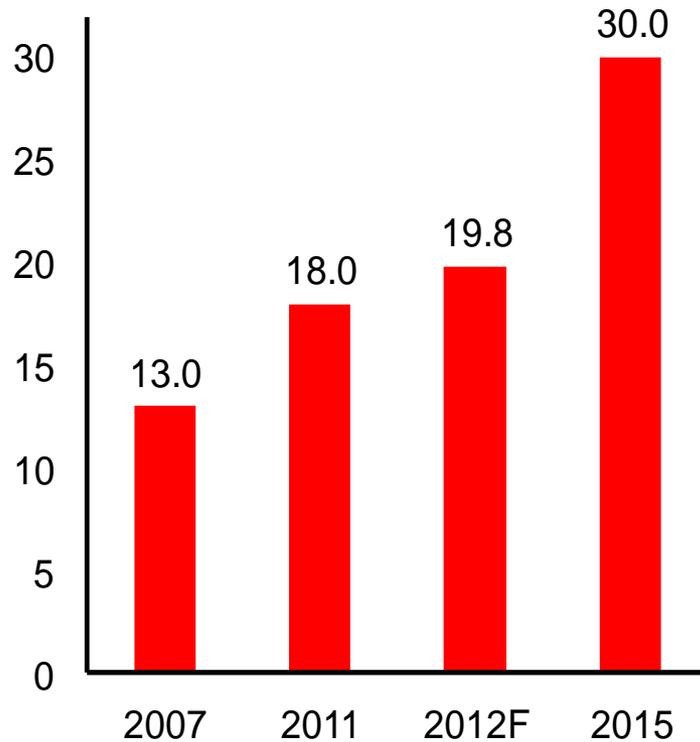
2011 Data Sales: \$18.0 billion
EBIT : \$2.6 billion
EBIT margin: 14.2%

2011 Revenue by Segment

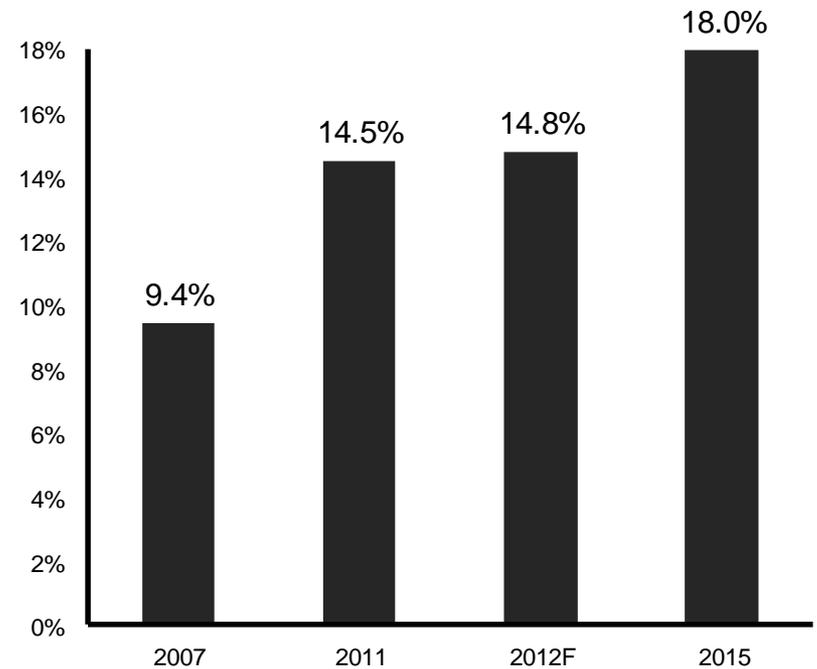


Targeting \$ 30B in Sales and 18% EBIT by 2015

Sales (US \$)



EBIT %



Cummins in India

- In India since 1962
- 8 companies (4 JVs, 1 Service JV)
- 14,500 employees
- \$2.3B combined sales

Engine Value Packages (60-2700 HP)

Auto, Construction, Mining, Compressors, Pumps, Marine, Rail, Oil & Gas, Defense

Power Generation

Gensets (15-2000 kVA), Energy Management, Captive Power Plants, Alternators

Components & Consumables

Filtration, Turbochargers, Emission Solutions, Lubricants

Services

Engines, Gensets, IT/ITES, R&D, Sourcing, Finance, HR

Valvoline Cummins
Cummins SVAM
New Delhi

Cummins Turbo Technologies
Dewas

CIL –Generators
CES
Daman

Cummins India Ltd.
KPIT Cummins
Cummins Business Services
Intl. Purchasing Office
Fleetguard Filters
Cummins Research & Technology India
Cummins Generator Technologies
Pune

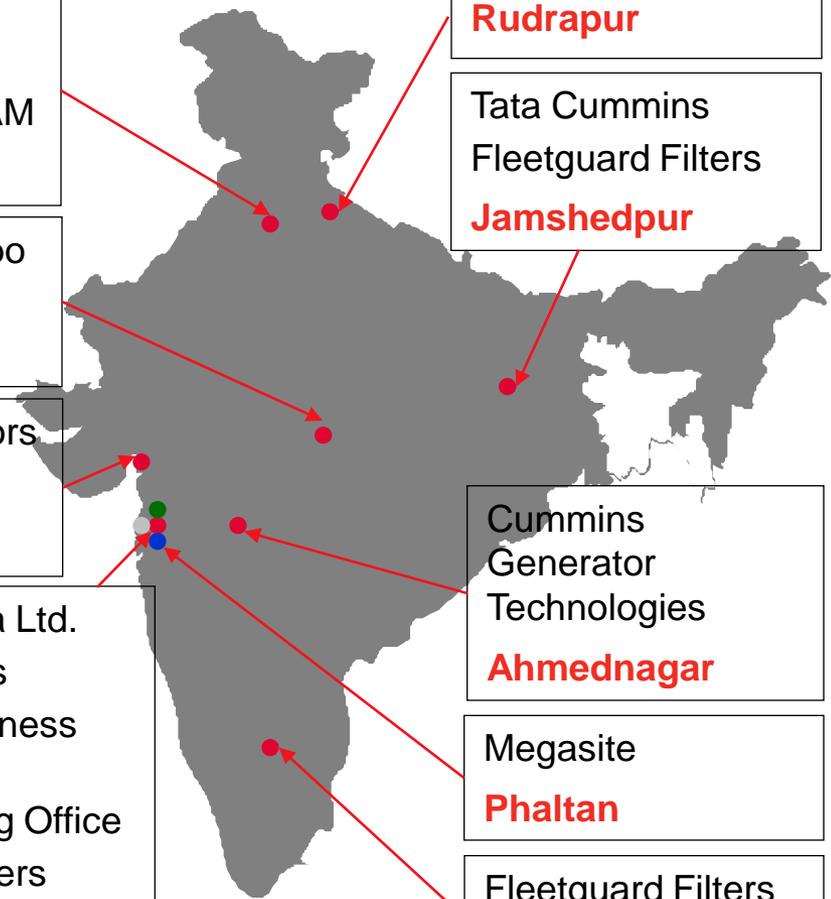
Cummins Turbo Technologies
Fleetguard Filters
Rudrapur

Tata Cummins
Fleetguard Filters
Jamshedpur

Cummins Generator Technologies
Ahmednagar

Megasite
Phaltan

Fleetguard Filters
Hosur



India Organization Snapshot

Cummins in India

Entities :

1. Cummins India Ltd.
2. Cummins Research & Technology India Ltd.
3. Cummins Generator Technologies India Ltd.
4. Cummins Technologies India Ltd.
5. Tata Cummins Ltd.
6. Fleetguard Filters Pvt. Ltd.
7. Valvoline Cummins Ltd.
8. KPIT Cummins Infosystems Ltd.

Business Units :

- Engine Business
 - Automotive
 - Industrial
 - ReCon
- Power Generation Business
 - Generators
 - Alternators
- Component Business
 - Filtration
 - Emission Solutions
 - Turbo
 - Fuel Systems
- Distribution Business (1 PDC/ 5 Zonal Offices / 21 Area Offices / 212 Dealer sites, 1 Service JV)
 - Lubricants

Shared Services: CBS/Tech Centre/IPO/Internal Audit

Strategic Leadership Team



Anant Talaulicar

President – Components Group and
Managing Director – India ABO



Raj Menon
Chief Operating
Officer



Rajiv Batra
Finance &
Strategy



Sudha Dhar
Chief
Information
Officer



**Ashish
Aggarwal**
Government
Relations



**Nagarajan
Balanaga**
Human
Resources



**Sameer
Chugh**
Legal &
Secretarial



**Qureish
Shipchandler**
Internal
Audit



Operating Leadership Team



Raj Menon

Chief Operating Officer – India ABO



Mahesh Narang
Industrial Engine
Business



Bhavana Bindra
Auto Business



Amit Kumar
Power
Generation



Vipul Tandon
Distribution
Business



Sandeep Sinha
New & ReCon
Parts India



Ashwath Ram
Tata Cummins
Operations



Arun Ramachandran
Cummins Turbo
Technologies



Anjali Pandey
CES



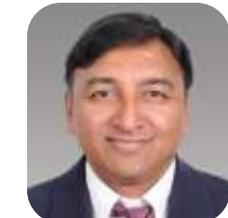
Senthil Kumaran
Cummins Fuel Systems



Paul Sowerby
CRTI & Eng



Aditi Sharma
Quality Champion



R.S. Raman
CGT



J. Nilakantan
CBS



Bijoy Bose
IPO



Sadashiv Pandit
Fleetguard Filters



Ravi Pandit
KPIT Cummins



Naveen Gupta
Valvoline Cummins



Cummins India Limited - Overview

- 50 years of successful operation
- Transformation over last decade
- Accelerated growth in the current decade
- Prepared for market volatility



Cummins India Limited – Year 2011

- 2011 : Best Year Ever
- Record sales and profits
- Strong balance sheet
- Bonus shares declared at the 50th AGM
- Dividend increase
- Investments for growth
 - New Projects at the Megasite in Phaltan (Engine upfit Center, Power Generation, TCL3, Fuel Systems, High Horsepower QSK engines)
 - India Technical Center in Pune
 - India Office Campus in Pune



Cummins India Limited - Financial Performance 2011-12

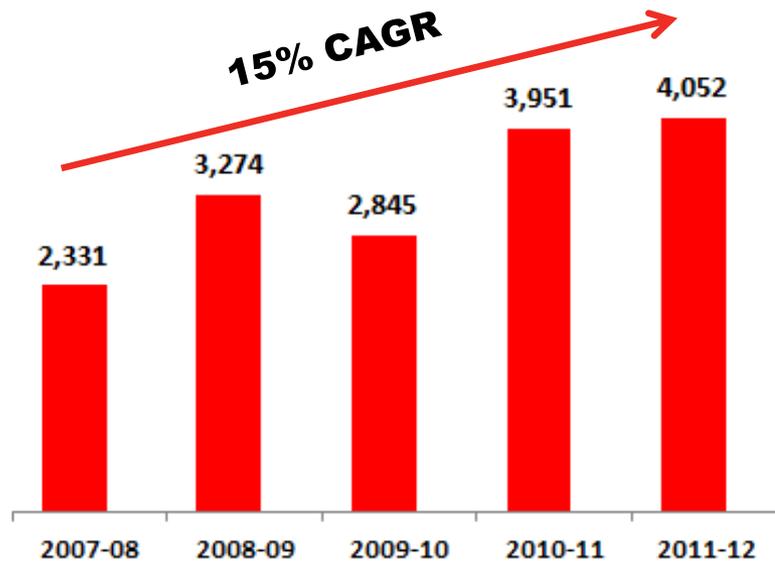
Rs. Cr	FY 11-12	FY 10-11	% L/Y
Total Revenue	4,117	4,043	2%
Mat Cost	2,645	2,580	3%
MM%	35.7%	36.2%	-0.4%
Employee Cost	304	255	19%
%	7.4%	6.3%	-1.1%
Depreciation	42	37	15%
%	1.0%	0.9%	-0.1%
Other Expenses	471	444	6%
%	11.4%	11.0%	-0.4%
Operating Profit	655	727	-10%
%	15.9%	18.0%	-2.1%
Other Income	123	80	53%
%	3.0%	2.0%	1.0%
PBIT	779	807	-4%
%	18.9%	20.0%	1.1%
Exceptional Inc	51	-	
Interest	5	5	14%
PBT	825	802	3%
%	20.0%	19.8%	0.2%

* Total Revenue includes Sales & Other Operating Income

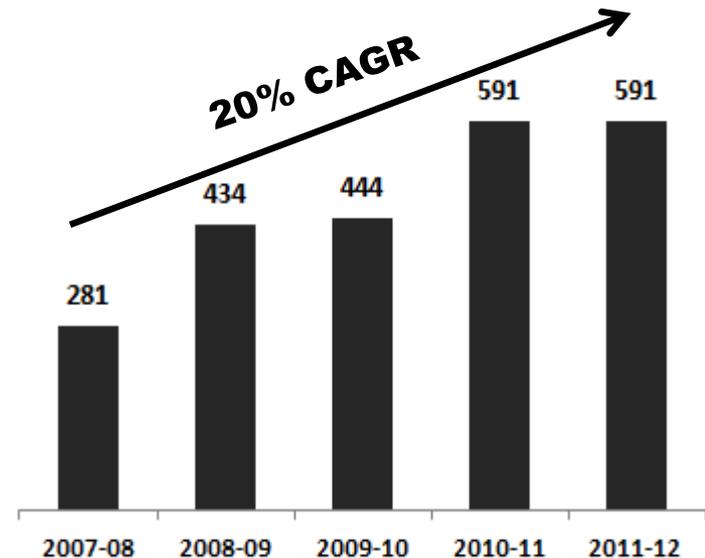


Cummins India Limited - Sales and Profit After Tax (PAT) – Last 5 years

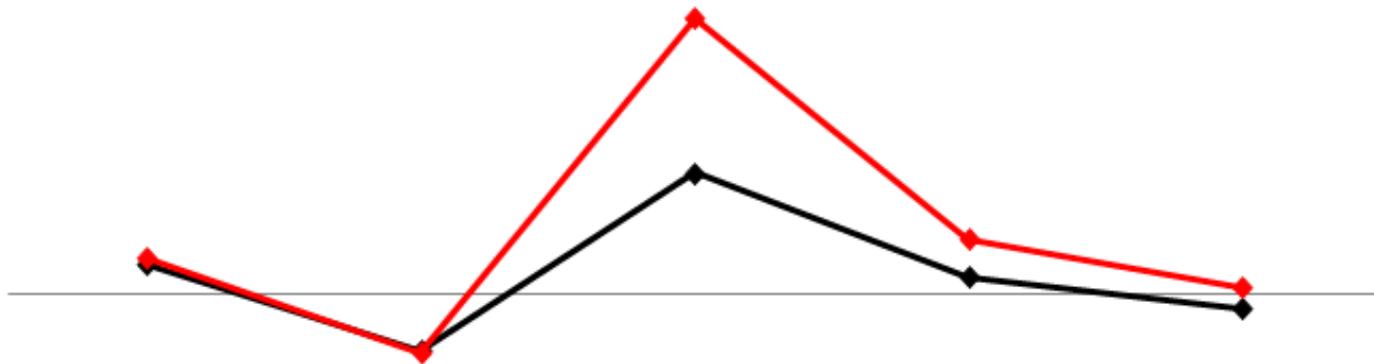
Sales (Rs. Cr)



PAT (Rs. Cr)



Cummins India Limited - Shareholder Return (Last 5 Years)



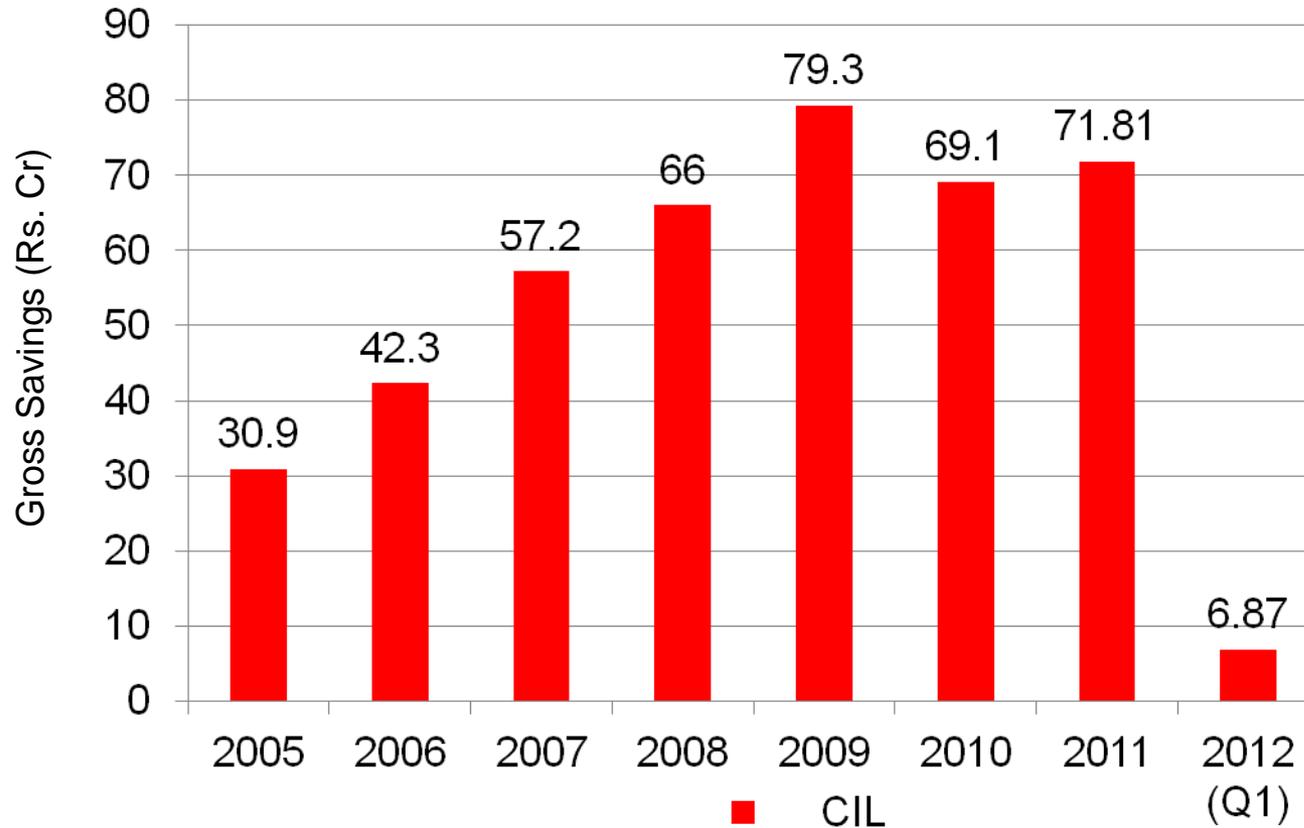
	Mar 08	Mar 09	Mar 10	Mar 11	Mar 12
◆ Sensex	20%	-38%	81%	11%	-10%
◆ CIL	23%	-40%	184%	36%	4%

* Shareholder return computed as a % change in the share price (adjusted for bonus) and dividend payout

Source : BSE India website



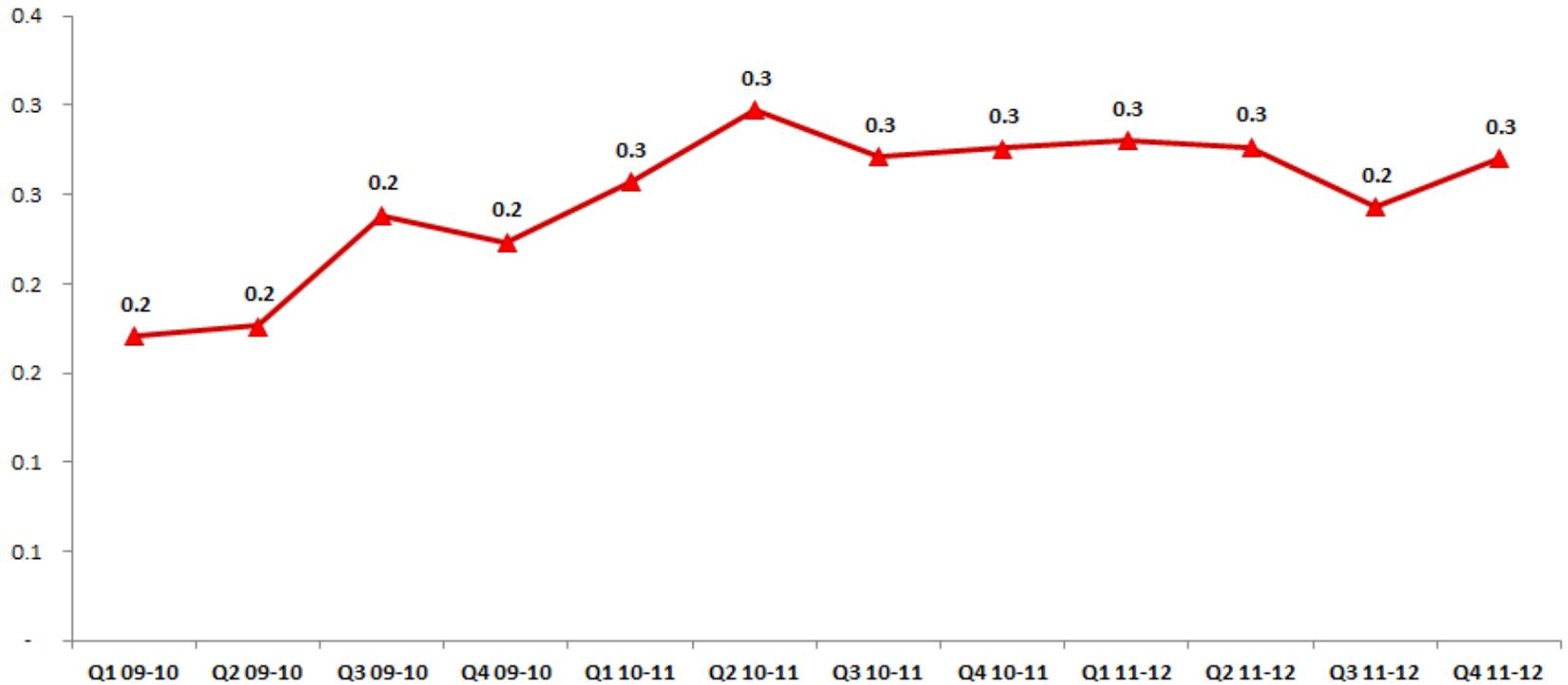
Cummins India Limited - Summary of Gross Material Cost Savings



Data for 2005, 2006 and 2007 represents only IEBU



Cummins India Limited - Productivity – Revenue/Employee (Rs crores)



Cummins India Limited - Financial Performance – Q4 11-12

Rs. Cr	Q4 11-12	Q3 11-12	% L/Q	Q4 10-11	% L/Y
Total Revenue	1,040	962	8%	1,041	0%
Mat Cost	652	606	8%	678	-4%
MM%	37.3%	37.0%	0.3%	34.9%	2.4%
Employee Cost	81	78	3%	70	15%
%	7.8%	8.1%	0.3%	6.7%	-1.0%
Depreciation	12	11	9%	9	33%
%	1.1%	1.1%	0.0%	0.9%	-0.3%
Other Expenses	112	116	-3%	115	-2%
%	10.8%	12.1%	1.3%	11.0%	0.2%
Operating Profit	183	150	22%	169	8%
%	17.6%	15.6%	2.0%	16.3%	1.3%
Other Income	24	45	-47%	28	-14%
%	2.3%	4.7%	-2.4%	2.7%	-0.4%
PBIT	207	196	6%	197	5%
%	19.9%	20.3%	-0.4%	19.0%	0.9%
Exceptional Inc	-	(0)		-	
Interest	2	1	94%	1	103%
PBT	205	195	5%	196	4%
%	19.7%	20.2%	-0.5%	18.9%	0.8%

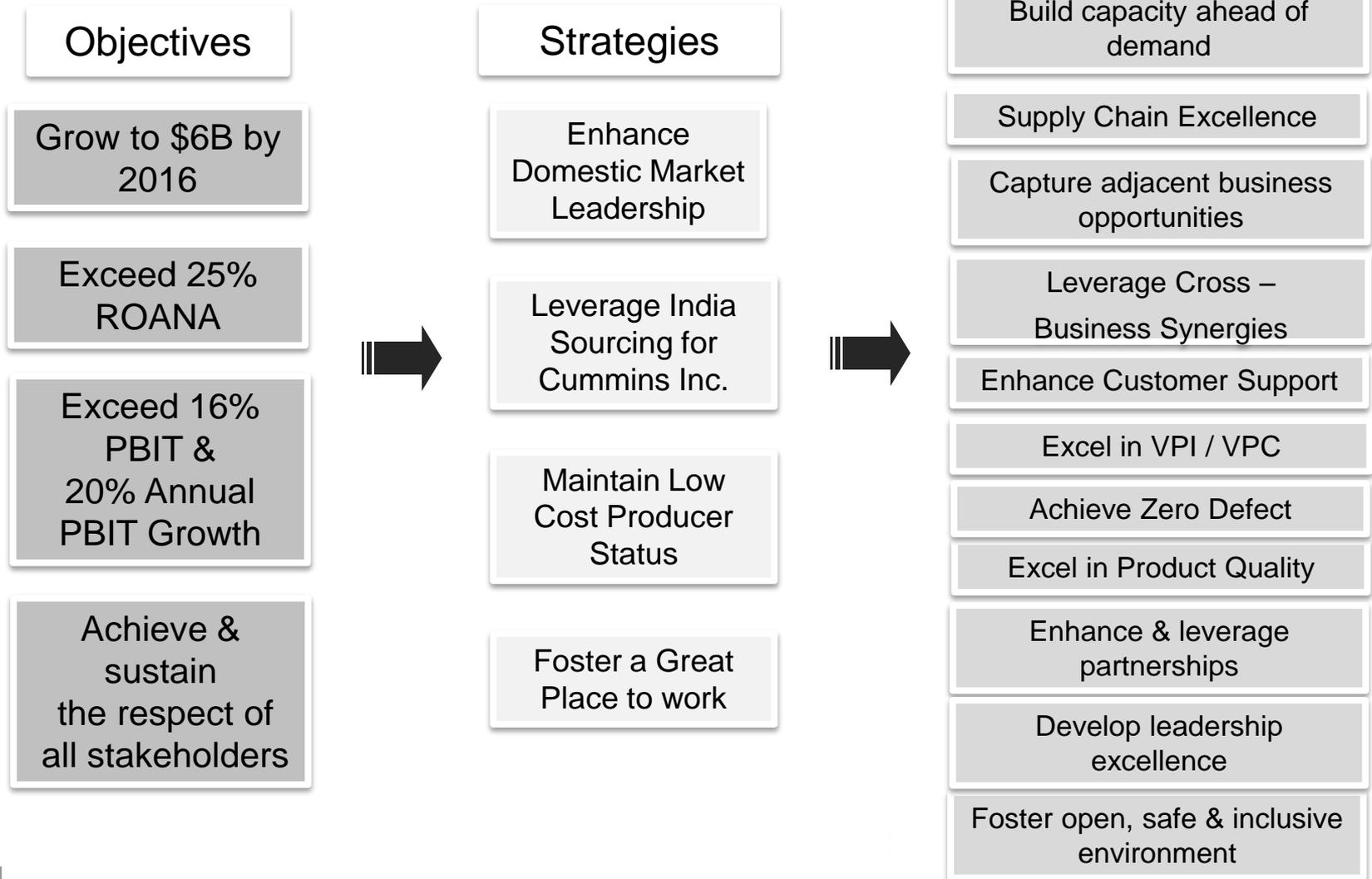
* Total Revenue includes Sales & Other Operating Income



Macro Trends that Continue to Drive Sustainable Growth

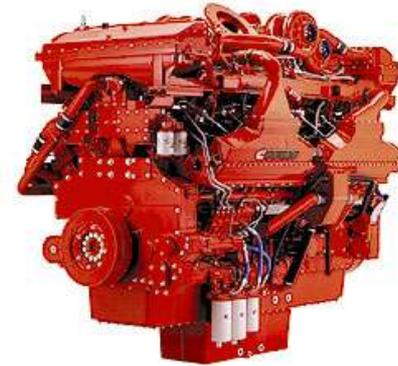
- GDP growth
- Significant infrastructure development
- Power deficits
- Significant & growing middle class
- Regulations converging to international standards
- Opportunity to leverage low cost products/services globally

Cummins in India - Goal Tree



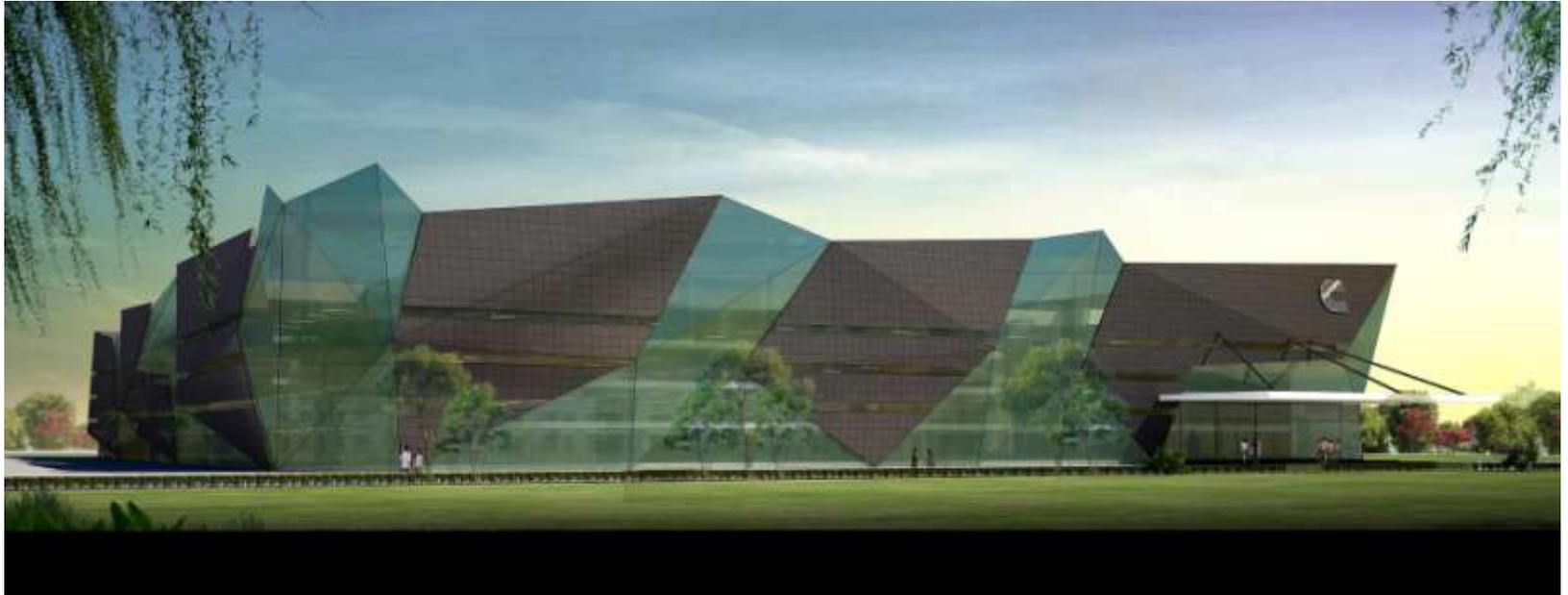
Cummins India Limited - New Product Launches

- Engine Business – QSK60
 - Extends manufacturing line to >2500 hp
 - Targeted towards domestic and export Power Generation Business and various industrial applications
- Power Generation Business - S3.8 & 6BTA5.9 (Urja - Genset)
 - Targeted at low kVA export market



Cummins India Limited - Upcoming Projects

- India Technical Center in Pune



Cummins India Limited - Upcoming Projects

- Engine Upfit Center for B & C series and manufacturing of L series at Megasite in Phaltan



Cummins India Limited - Upcoming Projects

- Generator Set Plant at SEZ, Megasite in Phaltan



Cummins India Limited - Capital Spend at the Megasite (next 5 years)

Rs. Cr	Y 2011	Y 2012	Y 2013	Y 2014	Y 2015	Total 2011-15
CapEx at Megasite						
PDC	36.7	2.4	36.8	5.3	2.6	83.8
PGBU - LHP SEZ	14.1	40.0	23.6	31.5	21.0	130.2
PGBU - LHP DTA		-	52.5	78.8	78.8	210.0
HHP Rebuild	10.4	1.5	0.8	1.0	9.5	23.2
B Upfit	5.2	20.7	5.2	6.8	2.3	40.1
Common Infrastructure at Megasite	16.0	16.8	18.3	-	-	51.0
IEBU 2.8 and 3.8 Engine Assembly	-	-	6.6	43.0	-	49.6
Land at Megasite		-	31.0	31.0	-	62.1
Hostel at Megasite		3.9	21.3	-	-	25.2
Others	2.3	5.9	13.7	3.1	-	25.0
	84.8	91.1	209.9	200.4	114.1	700.2



Cummins India Limited - Capital Spend (next 5 years)

Rs. Cr	Y 2011	Y 2012	Y 2013	Y 2014	Y 2015	Y 2011-15
CapEx at Megasite	84.8	91.1	209.9	200.4	114.1	700.2
India Office Campus	90.3	129.7	248.8	213.3	47.2	729.3
Other Capex	75.9	93.4	200.1	225.8	68.8	663.9
Cummins India Ltd.	250.9	314.3	658.8	639.4	230.1	2,093.4

Right Environment for Success

- Established through the Vision, Mission and Values
- Centralized hiring and Onboarding
- Representation at College Hires
- Diversity
- One Cummins - leveraging synergies
- Leadership and Employee development
- Performance Ethic
- Improved Code of Business Conduct governance process
- Increased focus on Corporate Responsibility



Corporate Responsibility

- Far higher focus in this area
- Prioritized higher education, energy/environment and infrastructure development
- Cummins College of Engineering for Women - Signature project
- Every Employee Every Community
- Environmental Challenge
- Cummins Scholarship Program

Summary

- Positioned for Growth
 - Values based performance ethic
 - Market leadership
 - Long term customer and supplier partnerships
 - Global technology with localization capabilities
 - Customer support capabilities
 - Sustaining business strategy
 - Strong balance sheet
 - Experienced management team
 - Diverse, talented workforce
 - Significant infrastructure
- Focus is now on profitable growth
 - Many opportunities
 - Be aggressive and disciplined

