

CUMMINS INDIA LIMITED
62nd Annual General Meeting
[CIN: L29112PN1962PLC012276]
Thursday, 03rd August 2023,
04.00 pm to 5.23 pm [IST]

Corporate Participants:

Steven Chapman
Chairman

Ashwath Ram
Managing Director

Nasser Munjee
Independent Director

Rama Bijapurkar
Independent Director

Rajeev Bakshi
Independent Director

Rekha
Independent Director

Lira Goswami
Independent Director

Donald Jackson
Non – Executive Director

Bonnie Jean Fetch
Non – Executive Director

Ajay Patil
Chief Financial Officer

Vinaya Joshi
Company Secretary

Other Participants to the Meeting -

Authorized Representative of Statutory Auditors

Authorized Representative of Secretarial Auditor

Authorised Representative of Cost Auditor

Internal Auditor

Scrutiniser

Other key Executives and Senior Management

Shareholders

Welcome Address by Chairman

Steven Chapman

Good evening Members, Directors, Ladies and Gentlemen,

The time right now is 4 pm IST. I am Steven Chapman, Chairman of the Company. I am pleased to welcome all of you to the 62nd Annual General Meeting of Cummins India Limited. The meeting is being held through video conferencing in accordance with the provisions of the Companies Act, 2013, circulars issued by the Ministry of Corporate Affairs and the Securities Exchange Board of India.

We greatly appreciate and value your interest in the Company and want you to know that we are pleased to have you with us today.

At this juncture, I would like to put on record that I am attending this meeting from Yanji city which is in Jilin province of China through video conferencing. In the event of unforeseen technical issue, if I get disconnected from this meeting, I request Mr. Ashwath Ram, Managing Director of the Company, failing him Mr. Rajeew Bakshi, Independent Director of the Company, to continue the meeting until I join back.

2022-23 was a year of outstanding performance for your Company, as we recorded highest-ever revenue and profit for the second financial year in a row. The dedication to our purpose, people and impact remained at the forefront of all that we accomplished in the financial year 2022-23. Your Company has successfully propelled strategy forward and extended a positive impact on our valued customers, investors, suppliers, employees, communities, and the planet.

Cummins is driven by 'Power with Purpose'. This purpose guides us every day to live up to our brand promise of innovation and dependability and contribute towards the progress of all our stakeholders. This year we continued to serve our customers, focused on empowering our communities, and as part of our PLANET 2050 strategy, we worked on various environmental projects guided by the mantra – use less, use better, and use again.

Our demonstration of agility teamwork, and customer-centricity had helped us emerge stronger. Coming years will be the next chapter of our growth story in India. I look forward to your continued support, optimism, and trust as we progress forward on our growth journey.

Ms. Vinaya Joshi, Company Secretary has confirmed that requisite quorum is present through video conferencing to conduct this meeting. Members' participation through video conference and other audio video means is being reckoned for the purpose of quorum as per the circulars issued by the Ministry

of Corporate Affairs and Section 103 of the Companies Act, 2013. With the required quorum being present, I call the meeting to order.

Representations under Section 113 of the Companies Act, 2013 has been received by the Company including from the Holding Company.

Now, I would like to introduce my fellow Board Members starting from Ashwath.

Mr. Ashwath Ram is on the Board since August 2019 and is also the Managing Director of the Company. Prior to this role, he has held various senior positions in the areas of business leadership and transformation, sales, strategy, operations, and supply chain. He is attending this meeting through VC from Cummins India Office Campus, Pune.

Mr. Nasser Munjee is on the Board as an Independent Director and is also the Chairperson of Audit and Compliance Committee of the Board. He is a renowned economist and expert in the field of finance and infrastructure investment. He is attending this meeting through VC from Goa.

Mr. Rajeev Bakshi is on the Board as an Independent Director and is also the Chairperson of Risk Management Committee of the Board. He has rich experience in Marketing and Supply Chain Management. He is attending this meeting through VC from Gurgaon.

Ms. Rama Bijapurkar is on the Board as an Independent Director and is also the Chairperson of Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Board. She is a thought leader on market strategy and India's consumer economy. Ms. Rama Bijapurkar is also on the Boards of several of India's blue-chip companies as well as Governing Councils of academic and public service institutions. She is attending the meeting through VC from Mumbai.

Ms. Rekha is on the Board as an Independent Director of the Board. She has rich experience across Manufacturing, Automotive, Aerospace and Industrial Automation & Energy Management industries, primarily in the disciplines of P&L Management, Marketing, Program Management, Quality Management, Talent Management, Hardware & Software Development and Product Design & Innovation. She is attending the meeting through VC from Bengaluru.

Ms. Lira Goswami is on the Board as an Independent Director and is also the Chairperson of Stakeholders Relationship Committee of the Board. She has more than 30 years of experience in corporate, commercial, and regulatory work including international business transactions, strategic advisory, mergers and acquisitions, regulatory compliance in various sectors including in the defence,

energy, pharma, food and other sectors. She is attending the meeting through VC from Delhi.

Mr. Donald Jackson is Non-Executive Director of the Company. Mr. Donald Jackson is Vice President & Treasurer for Cummins Inc and is responsible for the Corporate Treasury function. Donald has rich experience as a global financial risk management professional. He is attending this meeting through VC from Indianapolis, Indiana, USA.

Ms. Bonnie Jean Fetch is Non-Executive Director of the Company. Ms. Fetch is Vice President and Head of Global Supply Chain and Manufacturing for Cummins Inc. Bonnie has broad expertise in strategic planning, logistics and manufacturing operations; business development; engineering; supply chain management; and human resources. She is attending this meeting through VC from Florida, USA.

Ms. Jennifer Mary Bush, Non-Executive Director on the Board, has conveyed inability to attend this meeting due to urgent commitments and therefore, we take note of leave of absence.

Mr. Ajay Patil is the Chief Financial Officer of our Company. He has multi- industry work experience of over 28 years in the field of Finance across geographies. He is attending the meeting through VC from Cummins India Office Campus, Pune.

Ms. Vinaya Joshi is the Company Secretary and Compliance Officer of the Company. She has over 14 years of experience in the field of corporate laws and allied legal matters. She is attending this meeting through VC from Cummins India Office Campus, Pune.

Steven Chapman

Thank you everyone.

Members are informed that we also have representative of Statutory, Cost & Secretarial Auditor's joining this meeting. Internal Auditor of the Company has also joined this meeting.

I once again welcome all of you to the 62nd Annual General Meeting of the Company. We are now moving ahead with the proceedings of the meeting.

I request Vinaya Joshi, Company Secretary of the Company, to give general instructions to all the Members regarding proceedings of the meeting.

Vinaya Joshi

Thank you, Steven. Good evening everyone.

Members may note that this AGM is being held through video conference in accordance with the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI.

The video conference facility is made available for the members on a first come-first-serve basis barring few exceptions as provided in the MCA Circular.

We have 50 members participating today in this AGM so far.

As this AGM is being held through video conferencing, the provisions for appointment of proxies by the members is not applicable. Hence, the Proxy Register of Members is not available for inspection.

The Statutory registers as required under the relevant provisions and required documents in reference to items in the Notice of the meeting are made available electronically for inspection by the Members during this AGM on the video conference screens. Members seeking to inspect such documents post AGM can send their requests to the email id - Cil.Investors@cummins.com.

In accordance with the MCA circulars, the Annual Report for the Financial Year 2022-23 along with the Notice of AGM has been sent on July 07, 2023, via email to those shareholders, whose email address was registered with the Company / Registrar and Transfer Agent and the depository participants.

The Annual Report along with the notice of AGM is also available on the websites of the Company, BSE and NSE Limited.

The Company has received requests from Members to register them as speakers at the meeting. Accordingly, the floor will be open for those Members to ask questions or express their views.

It may be noted that the Company reserves the right to limit the number of members asking questions and the questions will be answered in the AGM depending on the availability of time at the AGM. The moderator will facilitate the session once the Chairman opens the floor for questions and answers.

The Members may pose their questions/ views/ suggestions in the "Ask Your Question" window provided on their video conference screens during the meeting. These questions will be addressed through appropriate modes by the Company, in due course.

The Company had provided remote e-voting facility to Members to cast their votes electronically, on all resolutions mentioned in the notice. Members who have not yet cast their votes electronically and who are participating in this meeting can cast their votes during the meeting through e-voting facility

provided by NSDL (e-voting service provider). Members can click on “Vote” tab on the video conference screen to cast their vote anytime during the AGM.

Members may also note that an additional and dedicated voting session of 15 minutes would also be provided after closing speech by the Chairman.

Members are requested to refer to the instructions provided in the AGM notice and appearing on video-conferencing page for an uninterrupted participation in the meeting.

Recorded transcript of this AGM will be maintained and will remain in the safe custody of the Company.

Steven Chapman

Thanks, Vinaya.

I would also like to inform that all efforts feasible under the circumstances have indeed been made by the Company to enable Members to participate and vote on the resolutions being considered in the meeting.

I thank all the Members, Colleagues on the Board and Auditors for joining this meeting through video conferencing.

Steven Chapman

I now request Ashwath Ram, Managing Director of the Company to take you through a brief presentation on the Company and its performance during the Financial Year under review.

MD’s Presentation

Ashwath Ram

Thank you, Steven. Good evening, everyone.

We have an exciting agenda for you. We’ll be talking through some leadership changes that have taken place at the Cummins Inc. level. We will talk about our story and our commitment to Power with Purpose. We will talk about CIL business highlights, some awards, and a bit about the financial performance. I’ll give you an insight into the CIL growth strategy moving forward, and also some highlights about the Business Responsibility and Sustainability Report that we have launched for the first time this year.

I’m very excited to inform all of you, that there has been a leadership change at Cummins Inc. at a global level effective August 1st, 2023. Jennifer Rumsey has been appointed as the Chairperson of Cummins Inc. Board of Directors. This is a

combined post that she will also be the Chairman and the CEO. She brings to the role, enormous technical experience. She was the CTO earlier. As well as deep understanding of all of Cummins' businesses and its customers. Rumsey, of course, succeeds Tom Linebarger, who retired from both of these positions as Executive Chairman and Chairman of the Board effective July 31, 2023. He had an amazing tenure of 31 years with the organisation and has spent lot of his time visiting India and helping us grow as a company here in India.

I'm going to give you an overview on how Cummins performed in the previous quarter. This is because Cummins' results for this quarter are not yet out; they would be out later tonight. So, Cummins continues to perform exceedingly well for the calendar year Quarter 1. Cummins had revenues of \$8.5 billion, an increase of 32% from the previous year, and EBITDA of \$1.4 billion, which is 16.1% of sales, which compares to 755 million or 11.8% of sales in the previous year.

As always at Cummins, I'm going to talk about our story. Our story is about why we exist, which is first about our mission - Making people's lives better by powering a more prosperous world. Our vision - Innovating for our customers to power their success. We've always been a values-based company. Globally, we've been in existence for over 100 years, and in India, we've been in existence now for over 60 years. And over time, the core values that have been distilled are those of integrity, diversity and inclusion, excellence, caring and teamwork.

Our strategy in the past few years has been that of power with purpose. And, we have built a legacy of trust and excellence. We have a legacy of growing significantly, and India has had an amazing growth story for the past 6 decades, where we have grown from a small company based out of Kothrud in Pune, to one of the top 200 companies in India. And we are now building on that legacy and trying to create a path for the future of the company, as we transition from an era which was predominantly dominated by diesel technologies, to an era which is going towards comprehensive zero-carbon world over the next 30-50 years.

We've always been known for our innovation and our dependability, and that is because customers who use our products on a day-to-day basis depend on our innovation to come up with new and exciting products and ideas, which are cutting-edge, which heed in technology in the markets that we are present in, to continue to help them being successful, to earn a living, and to meet our commitments of power for the future. And we always believe in leading with responsibility. Which means, not only are we focused on the business results, but we also are a responsible citizen, and that is completely aligned with our mission to be able to do the kind of work, to create the kind of work that we do for, not only our employees, our shareholders, our suppliers and our customers, but also to do work which impacts positively the communities that we serve.

And, along the way, the company has made a commitment to tackle the existential crisis of our time, which is that of climate change. And part of our responsibility is to be a leader in climate change.

Some of the key highlights from the previous financial year are that of – We completed 60 years of powering India. We hit some record numbers, over 25,000 plus generating sets were delivered by your company. We strengthened our association with all of the large government agencies, such as the India Railways, the army, the navy. Our Gensets were even used in the areas by ISRO for powering spacecraft to go to the moon. If you look at the backup power, those are provided by Cummins Gensets. We've launched a whole bunch of innovative products. We launched retrofit emission kits, break lining, new types of fuel filters, many new Gensets in the low horsepower segments, a new series of fit-for-market products for the export markets, and many new engine types and products into the market. This is because your company is a leading product technology company, and as we bring newer and better technology into the market, it helps us consolidate our position with customers, both in India and around the world. We moved to new generation electronic 4-cylinder and 5-cylinder products, and on these products, we spent a lot of time and energy developing these products. And some of these products are being launched in the next financial year. We had launched CEV BS IV and some CEV BS V products also in the previous year. And, to end all of that, we had record revenues driven by both, very strong performance in the Powergen domestic market, and continued performance in the exports markets around the world.

Your company continues to get recognised for the many things that we do. For e.g. We've recently won the Golden Peacock Occupational Health and Safety Award 2022. We were voted as the "Gold" employer in the India Workspace Equality Index (IWE) study, as the top employer of 2022. We have received Green Channel status with the Ministry of Defence for our distribution business unit. And we also won the Golden Peacock Sustainability Award 2022 for the engineering sector. These are just a glimpse, a few highlights of some of the major awards that the company has won in the past year.

As far as the financial performance for FY22-23 is concerned, as already mentioned by Steven, we have record revenues, revenues of Rs. 7,612 crores, Profit Before Tax was Rs. 1,522 crores, cash generation from operation was Rs. 811 crores, and I'm really happy to inform you that the company distributed 1250% of dividend in the previous year.

If you look at the way the revenue and profit have been improving, I'm really pleased to inform you that we've had three consecutive years of record growth, and the levels that we are at now, are the best levels the company has ever seen. And, this is driven by extremely strong revenues and profitability coming from all of our businesses, which means whether it is Powergen domestic, industrial

business, exports, low horsepower or high horsepower, every segment has contributed to helping our business grow. And that makes me extremely proud of the achievements my team and I have been able to accomplish in getting these results.

We are seeing strong growth trends, both on domestic and exports. Domestic business grew at a CAGR of 34%. And exports were not left behind, it also grew at a CAGR of 33% over the past 3 years. This growth period in the past 3 years is unlike what we've ever seen in the company's history. And that's what brings us to these very strong results that we witnessed in the previous financial year.

We continue to increase the amount of money that we are distributing to our shareholders. In 2021 we distributed 416 crores, increased it up to 513 crores in 2022, and in FY23 we have increased that up further to 693 crores. This represents a growth of almost 500% from where we were in 2021, and these are the kinds of revenues in terms of cash outflow, that we've never ever distributed again. These are the highest that we've ever distributed in our history as a company.

Our success is tied very deeply into the success of India in the last 3-4 years. The government has certainly placed a lot of emphasis on local manufacturing to produce more in India through the Atma Nirbhar Bharat program. And, with Cummins having been in India for the last 60+ years, a big chunk of what we produce is already localised in India. There's a lot of focus on decarbonisation by India, and wherever there is decarbonisation, Cummins traditionally has been able to perform well, because Cummins is the leading technology in decarbonisation solutions in the areas that we serve at. There's a whole bunch of focus on alternate fuels, such as LNG, CNG, ethanol as the journey goes from fully fossilized fuels like diesel, going all the way to pure electrically driven products. We think this journey is a 50-year journey. India's own commitment is to become carbon neutral by 2070. Cummins has made a global commitment to be carbon neutral by 2050. So, we are making all the right kinds of investments to be able to be ahead of the curve as far as being able to deliver products which the market needs as we move towards decarbonisation. Along with decarbonisation, emissions become tighter. And all of last year, the company spent a lot of its energy preparing for CPCBIV+. CPCBIV+ is the tightest emission standard for diesel generators in the world. And I'm very happy that your company is one of the leaders in launching these products for the India marketplace. There is a great increase in focus on infrastructure development, which is leading to economic growth. So, as India tries to first become a \$6 trillion economy and then become a \$10 trillion economy over the next decade, this cannot happen without significant investment in the infrastructure of the country which means investment in metros, roads, ports, airports, every single form of infrastructure. And, wherever there is infrastructure investment, Cummins' products are used. So, this is a huge tailwind for Cummins to be able

to perform better, not only now, but in the future. And, Make in India, has been a theme for quite a few years. And, Cummins India has always been an export hub for Cummins over the last 30-40 years, and this trend is likely to continue as we are able to provide products which meet the cost, quality and delivery requirements of customers around the world. All of this cannot happen without the use of technology. And, as India is embarking on its journey of digitalisation, Cummins too is modernising and investing very heavily in digitalisation. And, we feel that this will help us improve productivity and efficiency as we move forward.

We have a strategy which is looking forward for the next 5, 10 and 15 years, and that is based on the 6 pillars that you're seeing here. The 1st is of growing our core business. While power generation from the grid is getting more stable, the applications which use power generation are getting more intense, and the need for power is actually increasing at an exponential rate. And this represents a huge opportunity for Cummins to grow in this business, not only in India, but for markets around the world. The 2nd major trend which we intend to capture, is growth in the industrial sector. And, in the industrial sector, we play in multiple market segments. Segments like construction, defence, marine, mining, pumps and the rail. And all of those segments are directly tied to the security of India or the infrastructure development of India. And, as that grows, huge opportunities make themselves open to Cummins to grow over the next few decades. The 3rd pillar is the aftermarket. In developed markets around the world, the aftermarket entitlement of a company is significantly larger than what Cummins in India today serves, and this represents a huge opportunity to serve the customers, service the products that we sell them and get incremental revenue from the aftermarket. So, that represents the 3rd segment of growth opportunity for the company. The 4th is what we term as India for the globe. India is already one of the most cost-efficient, high-quality manufacturing sources for Cummins around the world, and we intend to leverage that and further expand on this and serve our markets around the world. The last two are, what we are calling, the future trends, which we will see play out over the next 2-5 decades. One is in the hydrogen space and the second is in the battery and energy storage solution space. None of this can happen without a very strong foundation of value selling, cost variabalization, material efficiency and footprint optimization. Of course, all of this has to have a foundation and fundamentals of compliance, HSE, quality and finance and we feel that the company is ready with that foundation and we have a strategy in place to be successful, to build on what we have done over the last 6 decades and build on that for the next 4 decades. Next please.

As one of the top 200 companies in India, this year the company has the opportunity to present the business responsibility and sustainability report for the whole year. And this focuses on 3 core areas of the environmental, social and governance. In the environment space, we are focused on driving environmental

stewardship for a sustainable future. For that, we have already 100% wastewater re-use within Cummins India Ltd. premises to ensure zero liquid discharge. 53.07 lakh units of electricity which have generated on-site using our solar installations across our various facilities. In the social space, our goal is that of empowering people and our communities. Here, 260,000+ people benefitted through 11 corporate responsibility projects. 1691 girls graduated or women graduated from the Cummins College of Engineering for Women and this is just a start of where we are on this endeavour. From a corporate governance perspective, Cummins has some of the tightest governance norms which is built on the foundation of trust through transparency. From a board diversity perspective, we can already say that 40% of our directors are women and 60% are men as of now and it is our ambition to get to parity which is 50-50.

Cummins will continue to live our values and deliver on our brand promise of innovation and dependability. We have huge amounts of tailwinds supporting us, 60+ years of innovation. We have a global footprint of a 100-year-old company which is one of a leader in every market that we serve. We have the comprehensive experience that you and our customers can depend on. We have extremely strong engineering skills which provide cutting edge products for our customers. We have the most immense and intense service and support network amongst our peers. We are embracing a whole bunch of technology providing cutting edge digital solution, both internally and externally to our customers. We have a huge foundation of diversity, equity and inclusion that we are working on as we move towards a world of parity, and we are intensely focusing on powering a sustainable future. The combination of all of these strengths, I feel lend us a very strong foundation as well as momentum to continue to build on our success that we have delivered over the last few years. Thank you for your trust and partnership in helping us to be the successful company.

Steven Chapman

Thank you, Ashwath.

As the updated AGM Notice convening the meeting is already circulated to all the Members, I take the same as read.

The Statutory Auditors, Price Waterhouse & Co Chartered Accountants LLP and the Secretarial Auditors, Pramod Shah and Associates have expressed unqualified opinion in their respective Audit Reports for Financial Year 2022-23. There were no qualifications, observation or adverse comments on financial statements or matters which have financial bearing on the Company.

The Statutory Auditor's Report on standalone and Consolidated financial statements are available on Page no. 162 and 258 of the Annual Report. Secretarial Audit Report is enclosed as Annexure 5 on Page no 93 of the Annual Report. With your permission I take the Auditors report also as read.

The Audited accounts for the year ended March 31, 2023, are part of the Annual Report and has already been sent to you.

Before we proceed further, I would like to bring to your notice that the Company has provided remote e-voting facility to cast vote electronically on all resolutions mentioned in the AGM Notice in accordance with the Companies Act, 2013. The remote e-Voting facility was kept open for a period of 3 days from Monday, July 31, 2023 (9.00 a.m. IST) and ending on Wednesday, August 02, 2023 (5.00 p.m. IST).

Members may please note that there will no voting by way of show of hands.

We will now take up the resolutions as mentioned in the Notice.

We shall begin with the question – answer session after all resolutions are tabled.

Item No. 1 to the notice-

To receive, consider and adopt the audited standalone financial statements of the Company for the Financial Year ended March 31, 2023, the reports of the Board of Directors and Auditors thereon.

Item No. 2 to the notice -

To receive, consider and adopt the audited consolidated financial statements of the Company for the Financial Year ended March 31, 2023, and the report of the Auditors thereon.

Item No. 3 to the notice -

To declare final dividend on equity shares for the Financial Year ended March 31, 2023, and to confirm the payment of interim dividend for the Financial Year 2022-23.

Item No. 4 to the notice -

To appoint a Director in place of Mr. Steven Chapman (DIN: 00496000) who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 5 to the notice -

To ratify remuneration payable to the Cost Auditor, M/s. C S Adawadkar & Co., for the Financial Year 2023-24.

Item No. 6 to the notice -

To approve material related party transaction(s) with Cummins Technologies India Private Limited.

Item No. 7 to the notice -

To approve material related party transaction(s) with Tata Cummins Private Limited.

Item No. 8 to the notice -

To approve material related party transaction(s) with Cummins Limited, UK.

Item No. 9 to the notice -

To approve material related party transaction(s) with Cummins Inc., USA.

Item No. 10 to the notice -

Appointment of Ms. Lira Goswami (DIN: 00114636) as a Non-Executive Independent Director.

The text of resolution pertaining to item no. 4 to 10 along with the explanatory statement under section 102 of the Companies Act, 2013 is provided in the notice circulated to the members.

The Board has appointed Mr. Pramodkumar Ladda (Company Secretary in Practice), as the Scrutinizer to supervise the e-voting process and scrutinize the votes cast through remote e-voting and e-voting facility provided at the Meeting. The results of the e-Voting will be declared on receipt of the Scrutinizer's report and placed on Company's website and the same will be sent to stock exchanges.

We shall now open the floor for questions from Speakers who have pre-registered themselves for asking questions at the Meeting.

Before proceeding with the questions, I would like to ask Ms. Vinaya Joshi to brief the Members on Question and Answers Session

Vinaya Joshi

Please take a note of below points while asking questions:

1. Kindly turn on your video and unmute your audio to ask question when you are projected on video conferencing screen;
2. Mention your name, folio number and location from where you are participating;
3. Each Member will have approximately two and half (2.5) minutes to ask question(s) or express views/ suggestions;
4. The questions will be responded after all the Speakers have raised their questions.
5. Speakers are requested to keep their questions brief and specific.
6. Considering the availability of time, the Company may limit the number of members asking questions.

7. Once you have asked your questions, you may turn off your video and continue to watch the proceedings of the meeting.

The moderator will facilitate the question- answer session. I now request the moderator to take-up the questions of Members in queue.

Moderator Thank you, mam. We now call upon our 1st speaker shareholder, Mr. Rahul Kumar Paliwal. Request you to unmute yourself and proceed with your question.

Mr. Rahul Paliwal Thank you. Thanks for the opportunity. My question is about, which are the new cases identified in the last 1year by the Cummins India entity in the space we are operating or the new sector vertical. My 2nd question is about the new business opportunity which you discussed, which is in the hydrogen electric space. Where do you see opportunity in the space? Specifically with hydrogen, where would you like to be in a store or what kind you want it to be, like for example you want to get aggressive in building mass giga factory into electrolyzers space. Is that the space where you want to build the capability in India where you can leverage the India based manufacturing opportunity or you will separately building something in the space? That's my 2 questions. Thanks for the opportunity.

Moderator Thank you. Our next speaker shareholder is Mr. Yusuf Yunus Rangwala. Request you to unmute yourself and proceed with your question.

Mr. Yusuf Rangwala I am Yusuf speaking from Mumbai. This is the 62nd Annual General meeting. Which country we are exporting to? Total number of staff at present and when was the last bonus given? I would like to know when you are splitting the shares and what is the new target? Thank you very much sir. Have a good day sir.

Moderator Thank you. Our next speaker shareholder is Mr. Jaydip Bakshi. Request you to unmute yourself and proceed with your question.

Mr. Jaydip Bakshi Good afternoon, Chairman and Board of Directors and MD, myself Jaydip Bakshi connecting from the city of Kolkata. Sir, in the initial speech, you have well explained our company's position and also our future prospect and the constant performance and the highest revenue and profit. Also, congrats for the dividend which you have passed on. What are the plans for managing our cost and control measures in inflation scenario? For our supply chain network, how much digitalization we are implementing? In the environmental project – Use Less, Use Better and Reuse is a great initiative taken by us. Any new tie-ups with OEMs for our products and new product launch for more market penetration? What is our order book position from Indian Railway & Armies? Kindly highlight on the carbon neutralization program, and congrats for the awards that you have received, and customer driven and innovative. I hope sir that our company will

grow under your guidance and with our innovative and growth focus along with our vision and mission. I wish the company all the best in the coming years. Thank you, sir, for giving me an opportunity.

Moderator

Thank you. Our next speaker shareholder is Mr. Aspi Bhesania. Sir, request you to unmute yourself and proceed with your question.

Mr. Aspi Bhesania

I am Aspi from Bombay. Thanks for giving me an opportunity to talk. Quarter 1 was good considering the uncertainties in the world including India. However, employee cost has increased from around Rs. 150 to Rs. 188 crores, what is the reason for that? India was the only country in the world to make low horsepower gensets, are we still the only producer for Cummins in the world? You are making gensets with non-conventional power coming in, what will be the demand for our gensets? Question on hydrogen was asked by one of my predecessors. What is our technology for hydrogen, in storing, in producing, and how it will be useful for our company? Thank you very much and all the best for the future.

Moderator

Thank you. With this, we have completed the Q&A session. I now hand it over, back to the Chairperson to continue with the further proceedings of the AGM. Thank you.

Steven Chapman

Thank you everyone for all the questions and suggestions/ appreciations.

On July 5, 2023, Cummins India Limited achieved a momentous milestone in its journey to a greener and sustainable future. We launched a state-of-the-art range of engines for gensets, setting new industry standards by adhering to the stringent CPCB IV+ emission norms. This launch is a testament to our brand promise, and also denotes a significant leap toward reducing our environmental footprint and contributing to a cleaner planet. We also introduced the Cummins Ashwasan IV+ program for this range, which aims to elevate our customers' ownership experience to new heights by offering seamless service support and satisfaction.

Today, I am delighted to share with you two videos that showcase these milestones, our technological prowess, and commitment to powering the success of our customers.

Ashwath Ram

Thank you for all the questions, suggestions, appreciations. I am going to start answering the questions one by one. If you feel for any of the questions you would like more information, please feel free to write back to us and we will get back to you with more information.

The first question by Mr. Rahul Paliwal was, what are some of the new used cases in all the verticals and the answer to this is, there are many new used cases in

each of the verticals. So, let's take the example of power generation, we are seeing growth for some of the products in data centres and telecom applications in the road construction. Similarly, in each of the segments that we are, whether its rail, we have new DETC products, new products for railroad constructions, and are trying to get complete integrated systems for power cars, so in marine, we are launching many new products for the fishing troller market. In mining, we are trying to work with more customers and trying to increase the size of the trucks that can carry load and do more mining. I won't go into each of the verticals, but these are some examples of where we are seeing plenty of new opportunities in each of the verticals. The next question was about, how do we see for CIS opportunities in the hydrogen space? And to answer that question, I will first say that we are still working on the full strategy for overall hydrogen plans at the entry strategy from Cummins perspective, but we already have a few used cases where products are being quoted for. The biggest of those are in the rail segment where we are already quoting for trains which will run on hydrogen. Cummins is already powered in similar trains in Europe and in Canada and we have the opportunity to build for some of these opportunities in India as well. There are also many other applications where hydrogen can be used in the storage for example, in the long term but those are very nascent right now though the strategy on how to enter into that market is still being planned out.

The next question was from Mr. Yusuf Rangwala. He had multiple questions, and the 1st question was where Cummins is exporting outside India and I can tell you that the list is pretty large. There are 148 countries where we export from India. Of course, it's broken down by different types of products and we serve most markets where Cummins is present from India. The next question was, what are the new targets we have set for ourselves as a company? And as part of our strategy, we have been pretty clear for the last 3 years that we aspire to grow at 2x of the GDP and so the targets are derived from that. If India's GDP is growing at 6-6.5%, we aspire to grow at least by anywhere from 10-12% annually, is where we are thinking we want to be.

The next question was from Mr. Jaydip Bakshi. His 1st question was, what are our plans for cost management? Cost is a very important aspect for Cummins India. If you look at our numbers over the last 5 years, you will see that, because we have been very prudent with the cost, we have been able to come out of the covid crisis very strongly and we have taken many stringent cost measures during that period and we continue to hold on to those cost measures. So, we have structured programs where one of them is called Accelerated Cost Efficiency where every part, everything that we produce is looked at continuously. Similarly, every aspect of cost, nothing is sacred, and it is looked at on an ongoing basis for us to try to get efficiency out of the system, try to get productivity out of the system so thank you for asking that question but cost always remains in the forefront when we are trying to manage this business.

The next question is, what are our plans for digitization of the supply chain and thank you for asking that question. That's a very important area. Both, our IT leader and supply chain leader have spent the last few years working out the strategy of how Cummins India will invest in and what are the priorities and digitization of the supply chain is one of the major areas of investment that the company has already done some and will continue doing over the next decade or so, to be able to produce our products cheaper, to be able to continue to maintain the high level of quality that is required to export our products and to be the market leader as well as to our better inventory, better efficiency across all our systems. So that's a very important area for us. it's a priority for the company and we continue to invest there.

To answer question about the order books and whether we have any new customers. We still can't give you the exact number from order books. I can tell you that we have a pretty strong and robust order book which is why we are able to continue to keep growing and we continue to keep adding new customers pretty much every month. You will never see a situation where we are not adding new customers and trying to build on to the order book.

The next set of questions were from Mr. Aspi, he wanted to know why there is an increase in our cost of doing the business which has gone from Rs. 150 to Rs. 188 cr. I think the biggest answer there is that it's actually a very important variable. There are many market variables which are causing this to go up. Of course, as the sale increases, we need additional labour, and we need more people, and the cost of those people is going up. The inflation in our country is roughly about 5-7%, which means the wage cost inflation in our industry is anywhere in excess of 10% and not all of that cost increase can be made up in productivity in the short term. But certainly, we have some inflation due to tight labour markets. We do have an increase in the retirement benefits, and we have been trying to hire top talent into the company to keep it growing at the rate at which we want. So, all of those variables have led to our managerial cost increasing. Certainly, it is the effort of the management team to continue to get more value for money for the investment that we are making into our labour and management cost structure.

The next question was about promoter holdings. There is no change in philosophy as far as promoter holdings are concerned as of now. The 3rd question was whether we are the only producer of gensets for the globe? The answer is no. Cummins India has never been the only producer. Cummins has plants in multiple countries around the world including in China, Mexico, Brazil and Europe as well as in North America and many of those plants also produce the product for their own market. Cummins India is certainly the largest producer of product for the global market, and we continue to remain so mainly because we can deliver on all the 3 variables of cost, quality and delivery and we will continue to keep working on that to get a larger share of the global pie as far

as Cummins is concerned. Demand in the future is positive as the global economy in certain parts of the world has ups and downs. So certainly, it's not the same everywhere but when we look at 5 to 10 years trends around the world, we are optimistic about demand, both in India and the globe being strong in the future as well.

I think with that, I have completed responding to all the questions. Thank you for these very interesting and amazing questions.

Steven Chapman

Thank you, Ashwath.

Please note that the additional questions received would further be answered by the Company in due course through appropriate mode of communication.

As per Companies (Management & Administration) Rules, 2014, results have to be declared by the Chairman or any other person authorized by Chairman in writing. Therefore, I am authorizing Ms. Vinaya Joshi – Company Secretary to declare the results of e-voting and upload the results on the Company's website along with the report of the scrutinizer at the earliest. The same will also be available at the registered office address of the company.

The resolutions against the items no. 1 to 10 set forth in the Notice shall be deemed to be passed today subject to receipt of requisite number of votes.

I thank you all of you once again for attending the Meeting. The proceedings of the meeting have now been concluded. The voting through e-voting shall continue for next fifteen minutes. Accordingly, the meeting shall stand concluded post voting ends. Thank you very much, take care and stay safe.
