

# Powering Progress Together

Power Onward™



CUMMINS INDIA LIMITED  
ANNUAL REPORT 2024-2025



INDUSTRY 4.0



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## ABOUT THE COVER

At Cummins, we believe that real progress is a collective effort. **POWERING PROGRESS TOGETHER** signifies our approach to building a future that is innovative, inclusive and sustainable. With more than 60 years of trusted leadership, we stand united in our efforts to secure a more resilient future for all our stakeholders, one that is both forward-thinking and deeply human. Together, we are ready to push the boundaries of what is possible and lead the next era of smarter, cleaner power.





With past successes in view and ambitious goals ahead, our purpose remains clear and the people leading and partnering with us remain fundamental to our success.

**Jennifer Mary Bush**  
Chairperson, Cummins India Limited

# Chairperson's letter



Dear Valued Shareholders,

Today, India stands at a pivotal moment, poised to remain the fastest-growing major economy over the next two years, driven by innovation and inclusive growth. For the past 63 years, Cummins has been unwavering in its commitment to shaping a more powerful and progressive India. Last year marked a significant leap forward in that direction.

I am incredibly proud of **POWERING PROGRESS TOGETHER** during FY 2024-2025. Driven by strong market demand, your Company delivered record revenues and sustained profitability for the fourth consecutive year. Last year, we continued to advance our Destination Zero™ strategy, addressing key challenges in India's energy transition journey. In our pursuit of **innovation**, we consistently unlocked newer and better ways to power essential industries that impact our economy – solutions that are not only viable and smarter, but also better for the environment and the communities we serve. Our diverse, best-in-class product portfolio continued to lead the way for our customers, no matter where they were on their own sustainability journey.

This impact and excellence were driven by our dependable team, where every employee played a critical role. By staying committed to Diversity, Equity, Inclusion, and Culture (DEIC), we focused on creating

a talent ecosystem that is future-ready and a thriving workplace where employees can reach their full potential. Our aim was to ensure that everyone feels genuinely connected to our purpose and to one another, ensuring no one is left behind.

With past successes in view and ambitious goals ahead, our purpose remains clear and the people leading and partnering with us remain fundamental to our success. My sincere appreciation goes to our employees for their hard work and dedication. And to our shareholders, thank you for your continued confidence in Cummins. I deeply appreciate your partnership in powering a more prosperous world.

Cummins is evolving with a changing world and industry. Rapid shifts in the global power landscape – driven by increasing demand, decarbonization, and geopolitics – necessitate our agility. With breakthrough products, pushing the boundaries of our manufacturing capabilities, exceptional service, a workplace that puts people first and a company that puts the planet first, we are ready for this new era. We stand strong, prepared to lead the energy transition and build the **'Cummins of the future'** through bold choices.

Thank you,  
**Jennifer Mary Bush**

# About Cummins India Limited

FOUNDED IN  
**1962**

## WHO ARE WE?

A group of complementary business units that **design, manufacture, distribute and service - engines, generator sets and related technologies.**

## INDIA

### HEADQUARTERS

Cummins India Office Campus,  
Pune

**₹10,166 cr**

Net sales



**4**

World-class factories



**1**

Parts distribution center



**450+**

4S<sup>1</sup> Service touchpoints



**116**

2S<sup>2</sup> On-highway dealerships



**4**

Battery dealerships



**3,025**

Permanent employees and workers



**22%**

Gender diversity

Data on this page is as of March 31, 2025.  
<sup>1</sup>4S: Sales, spares, service and surveys  
<sup>2</sup>2S: Sales and spares



We cater to markets in **India, Bhutan and Nepal** while exporting our products to powerhouse markets worldwide, including the USA, Europe, Mexico, Africa, the Middle East and China.

**Driven by innovation, we launched four breakthrough solutions:**

Power Management Solutions (PMS), Cummins Retrofit Aftertreatment System (RAS), OptiNAS+ Hydraulic Filter and DGBLUE, a Diesel Exhaust Fluid (DEF), enabling smarter, cleaner and cost-efficient operations across industries.

**PRINCIPLES OF SUSTAINABILITY DEMONSTRATED BY ALL FACTORIES AND OFFICES**



**Safe**



**Clean**



**Diverse**



**Lean**



**Green**





The year gone by was a canvas of opportunities and progress, helping our customers navigate the energy transition and come closer to the future. We call it **innovating sustainably.**

Shveta Arya  
Managing Director, Cummins India Limited



# Managing Director's letter



Dear Valued Shareholders,

It is an honor and a privilege for me to lead Cummins India Limited as Managing Director and to carry forward its proud legacy of over 60 years. I look forward to building on our collective impact and continuing the meaningful work we do together.

The path to smarter and cleaner power is not always straightforward. It brings many unexpected opportunities, and we face them with resilience, innovation and steady progress. Over the years, CIL has successfully adapted to major changes in the world and in our workplace. Guided by the Government of India's vision of Viksit Bharat, our strategy and actions are firmly focused on **POWERING PROGRESS TOGETHER**.

In FY 2024–25, CIL reached a **major milestone by crossing ₹10,000 crore in annual revenue**, while maintaining strong profit margins. This reflects our ability to achieve consistent business performance in a market that is changing. We were among the **first companies to start production and sales of CPCBIV+ gensets**. Strengthening our sustainability efforts, we launched the **Cummins Retrofit Aftertreatment System (RAS)**, a certified emissions-control technology approved by the Automotive Research Association of India. It meets National Green Tribunal norms and reduces particulate emissions from gensets below 800 KW.

We also introduced the **OptiNAS+ Hydraulic Filter**, which uses advanced technology to improve the performance and lifespan of heavy-duty machinery. Our partnership with Indian Railways grew stronger, with key orders across several solutions including Diesel Electric Tower Cars, CPCBIV+ alternator sets, and Hotel Load Converters. In the marine segment, we achieved our highest-ever annual sales through the successful execution of government and commercial projects, setting us up for future growth. In the defence sector, we delivered and tested a prototype engine for a light tank for the Indian Army, paving the way for long-term opportunities.

These achievements are rooted in our core values—Integrity, Diversity and Inclusion, Caring, Excellence and Teamwork. They are brought to life by our employees, partners, and the vision and trust of our shareholders. As we move toward a more sustainable future, addressing climate change is at the center of our mission. Our Destination Zero™ strategy will continue to guide our innovation and growth.

Looking ahead, CIL is well-positioned to lead with purpose in the fast-changing energy sector. We will keep driving innovation, expanding our range of low- and zero-emission technologies, and deepening our partnerships across industries and communities. We are also investing in digital tools, advanced manufacturing and talent development to stay ahead and create long-term value for all our stakeholders.

Together, we will continue to power progress, support sustainable growth, and play a meaningful role in India's journey to becoming a global economic and environmental leader.

I sincerely thank all our stakeholders for their continued support and belief in our vision. We are committed to improving lives by powering a more prosperous and sustainable world—and your partnership makes that possible.

Thank you,  
**Shveta Arya**

# Our story

## POWERING PROGRESS TOGETHER

We are Cummins, an organization shaped by innovation, anchored in strong values and driven by the dedication of our people. Over the decades, we have focused on solving real-world challenges with solutions that are efficient, sustainable and reliable for those who depend on us.

With every step forward, we aim to create value for our customers, shareholders, investors, employees, communities and the planet. Because no matter the path ahead, we continue **POWERING PROGRESS TOGETHER** with purpose, care and a shared commitment to building a better tomorrow.



### OUR MISSION

Making people's lives better by powering a more prosperous world



### OUR VISION

Innovating for our customers to power their success



### OUR VALUES

Integrity, Diversity & Inclusion, Excellence, Caring and Teamwork



### THE INNOVATION we champion

For over 63 years, our legacy of innovation has empowered customers to progress with confidence through cutting-edge products. We continue to lead the way by advancing technologies that transform industries and enable energy transition.



### THE SUSTAINABILITY we drive

Our commitment to Destination Zero™ is fueled by our dedication to power smarter, cleaner and more sustainable change - shaping industries, uplifting communities and moving the world forward.



### THE DEPENDABILITY we deliver

Dependability is how we empower customers to operate with confidence, create long-term value for stakeholders, and support the communities we serve. We always stand by our promise to deliver performance that lasts.



### THE FUTURE we are building

We are engineering a future that is connected, efficient and low-carbon, one where breakthrough technologies, empowered people and bold action come together to power what is next for generations to come.

# Financial performance 2024-2025

Interim dividend of ₹18 per share (900%) was disbursed in Q4 FY 2024-25.

FY 2024-25 concluded with the Board recommending a final dividend of ₹33.5 per fully paid-up share (1,675%) aggregating to ₹51.5 per share (2,575%) subject to shareholders' approval at the Annual General Meeting.

## Revenue from the sale of products and services



2024-25	2023-24	% Var
₹10,166 Cr	₹8,816 Cr	15%

## Domestic sales



2024-25	2023-24	% Var
₹8,395 Cr	₹7,143 Cr	18%

## Export sales



2024-25	2023-24	% Var
₹1,771 Cr	₹1,673 Cr	6%

## Profit before exceptional items and tax



2024-25	2023-24	% Var
₹2,496 Cr	₹2,145 Cr	16%

## Net cash generated from operations



2024-25	2023-24	% Var
₹1,745 Cr	₹1,280 Cr	36%

Var - Variance



# Awards and recognitions

Our commitment to innovation, sustainability and dependability is central to powering the success of our stakeholders. In FY 2024-25, we were recognized not only for our unique solutions but also for the trust that the Cummins brand inspires and our strong emphasis on diversity, equity and inclusion.



Recognized among the **Top 10 Supply Chain Planning Companies** in the 'Outstanding Contribution to Integrated Business Planning' category by the **Institute of Supply Chain Management**



**The High Horsepower Rebuild Center<sup>3</sup> Plant Team** won a Gold and two Silver awards at the **Quality Circle Forum of India, Pune**



Awarded for **best performance in Service and Delivery** at the **XCMG India Annual Supplier Conference 2024**



Recognized for outstanding performance in **Quality** at the **SANY India Annual Supplier Conference 2024**



**Quality Excellence** team won Confederation of Indian Industry (CII) **Award for empowering Women in STEM**



Won 2 Platinum and 1 Gold Award at **50<sup>th</sup> CII National Kaizen Competition, Chennai**



Recognized by **HD Hyundai Construction Equipment India** for driving aftermarket business growth and setting new sales records



Received '**Long Term Strategic Partnership**' award from **Tata Hitachi**



# Driven by purpose, powered by partnerships

At Cummins, our journey begins with understanding our customers' requirements. FY 2024-25 was a year of powering progress through innovation, strengthening partnerships and expanding our future-ready product portfolio. Together with our Original Equipment Manufacturers (OEMs), suppliers and communities, we delivered real impact through shared purpose.

## Industrial business

### RAILWAYS

- Delivered complete propulsion packages for Diesel Electric Tower Cars (DETCs), CPCBIV<sup>4</sup> compliant diesel alternator sets, and engines for Track Maintenance Machines and Shunting Locomotives
- Hotel Load Converters (HLCs) demonstrated strong performance over extended operational hours and are expected to commence serial production
- Secured key orders for electric propulsion systems for Self-propelled Accident Relief Trains, expanding presence in the electrified rail segment



<sup>4</sup> Central Pollution Control Board Stage IV Plus

<sup>5</sup> CEV – Construction Equipment Vehicles; BS V – Bharat Stage V

### MARINE

- Recorded the highest-ever annual sales in the marine segment, backed by strong execution of government and commercial orders
- Secured multiple complex projects from leading shipyards to build engines and gensets for a wide range of defence and commercial vessels
- These wins underscore your Company's growing presence in providing both propulsion and high-capacity power generation solutions to the marine industry



### CONSTRUCTION AND COMPRESSOR

- Your Company is developing a **next-generation diesel engine based on a fuel-agnostic platform**, equipped with class-leading power density and efficiency for the construction and compressor segments
- Launched our **advanced 4-cylinder and 6-cylinder electronic engines** to address the latest emission norms (CEV BSV<sup>5</sup>) and meet broader regulatory needs and customer requirements
- To expand reach across critical segments, your Company is strengthening market presence through strategic collaborations with new OEMs to expect strong demand for gas compression engines from the city gas distribution segment



## MINING

- Strengthened presence in the Heavy Earth Moving Machinery (HEMM) segment by securing key orders from large mining OEMs across domestic and international markets
- Invested in fit-for-market technologies for higher-capacity dump trucks (>190 tons) and readiness for future emission norms



## OIL AND GAS

- Your Company continues to supply gas compression engines to leading OEMs in this sector, reinforcing its presence as a preferred supplier in the city gas distribution segment



## PUMPS

- Successfully expanded product portfolio with high-speed ratings of FM<sup>6</sup> and UL<sup>7</sup> -certified engines for the pumps segment



## DEFENCE

- Your Company strengthened its presence in both wheeled and tracked defence platforms, and secured new orders for specialized vehicle applications from defence OEMs
- Successful field trials of the proto engine for a Light Tank for the Indian Army have opened opportunities for deployment across multiple platforms



<sup>6</sup> Factory Manual – FM Approvals is the independent testing arm of an international insurance carrier.

<sup>7</sup> Underwriters Laboratory – UL Listed means that UL has tested representative samples and determined that the product meets specific and defined requirements, often based on UL's published and nationally recognized Standards of Safety.

# Power generation

In FY 2024-25, your Company delivered market-ready, emission-compliant solutions, powering progress and strengthening partnerships across all key customer segments.

## 23,000+

Successfully delivered **CPCBIV+ gensets** across India with strong uptake in Delhi NCR

## 25,000+

Generator sets sold

## 7,000+ MW

of power provided to customers across India

### Launched new products in the high horsepower range:

- CAQM<sup>8</sup> regulation-compliant products (1000kVA and above)
- 2000kVA Prime rating with improved power density, engineered for demanding operating conditions
- 2500kVA DCC rating to meet the evolving needs of modern data centers

### EXPORTS

Introduced 38L and 50L uprated electronic engines for North America and Central America (NACA) markets.

Surge in export revenue during the year, driven by strong demand for:

- High Horsepower (HHP) PowerGen products from NACA
- Low Horsepower (LHP) products from Latin America, Europe and the Middle East

FY 2023-24    FY 2024-25

## 113 → 117

Your Company expanded its GOEM<sup>9</sup> dealer network to improve product accessibility for customers.

In the high horsepower segment, your Company successfully executed orders for a large hyperscale data center coming up in India.

Launched projects to improve market penetration for LHP products through fit-for-market products, pricing, channel initiatives and sales penetration.

Introduced low kVA fit-for-market gensets targeted for regulated Latin American markets.



<sup>8</sup> Commission for Air Quality Management (CAQM), in its October 2023 notification, announced enhanced emission norms for gensets over 800kW aimed at reducing PM, CO and NOx in the NCR region.  
<sup>9</sup> Generator Original Equipment Manufacturers

# Distribution business

Powered by innovation, trust and performance, the Distribution Business Unit (DBU) kept customers at the center by delivering value across the product lifecycle. FY 2024–25 saw DBU push boundaries with an enhanced portfolio, wider reach and stronger partnerships.

## PRODUCT LAUNCHES



### Power Management Solutions (PMS)

addresses power factor penalties, harmonics issues and the demand for IoT-enabled power quality monitoring. It includes Smart Energy Meters for real-time monitoring and Automatic Power Factor Control (APFC) Panels for customized solutions.



### Cummins Retrofit Aftertreatment System (RAS)

is a certified retrofit emission control device to control Particulate Matter emissions from gensets. Fully compliant with the National Green Tribunal (NGT) and certified by the Automotive Research Association of India (ARAI), RAS meets stringent emissions and noise limits for nodes under 800 KW.



### OptiNAS+ Hydraulic Filter

enhances the performance and longevity of heavy-duty machinery. The continuous bypass hydraulic oil filter uses advanced graded density depth technology to deliver superior filtration.



### DGBLUE Diesel Exhaust Fluid (DEF)

, developed specifically for usage in Cummins' range of CPCBIV+ gensets, meets International Organization for Standardization standards and reduces NOx emissions through a precise urea (32.5%) and demineralized water (67.5%) mix.

## SALES

- Successfully **piloted Cummins RAS**, securing initial orders from a major real estate developer, and a bulk order from residential customers in the North Zone within two months of the launch
- **Completed pilot installation of the OptiNAS+ Hydraulic Filter Kit** on an excavator for a leading construction equipment manufacturer
- Signed a **PAN-India two-year Rate Contract with a Public Sector Power Company** for streamlining their operations by standardizing service rates and consistent delivery across locations
- **Received first-ever Duel Fuel Kit order for 240 T-Q60 engines in mining**; additionally, 18 more kits are projected for the same application
- Executed and closed **several engines for a prestigious defence project** from an OEM



## SERVICE

- Achieved a **Net Promoter Score of 90%**, reflecting unmatched customer loyalty and service excellence
- Secured the first **Annual Maintenance Contract (AMC)** for a powerhouse panel with a major data center customer in Pune
- **Completed the DG+EB Momentary Sync project for a pharma giant** to synchronize the Diesel Generator (DG) and the Electrical Grid (EB) for uninterrupted power supply during EB to DG changeovers



- Secured the **first order in the Railway electrical space** for the maintenance and overhaul of a **high-voltage distribution substation**
- **Trained 60 women engineers** as part of the pioneering initiative, 'Inclusion of Women Engineers for Field Support with Channel Partners'
- **100+ OEMs along with 550+ engineers and technicians** were trained and deployed through a comprehensive self-support model, strengthening the channel partner network and enhancing on-ground customer support
- Swiftly addressed a critical engine failure in a military prototype machine for the Indian Army, despite harsh weather conditions in a remote location in Leh

## DEFINING MOMENTS OF PROGRESS

- Under the theme 'Inspire Ignite Win', the **All India Aftermarket Conference (AIAC) 2025** brought together aftermarket leadership, sales teams and dealers from India, Nepal and Bangladesh to celebrate achievements and chart a strategic roadmap with aspirational goals for the upcoming year
- Sold **Cummins Sales & Service Private Limited (CSSPL)** to **PAL SVAM Power Solutions Pvt. Ltd.**, a trusted channel partner with a successful legacy of over 40 years in similar markets
- The **All-India Service Leadership Meet 2024** served as a dynamic platform for service teams and dealership leaders to celebrate wins, discuss growth plans and explore new opportunities to enrich the customer journey



- Introduced the **Analytics Dashboard in OPTIMUS** for Dealership Heads. Powered by Salesforce, OPTIMUS is a sales and service application that enables real-time monitoring of sales, service and key metrics, to enhance business performance and decision-making across the distribution network
- Conducted a **training on Cummins Engine used in defence applications**, covering engine basics, fault symptoms and diagnostics to support operation and maintenance



# Quality and manufacturing excellence

## AUGMENTING SUPPLY CHAIN RESILIENCE THROUGH DIGITALIZATION AND ADVANCED ANALYTICS

Your Company advanced its supply chain performance through technology and data-driven digitalization initiatives, including:

- **Demand planning systems** upgraded using advanced data analytics
- **Descriptive analytics models** optimized inventory management
- **RFID<sup>10</sup> digital tracking** implemented to improve vehicle visibility and Turnaround Time (TAT) insights
- **Premium freight analytics tools** helped identify cost-saving opportunities by improving freight planning
- **Electronic Quality Management System (eQMS)** deployed for system integration
- **Established risk mitigation processes (RACI<sup>11</sup>)** to ensure compliance with quality control orders from the Bureau of Indian Standards
- **Launched Manthan Data Analytics** to strengthen problem-solving capabilities

## ACHIEVING OPERATIONAL EXCELLENCE AND CUSTOMER SUCCESS

- Your Company continued to advance its Industry 4.0 strategy across manufacturing plants to drive operational efficiencies. This initiative offers real-time insights into value chain losses, effectively lowering manufacturing overheads
- Continue to deliver value to our customers for the **CPCBIV+ portfolio** by embracing a **Zero Defect Mindset (ZDM)**, implementing safe processes and ensuring a “right first time” approach

## DRIVING COST EFFICIENCY ACROSS THE SUPPLY CHAIN

- Cross-functional teams collaborated to identify cost reduction opportunities, delivering substantial savings in direct material, indirect material, manufacturing overheads and warranty costs, helping us demonstrate strong financial performance this year
- **Six Sigma** initiatives delivered a significant financial impact through **629 projects with 8.7% belt engagement**. Coupled with cost reduction programs like ACE<sup>12</sup> V, TRIMS<sup>13</sup>, AMaZE<sup>14</sup> and ASCENT<sup>15</sup>, these initiatives positively influenced your Company’s profitability



<sup>10</sup> Radio Frequency Identification

<sup>11</sup> Responsible, Accountable, Consulted, Informed

<sup>12</sup> Accelerated Cost Efficiency

<sup>13</sup> Total Cost Reduction Indirect Material and Services

<sup>14</sup> Accelerated Move toward Zero Defects

<sup>15</sup> Accelerated Supply Chain Excellence and Transformation

# India Technical Organization

Your Company remains focused on delivering advanced, cost-effective and emission-compliant products tailored to the evolving needs of the Indian industry. Emphasis on analysis-led design and digital modeling is enabling faster product development, reduced testing requirements and greater technical productivity.

## New Product Development

- **Hotel Load Converter (HLC):** Developed an HLC for rail application, marking a foray into the rail electrification space
- **CPCBIV+ Range Fully Deployed:** Certified and launched the complete CPCBIV+ engine-genset range. The product line is now well-established, backed by a robust infant care program to support customer transition
- **Export-ready Euro Stage V Compliant Products:** Introduced a new product line for the EU market, meeting the stringent Euro Stage V emission norms; exports have commenced

Launched **>800 kWm gensets** compliant with CAQM norms, contributing significantly to improved air quality in targeted regions.

Introduced **2000 kVA and 2500 kVA gensets** with innovative engine upgrades, serving commercial, industrial and data center markets.

Your company is developing **'fit-for-market' solutions** to meet export emission requirements.



Continued focus on technological innovation to enhance products across alternate fuels, fuel cells, power electronics, battery energy storage systems, hybrid engines and recycle/re-use.

# Board of Directors



## **JENNIFER MARY BUSH**

**CHAIRPERSON (NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR)**

Jennifer Mary Bush is a Non-Executive and Non-Independent Director of Cummins India Limited and holds the position of Vice President of Cummins Inc., USA, and President of the Cummins Power Systems Business. Jennifer joined Cummins Inc. in 1997 and, since then, has contributed to the organization's success in various leadership roles spanning Power Generation, Industrial Markets and Distribution. She has rich experience, which includes serving as a Six Sigma Blackbelt in Power Systems, leading the Global Commercial Marine Engine business and directing key distribution markets in the USA. Jennifer has a strong business acumen focused on painting a vision and energizing teams to deliver outstanding results for customers and the business. She possesses deep expertise in large industrial markets, including commercial marine, oil & gas and mining segments. She serves on the board of a public company and a non-profit organization in the USA.



## **SHVETA ARYA**

**MANAGING DIRECTOR**

Shveta Arya serves as the Managing Director for Cummins India Limited and also leads the Power Systems Business Unit for Cummins India Limited. She is responsible for driving growth and enhancing market presence for Power Generation and Industrial businesses serving India and global markets. Shveta also led the launch of the CPCBIV+ range of products for the Powergen market in India, featuring amongst the most comprehensive and stringent emission standards for Powergen in the world. In her previous role as the Distribution Business Leader for Cummins in India, Shveta set the vision for growth over five years, and the business had grown significantly under her leadership. In the past, Shveta has also served as the Strategy Leader for Cummins in India.



## **RAMA BIJAPURKAR<sup>16</sup>**

**INDEPENDENT DIRECTOR**

Rama Bijapurkar is a Non-Executive Independent Director of Cummins India Limited. She is among India's most respected thought leaders on market strategy and India's consumer economy. She has an independent market strategy consulting practice spanning diverse sectors and businesses. She is also a Professor of Management Practice at the Indian Institute of Management, Ahmedabad, and co-founder of People Research on India's Consumer Economy, a not-for-profit think tank and fact tank. Rama has served on the boards of several blue-chip companies in India as well as the Governing Council of the Banking Codes and Standards Board of India. She is also a member of the Eminent Persons Advisory Group of the Competition Commission of India.

<sup>16</sup> Rama Bijapurkar ceased to be a Director (Non-Executive and Independent) of the Company with effect from June 16, 2025.



**REKHA**  
INDEPENDENT DIRECTOR

Rekha is a Non-Executive Independent Director of Cummins India Limited. She has rich experience across manufacturing, automotive, aerospace, industrial automation and 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. Rekha is currently working as a Worldwide Leader for Global Developers and India Leader for Customer Experience & Support at Microsoft India R&D. Prior to Microsoft, she worked with Eaton, Schneider-Electric, Honeywell, GE Research and Technology and Bosch. Rekha has won several industry innovation awards and has authored and presented papers at the Institute of Electrical and Electronics Engineers (IEEE) conference in Singapore and India. She has also been invited to deliver talks at the National Aeronautics and Space Administration (NASA), IEEE, Project Management Institute (PMI) and other industrial forums.



**LIRA GOSWAMI**  
INDEPENDENT DIRECTOR

Lira Goswami is a Non-Executive Independent Director of Cummins India Limited. She has rich experience of more than 30 years in corporate, commercial and regulatory work, including international business transactions, strategic advisory, mergers and acquisitions. Her work in regulatory compliance spans various sectors, including defence, energy, pharma, food and others. Lira is one of the founding partners of Associated Law Advisers (ALA) and heads their corporate and regulatory team. She regularly speaks on foreign investment, defence procurement, trade, regulatory and compliance issues. She has also spoken at several anti-corruption conferences in India and C5's Defense Procurement seminars in Washington and Paris. She has also authored articles on diverse subjects, including disinvestment, related party transactions, foreign exchange regulations, insurance as a tool of wealth management, law and morality, legal obligation, civil disobedience, etc.



**FAROKH N. SUBEDAR**  
INDEPENDENT DIRECTOR

Farokh N. Subedar is an Independent Director at Cummins India Limited and brings with him a vast experience in the areas of business management, finance, taxation, law, risk management and accounts. Farokh superannuated from Tata Sons Limited as its Chief Operating Officer and also functioned as the Chief Financial Officer and Company Secretary. During his 38-year association with the Tatas, he has been on the boards of various Tata companies and is currently the Vice Chairman of Tata Investment Corporation Limited and serves on the boards of Tata Capital and Tata Industries. He is also the Non-Executive Chairman of DCB Bank Limited. In the past, Farokh has been the President of the Bombay Chamber of Commerce and Industry. He holds a bachelor's degree in commerce and is a Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India.



**SEKHAR NATARAJAN**  
INDEPENDENT DIRECTOR

Sekhar Natarajan is an Independent Director at Cummins India Limited. In his long career, Sekhar has led and built Monsanto India as a leading growth and innovation company in the agriculture sector, first as its Managing Director, then as South Asia Leader, and later as both Executive and Non-Executive Chairman of its Board, until its merger with Bayer in 2019. He is a recognized leader and a strategic thinker with rich global experience in Business Development and Mergers & Acquisitions. Currently, he is the Managing Partner of M/s SN Consultants and a Founding Partner of AgVaya LLP, where he provides strategic advice and guidance to local and international companies. He also works closely with industry forums on policy and advocacy matters. He is the Independent Chairman of the Board of Ingersoll Rand (India) Limited and also an Independent Board Member of Bayer CropScience India Limited, Colgate Palmolive (India) Limited and Maharashtra Hybrid Seeds Company Private Limited.



**DONALD JACKSON**  
NON-EXECUTIVE DIRECTOR

Donald Jackson is a Non-Executive, Non-Independent Director on the Cummins Board and has held the position since 2018. He is also Vice President - Treasury & Tax at Cummins Inc. He has 30 years of experience as a global financial risk management professional. Since May 2015, Donald has headed the Global Corporate Treasury function, overseeing debt capital markets, foreign exchange & commodity risk management, bank relationships, short-term liquidity, corporate credit and pension risk management at Cummins Inc. Before joining Cummins, he worked with Hewlett-Packard (HP) in various treasury areas and as a Foreign Exchange Trader in the Capital Markets area at Grupo Financiero Banamex-Accival (a financial institution headquartered in Mexico).



**BONNIE JEAN FETCH<sup>17</sup>**  
NON-EXECUTIVE DIRECTOR

Bonnie Jean Fetch is a Non-Executive and Non-Independent Director of Cummins India Limited and currently serves as the Vice President and the Head of Global Supply Chain and Manufacturing at Cummins Inc. Bonnie is responsible for the strategic and operational leadership globally for Cummins' complex and integrated supply chain as well as Cummins' New and ReCon Parts business and Remanufacturing operations. She previously had leadership accountability for supply chain operations across North America and the Supply Chain Services organization. Drawing upon her vast experience, she has demonstrated exceptional leadership in guiding global organizations toward significant improvement in business performance, through inspiring vision and strategy, while purposefully fostering a culture of alignment for exceptional high performance. She possesses expertise in strategic planning, logistics and manufacturing operations, business development, engineering, supply chain management and human resources. She has previously served on the boards of private companies and non-profit organizations outside India.



**CORNELIUS O'SULLIVAN**  
NON-EXECUTIVE DIRECTOR

Cornelius O'Sullivan serves as a Non-Executive and Non-Independent Director for Cummins India Limited. He is also the Executive Director – PSBU<sup>18</sup> Supply Chain and Operations at Cummins Inc. Cornelius has worked in various supply chain roles throughout his 30-year career. Since joining Cummins in 1997, Cornelius began as the Global SQI Leader based in Huddersfield, England. Over the last 10 years, he has increased responsibility within the Power Systems' supply chain and currently leads strategy, planning, logistics, procurement and synchronous business planning. He has also been a member of the Cummins Supply Chain Leadership Team for the last three years and has been engaged in setting the supply chain transformation roadmap. Most recently, Cornelius's responsibility has included leading the design and launch of the first Regional Operating Team in the EMEA region.

<sup>17</sup> Bonnie Jean Fetch ceased to be a Director (Non-Executive and Non-Independent) of the Company with effect from May 29, 2025.

<sup>18</sup> Power Systems Business Unit

# **Directors' Report**

**FY 2024-2025**

## **BANKERS**

State Bank of India  
HDFC Bank Limited  
Citibank, N.A.  
Bank of America  
ICICI Bank Limited  
The Hongkong Shanghai Banking Corporation Limited  
YES Bank Limited  
J.P. Morgan Chase, N.A.

## **AUDITORS**

Price Waterhouse & Co.  
Chartered Accountants LLP  
7th Floor, Business Bay, Tower A,  
Wing - 1, Airport Road, Yerwada, Pune - 411006

## **REGISTRAR & TRANSFER AGENT**

MUFG Intime India Private Limited  
(Formerly Link Intime India Private Limited)  
C-101, 1st Floor, 247 Park,  
L.B.S. Marg, Vikroli (West), Mumbai 400 083  
Phone: (022) 49186270  
Fax: (022) 49186060  
E-mail: [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com)  
Website: <https://in.mpms.mufg.com/>

## **CUMMINS INDIA LIMITED**

[CIN: L29112PN1962PLC012276]  
Regd. Office: Cummins India Office Campus,  
Tower A, 5th Floor, Survey No. 21,  
Balewadi, Pune 411 045  
Phone: (020) 67067000  
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E-mail: [cil.investors@cummins.com](mailto:cil.investors@cummins.com)  
Website: [www.cumminsindia.com](http://www.cumminsindia.com)

# DIRECTORS' REPORT

## TO THE MEMBERS,

The Board of Directors take pleasure in presenting the Sixty-Fourth Annual Report including *inter-alia* Directors' Report, its annexures and audited financial statements (including standalone & consolidated financial statements along with respective Auditors' Report thereon) for the year ended March 31, 2025. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. FINANCIAL RESULTS:

#### On Standalone basis:-

During the Financial Year 2024-25, revenue from operations was ₹ 10,339.40 Crores as compared to ₹ 8,958.60 Crores during the previous year (15% higher). Profit after tax increased to ₹ 1,905.78 Crores from ₹ 1,660.62 Crores recorded for the previous year (15% higher).

#### On Consolidated basis:-

During the Financial Year 2024-25, revenue from operations was ₹ 10,390.69 Crores as compared to ₹ 9,000.20 Crores during the previous year (15% higher). Profit after tax increased to ₹ 1,999.94 Crores from ₹ 1,720.58 Crores recorded for the previous year (16% higher).

Financial Summary	Standalone		Consolidated	
	2024-25 (₹ in Crores)	2023-24 (₹ in Crores)	2024-25 (₹ in Crores)	2023-24 (₹ in Crores)
<b>APPROPRIATION OF PROFIT:</b>				
Profit before taxation	<b>2,496.14</b>	2,143.05	<b>2,592.81</b>	2,204.61
Net Profit for the year after tax	<b>1,905.78</b>	1,660.62	<b>1,999.94</b>	1,720.58
Dividend	<b>1,053.36</b>	859.32	<b>1,053.36</b>	859.32

\*Includes Exceptional Items amounting to ₹ NIL (F.Y. 2023-24: ₹ (1.70) Crores)

### 2. RESERVES:

The closing balance of reserves, including retained earnings, of the Company as at March 31, 2025 was ₹ 6,962.59 Crores. During the Financial Year, no amount was proposed to be transferred to the Reserves.

### 3. BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS:

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis Report, which has been prepared, *inter-alia*, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms part of the Annual Report.

### 4. DIVIDEND:

The Directors have recommended a final dividend of ₹ 33.50/- (i.e. 1.675%) per equity share of ₹ 2/- each fully paid-up share in their meeting held on May 28, 2025, in addition to the interim dividend of ₹ 18/- (900%) per equity share of ₹ 2/- each fully paid-up share declared on February 05, 2025, aggregating to ₹ 51.50/- (i.e. 2,575%) per equity share of ₹ 2/- each fully paid-up share for the year ended March 31, 2025 (previous year ₹ 38/- per equity share i.e. 1,900%). The final dividend is subject to approval of the Members at the ensuing Annual General Meeting and shall be subject to deduction of income tax at source as per applicable laws.

The final dividend recommended, and the interim dividend is paid in accordance with the principles and criteria as set out in the dividend distribution policy.

## 5. SHARE CAPITAL:

The paid-up share capital of the Company is ₹ 55,44,00,000/- divided into 27,72,00,000 equity shares of ₹ 2/- each as on March 31, 2025. Your Company has not come up with any issue (public, rights or preferential) during the year. There is no change in the share capital during Financial Year 2024-25.

## 6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES:

Your Board is pleased to provide details of the following subsidiary, joint ventures and associates as on March 31, 2025:

### a) Cummins Sales & Service Private Limited (CSSPL):

CSSPL, a wholly owned subsidiary, of the Company focuses on sales of Cummins engines, parts, accessories and providing service support to engines and generators in parts of Northern India close to the National Capital Region (NCR). CSSPL generated a revenue of ₹ 200.40 Crores from its operations for the year ended March 31, 2025, as compared to ₹ 199.02 Crores during the previous year (1% higher).

The Board in its meeting held on February 07, 2025, had approved the sale of 100% stake in its subsidiary CSSPL to PAL SVAM Power Solutions Private Limited (Buyer). In pursuance of the completion of the closing conditions mentioned in Share Purchase Agreement between the Company, CSSPL and the Buyer, 100% equity shares of CSSPL were transferred to the Buyer. Consequently, CSSPL ceased to be a wholly-owned subsidiary of the Company with effect from April 1, 2025.

### b) Valvoline Cummins Private Limited (VCPL):

VCPL, a 50:50 joint venture between Valvoline International Inc., USA, one of the global leaders in lubricants and engine oils, and your Company, VCPL generated a revenue of ₹ 2,353.37 Crores from its operations for the year ended March 31, 2025, as compared to ₹ 2,255.59 Crores during the previous year (4% higher).

### c) Cummins Generator Technologies India Private Limited (CGTIPL):

Your Company owns 48.74% (March 31, 2024: 48.54%) shareholding in the Associate Company namely CGTIPL which is in the business of design, manufacturing, marketing, sales and service of alternators and related spare parts. CGTIPL generated revenue of ₹ 2,011.89 Crores from its operations for the year ended March 31, 2025, as compared to ₹ 1,805.38 Crores during the previous year (11% higher).

The shareholders of CGTIPL at their Extra-ordinary General Meeting held on March 17, 2022, approved a scheme for reduction of the issued, subscribed and paid-up share capital of the CGTIPL (the 'Scheme'), cancelling and extinguishing, in aggregate, 7,433 equity shares of CGTIPL ('Capital Reduction') as recommended by the Board of Directors in their meeting held on February 11, 2022. CGTIPL had filed a petition with Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench seeking approval on the said Scheme of Capital Reduction on April 7, 2022. The NCLT has approved the reduction in share capital corresponding to 6,532 equity shares of ₹ 10 each with effect from December 18, 2024. Consequent to the reduction, the shareholding % of the Company in CGTIPL has increased to 48.74%.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consolidated financial statements of the Company, its subsidiary, joint venture and associate companies, prepared in accordance with the applicable Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, form part of the Annual Report.

Further, a statement containing the salient features of the financial statement of subsidiary, associate company and joint venture in the prescribed Form AOC-1 is appended as **Annexure '1'** which forms part of this Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents and separate financial statements in respect of CSSPL, are available on the website of the Company on <https://www.cummins.com/en/in/investors/india-financials>.

The Company will make the said financial statements and related detailed information of CSSPL available upon request by any Member of the Company. These financial statements will also be kept open for inspection by any Member at the Registered Office of the Company and of CSSPL.

## **7. CHANGE IN THE NATURE OF THE BUSINESS:**

During the year under review, there was no change in the nature of the business pursuant to *inter-alia* Section 134 of the Companies Act, 2013 and Companies (Accounts) Rules, 2014.

## **8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

No loan or guarantee was given, or investment was made by your Company during the Financial Year 2024-25 pursuant to Section 186 of the Companies Act, 2013.

## **9. DEPOSITS:**

Your Company has not accepted any Public Deposits under Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the Financial Year 2024-25.

## **10. FUND RAISING BY ISSUANCE OF DEBT SECURITIES, IF ANY**

Pursuance to SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018, read with SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated October 19, 2023, the Directors confirm that the Company is not defined as a "Large Corporate" as per the framework provided in the said Circular. Further, your Company has not raised any funds by issuance of debt securities.

## **11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During Financial Year 2024-25, no materially significant related party transactions were entered into by the Company, that may have potential conflict with the interests of Company, at large.

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as **Annexure '2'** which forms part of this Report.

The Policy on materiality of related party transactions as approved by the Board can be accessed on the Company's website at the link: <https://www.cummins.com/en/in/investors/india-corporate-governance>.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with relevant accounting standards.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the resolution for seeking approval of the Members on material related party transactions is being placed at the ensuing Annual General Meeting scheduled on August 08, 2025.

## 12. CONSERVATION OF ENERGY:

During the Financial Year 2024-25, the Company has consistently endeavored to integrate energy conservation practices and initiatives throughout all its facilities.

The Company generated a total of 62,07,742 kWh of electricity from existing and new onsite solar installations. Facility wise details of the same are mentioned below:

Site	Solar PV installation capacity	On-site solar energy generation in kWh
Kothrud Engine Plant, Pune	4,408 kWp	44,40,180 kWh
Power Generation Plant, Phaltan	521 kWp	3,68,892 kWh
Corporate office, Balewadi, Pune	1,172.4 kWp	12,36,308 kWh
Pirangut Plant	150 kWp	1,62,362 kWh

\*Kothrud plant has extended 550 kWp Solar power plant installed in February 2025.

Apart from the solar energy projects, the Company also undertook various other energy conservation initiatives. Details of the same are mentioned below:

Kothrud Engine Plant (KEP) of the Company focused on efforts to reduce compressed air leakages from 664 to 480 CFM, implemented energy-efficient systems (ventilation, air circulator automation, PIV battery chargers) and low cost no cost projects, which created an impact. KEP achieved the highest solar installation (4,400 kWp) so far with its own investment, generating 44.52 lakh units of green power from the Solar PV Rooftop system in FY 2024-25, resulting in approximately ₹ 4.13 Cr savings in energy costs.

At Power Generation plant of the Company in Phaltan, fluorescent lamps on the shop floor were replaced with 120-watt LED lamps, achieving an annual energy saving of 168,480 kWh.

At High Horsepower plant of the Company at Phaltan Rebuild Centre, HVLS fans were installed in the upfit, tear down, and test cell areas leading to energy saving of 1,080 kWh. Additionally, humidity sensors are installed for controlling the heater system in the HT room, saving 5,040 kWh.

## 13. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION:

Your Company is committed to introducing new products and improving existing products to have better performance levels, lower life cycle costs, excellent safety, recyclability characteristics and meet stringent emission norms tailored for the specific needs of the Indian industry.

Your Company continues this endeavor by developing the next generation of systems in collaboration with the parent company - Cummins Inc., USA.

Improved technical productivity, through new methodologies and technologies, is being continuously pursued to reduce the costs associated with new product development and customer support. An example of this is the further enhanced use of analysis-led design through computer models that help minimize hardware testing and therefore accelerate product development cycle times with reduced product testing.

## **A. New Product Development:**

The following new Products were developed as part of the above initiatives during the year:

1. A Hotel Load Converter was successfully developed for the Rail business, marking the Company's strategic entry into the rail electrification space. The product has completed demonstration, type testing, and certification phases.
2. CPCBIV+ range of products are now well established in the market through a rigorous infant care program to support technological transition of the customers & end-users;
3. Developed a new product for export to the EU region, meeting the most stringent Euro Stage V emission norms; supplies have already commenced.
4. Launched a comprehensive range of products with engines exceeding 800 kWm, designed to meet the stringent CAQM norms for diesel generators in specific regions — significantly contributing to improved air quality.
5. Introduced new products in the 2000 kVA and 2500 kVA segments, featuring innovative engine solutions through an uprate program — effectively serving both Commercial & Industrial (C&I) and data centre markets.
6. The marine product portfolio was expanded to address the high power output needs of frontline defense applications, aligning with the Government's 'Make in India' initiative;
7. As part of decarbonization strategy, evaluation of use of alternative fuels is being explored in India in relation to company's product offerings;
8. Telematics and analytics capabilities have been developed to improve uptime and fuel efficiency performance of our products;
9. Developing 'fit-for-market' solutions to meet export emission requirements.

Further, your Company continues to strengthen its channel presence through its Genset Original Equipment Manufacturers partners who have added 12 additional sales dealers across various geographies.

## **B. Benefits derived as a result of the above activities are:**

1. Enhanced product and service capabilities through use of electronic tools and simulation software to deliver improved engine performance;
2. Enhanced capability to tailor engine designs to improve value proposition for customers through delivering superior power output, fuel economy, transient response and reduced emissions;
3. Product and component availability to meet the new emission norms ahead of implementation;
4. Safer, recyclable, reliable, durable, and performance-efficient products and critical components; and
5. Component indigenization capability was improved through enhanced test capability.

### C. Future plans include:

1. Technological innovation to add value to products in the areas of alternate fuels, battery energy storage systems, hybrid engines and recycle / re-use;
2. Continued expansion of the product range to serve the needs of both local and global market; and
3. Continued focus on indigenization and partnering with suppliers for waste elimination initiatives.

D. Your Company continues to draw benefits from its parent company, Cummins Inc.'s technology, advanced engineering, and research. With this support your Company is committed to develop advanced fuel-efficient and emission-compliant products that use a variety of energy sources and comply with future domestic emissions and carbon dioxide targets. These help to reduce greenhouse gas emissions and improve air quality, whilst also enabling the products to deliver superior performance, reliability, durability, and recyclability.

### E. Expenditure on Research & Development (R&D):

The total expenditure on R & D was as follows:

Particulars	2024-25 (₹ in Crores)	2023-24 (₹ in Crores)
Capital account	7.23	6.69
Revenue account	3.28	3.21
Total	10.51	9.90
Total R&D expenditure as a percentage of total sales turnover	0.10%	0.11%

## 14. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company continues to be Net Foreign Exchange Earner. During the year under review, your Company exported 5,022 engines and 6,369 generator sets. Foreign exchange in terms of actual inflows during the year 2024-25 and foreign exchange outgo in terms of actual outflows during the year 2024-25 were as follows:

Particulars	FY 2024-25	FY 2023-24
	(₹ in Crores)	(₹ in Crores)
Foreign exchange earnings*	1,727.23	1,810.90
Foreign exchange outgo*	1,493.43	1,262.23

\*Equivalent value of various currencies

## 15. MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT:

The Management Discussion and Analysis Report and the Corporate Governance Report which forms part of this Report are appended as **Annexure '3'** and **'4'** respectively.

The Company has obtained a Certificate from Practicing Company Secretary confirming compliance with conditions of the Code of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including amendments thereof) and the same is appended as **Annexure '6'** which forms part of this Report.

The Company has received a Certificate from Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified by MCA or SEBI or any such statutory authority from being appointed / continuing as Director and the same is appended as **Annexure '7'** which forms part of this Report.

## 16. ANNUAL RETURN:

As per the requirement under Section 92(3) of the Companies Act, 2013, the draft Annual Return for Financial Year 2024-25 is available on the website of the Company at the link: <https://www.cummins.com/en/in/investors/india-annual-reports>. The Annual General Meeting is proposed to be held on August 08, 2025. The Company shall upload a copy of Annual Return for Financial Year 2024-25 on the website, as soon as it has filed the said Annual Return with Registrar of Companies.

## 17. RISK MANAGEMENT:

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust Enterprise Risk Management Framework to identify, monitor and minimize risks. As a process, the risks associated with the business are identified and prioritized based on impact, probability of occurrence and organization's risk management capability. Such risks are reviewed by the Senior Management, Risk Management Committee and the Board on a regular basis. We have a structured governance mechanism where risks identified under the ERM Framework are categorized based on level of oversight required. Subsequently, Risk Owners and appropriate review forums are identified for each of the risk and metrics are developed for monitoring and reviewing the risk mitigation efforts. The established comprehensive Risk Management Framework ensures that risk areas having a potential impact on Company's continued existence as a going concern and to its development are identified and addressed on timely basis.

The Risk Management Committee of the Board of Directors of your Company assists the Board in (a) overseeing and approving the Company's enterprise wide risk management framework including the risk management processes, systems and practices of the Company; (b) overseeing that all existing risks and new risks that the organization faces including cyber security risks have been identified and assessed, and (c) overseeing that adequate resources have been allocated to effectively manage those risks. Further details on Risk Management Committee are included in the Corporate Governance Report.

The details and process of Enterprise Risk Management implemented by the Company through Risk Management Policy, are included in the Management Discussion and Analysis, which forms part of Annual Report.

## 18. INTERNAL FINANCIAL CONTROL:

Your Company has established adequate internal financial controls for ensuring orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Details of internal financial control and its adequacy are included in the Management Discussion and Analysis Report which is appended as **Annexure '3'** and forms part of Annual Report.

## 19. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Your Company has a 'Whistle Blower Policy & Vigil Mechanism' which *inter-alia* provides adequate safeguards against victimization of persons who may blow the whistle. The Policy was last revised in the Board Meeting held on August 06, 2024. This Policy may be accessed on the Company's website at the link: <https://www.cummins.com/en/in/investors/india-corporate-governance>.

In addition, your Company has complied with provisions relating to constitution of an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has a stable well governed ethics investigations process. Regular workshops and awareness programmes against sexual harassment are conducted across the organization. During the year under review, one complaint pertaining to sexual harassment of woman employee was reported to the Committee which was resolved. No complaints remained unresolved as on March 31, 2025.

Your Company's leadership culture is to inspire and encourage all employees to reach their full potential. A great leadership culture begins with outstanding leaders who create an outstanding place to work, inspiring and encouraging all employees to achieve their full potential. Leaders connect people and their work to the vision, mission, values, brand promise and strategies of the company, motivating them and giving them a higher sense of purpose. Leaders also build trust in our teams and in our organizations and align on key goals and priorities. Leaders foster open communications and offer various opportunities to employees to express their feedback through several ways.

The Company is committed to the highest possible standards of openness, integrity and accountability in all its affairs and to providing a workplace conducive to open discussion of its business practices. Your Company has laid out infrastructures and policy through which the employees can voice their concerns about suspected unethical or improper practice, or violation of Cummins Code of Business Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. Protected disclosures can be made by a whistle blower through an email or dedicated telephone line or letter to the Managing Director of the Company or Letter to the Head of Legal Department or Letter to the Chairman of Audit and Compliance Committee or via the Ethics helpline/ Webpage, details of which are available on website [www.cumminsindia.com](http://www.cumminsindia.com).

## 20. COMPLIANCE WITH THE CODE OF CONDUCT:

All Directors on the Board and Senior Management have affirmed compliance to the Code of Conduct and Cummins Code of Business Conduct respectively for the Financial Year 2024-25. A declaration signed by the Managing Director affirming compliance with the Company's Code of Conduct by the Board of Directors and Senior Management for the Financial Year 2024-25 as required under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Corporate Governance Report which is appended as **Annexure '4'** and forms part of this Report.

Pursuant to regulation 26(5) of the SEBI Listing Regulations, senior management has made periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company.

## 21. DIRECTORS' RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and/or external consultant(s) including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit and Compliance Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2024-25.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards have been followed and there was no material departure from the same;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2025 and of the profit and loss of the Company for the period April 01, 2024 to March 31, 2025;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts are prepared on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the year; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 22. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### a) Changes in the composition of the Board of Directors:

#### Appointments and Re-appointments

Mr. Sekhar Natarajan (DIN: 01031445) was appointed by the Board as an Additional Director (Non-executive and Independent) with effect from May 29, 2024, and was regularized as a Director (Non-executive and independent) in 63<sup>rd</sup> Annual General Meeting of the Company held on August 07, 2024, to hold the office for the period of five (5) consecutive years effective from May 29, 2024, to May 28, 2029, not liable to retire by rotation. The members of the Company also approved continuation of his appointment even after he attains the age of 75 years, till expiry of his first term up to May 28, 2029.

Mr. Farokh N. Subedar (DIN: 00028428) was appointed by the Board as an Additional Director (Non-executive and Independent) with effect from May 29, 2024, and was regularized as a Director (Non-executive and Independent) in 63<sup>rd</sup> Annual General Meeting of the Company held on August 07, 2024, to hold the office for the period of five (5) consecutive years effective from May 29, 2024 to May 28, 2029, not liable to retire by rotation.

Ms. Shveta Arya (DIN: 08540723) was appointed by the Board as an Additional Director and Managing Director (Designate) (Executive and Non-independent) effective August 08, 2024, and was appointed/designated as Managing Director effective September 01, 2024, for a term of three (3) years, effective from September 01, 2024, to August 31, 2027, not liable to retire by rotation. The members of the Company approved the said appointment by way of an ordinary resolution passed on October 17, 2024, through postal ballot conducted by remote e-voting process.

Mr. Cornelius O'Sullivan (DIN: 10829830) was appointed by the Board as an Additional Director (Non-executive and Non-independent) with effect from November 08, 2024, and regularized as a Director (Non-executive and Non-independent), liable to retire by rotation, by way of an ordinary resolution passed on January 07, 2025, through postal ballot conducted by remote e-voting process.

In accordance with the Companies Act, 2013 and Articles of Association of the Company, Ms. Jennifer Mary Bush (DIN: 09777114), Chairperson, Director (Non-executive and Non-independent) of the Company, retires by rotation and being eligible, offer herself for re-appointment. The proposal seeking Member's approval for her re-appointment forms part of the Notice, which is also approved by the Board on the recommendation of the Nomination and Remuneration Committee.

As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2, particulars of Director seeking appointment/ re-appointment at this Annual General Meeting are given in the Explanatory Statement to the Notice and the Board on the recommendation of Nomination and Remuneration Committee, recommends the respective resolution further to the Members for approval.

#### Cessation

During the year, Mr. Ashwath Ram (DIN: 00149501) resigned as Managing Director (Executive and Non-independent) of the Company effective from close of business hours of August 31, 2024, on account of assuming full-time global role with Cummins Inc., USA. Consequently, he also ceased to be a member of the Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee of the Company with effect from close of business hours of August 31, 2024. He had confirmed vide his resignation letter that there were no other material reasons for his resignation.

Ms. Bonnie Jean Fetch (DIN: 09791477) resigned as Director (Non-executive and Non-independent) of the Company with effect from May 29, 2025, pursuant to her role change within the Cummins Group. Consequently, she also ceased to be a member of Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company with effect from May 29, 2025. She had confirmed vide her resignation letter that there were no other material reasons for her resignation.

Ms. Rama Bijapurkar (DIN: 00001835) has expressed her intention not to continue as an Independent Director of the Company for second term due to preoccupations, recent developments in her professional portfolio and shift in her ongoing commitments. Accordingly, Ms. Bijapurkar will cease to be a Non-executive Independent Director of the Company upon completion of her first term of five years with effect from June 16, 2025. Consequently, she will also cease to be Chairperson/ member from respective Committee positions with effect from June 16, 2025. She had confirmed vide her letter that there were no other material reasons for her resignation.

The Board places on record its appreciation for the outgoing Directors' invaluable contribution and guidance during their respective tenures.

### **Retirement**

The Board in its meeting scheduled on May 29, 2024, took note of Mr. Nasser Munjee's (DIN: 00010180) and Mr. Rajeev Bakshi's (DIN: 00044621) retirement as Non-executive Independent Directors of the Company effective July 31, 2024, upon completion of their second term.

The Board places on record the deepest appreciation and gratitude for the valuable contributions made by them during their tenure on the Board.

The details of Board composition, number of meetings held, details of directorships of Directors etc. are provided in the Corporate Governance Report which is appended as **Annexure '4'** and forms part of this Report.

## **b) Changes in Key Managerial Personnel**

In addition to the changes in the Managing Director and Key Managerial Personnel (KMP) mentioned above, the following additional changes in KMP have also taken place, during the period under review:

Mr. Ajay S. Patil resigned as the Chief Financial Officer and Key Managerial Personnel of the Company with effect from close of business hours on January 09, 2025. Consequent to resignation of Mr. Patil, Mr. Prasad Kulkarni was appointed as the Interim Chief Financial Officer and Key Managerial Personnel of the Company with effect from January 10, 2025, till the time a new Chief Financial Officer is appointed by the Board.

The Board at its meeting held on May 28, 2025, based on the recommendation of the Nomination and Remuneration Committee and Audit & Compliance Committee, has approved the appointment of Ms. Soma Dilip Ghosh as the Chief Financial Officer and Key Managerial Personnel of the Company with effect from July 21, 2025, upon her joining the Company.

Except as stated above, there were no other changes in the directors and key managerial personnel of the Company during the year under review since the last report.

## **c) Committees of the Board:**

The Board of Directors have constituted following Committees in order to effectively cater its duties towards diversified role under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Audit and Compliance Committee;
- Stakeholders Relationship Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility Committee; and
- Risk Management Committee

Details of the constitution, broad terms of references of each Committee and number of meetings attended by individual Director etc. are provided in the Corporate Governance Report which is appended as **Annexure '4'** and forms part of this Report.

**d) Policy on Director's Appointment and Remuneration:**

The Policy of the Company on Director's Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of the Directors and other matters provided under Section 178(3) of the Companies Act, 2013, adopted by the Board viz. Nomination and Remuneration Policy, is appended as **Annexure '8'** which forms part of this Report. The Policy was last revised in the Board Meeting held on May 28, 2025.

Details of the remuneration paid to the Board of Directors are provided in the Corporate Governance Report. It is affirmed that the remuneration paid to the Directors is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

**e) Board Performance Evaluation Mechanism:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance and the Directors, Chairperson individually, as well as the evaluation of working of its Committees. Details of the evaluation mechanism is provided in the Corporate Governance Report which is appended as **Annexure '4'** and forms part of this Report.

**f) Inter-se relationships between the Directors:**

There are no relationships between the Directors *inter-se*.

**g) Familiarization Programme for Independent Directors:**

During the year, various documents, background notes etc. were shared with the Independent Directors to have a deeper insight in to state of affairs of the Company.

The Chairperson and/or the Managing Director also have periodic discussions with the newly appointed Directors to provide them, details of initiatives of the Company for better understanding of the Company, its business and the regulatory framework in which the Company operates and equip him/ her to effectively fulfil his/ her role and responsibilities as a Director of the Company. Further, in person visits to Company's plants/ office were also arranged.

The details of familiarization programmes imparted are available at <https://www.cummins.com/en/in/investors/india-corporate-governance>.

**h) Declarations from the Independent Directors:**

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read along with Rules framed thereunder and Regulation 16(1)(b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Independent Directors have submitted *inter-alia* declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have also confirmed compliance with the provisions of the Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of Independent Directors.

Further, the Independent Directors have also confirmed that there has been no change in the circumstances affecting their status as Independent Directors of the Company. The said Certificates(s) were taken on record by Board after their requisite assessments.

The Board took on record the declaration and confirmation submitted by the Independent Directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 23. NUMBER OF MEETINGS OF THE BOARD:

Seven meetings of the Board of Directors were held during the year. The details of the meetings held and attendance there at are provided in the Corporate Governance Report which is appended as **Annexure '4'** and forms part of this Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

## 24. PARTICULARS OF EMPLOYEES AND REMUNERATION:

The details in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, is appended as **Annexure '10'** which forms part of this Report.

Statement containing particulars of top 10 employees and particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is a separate Annexure. In terms of proviso to Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members, excluding the aforesaid Annexure. The said Statement is also open for inspection. Any Member interested in obtaining a copy of the same may write to the Company Secretary at [Cil.Investors@cummins.com](mailto:Cil.Investors@cummins.com). None of the employees listed in the said Annexure are related to any Director of the Company.

## 25. INDUSTRIAL RELATIONS:

Industrial Relations at all the plants of the Company continue to be cordial with minimal labour issues. Multiple initiatives and Labour Relations projects have been rolled out for shop employees to ensure better management & governance. Our unionized plant, KEP concluded long term wage settlement with the Union in December 2023, and the settlement was inclusive of productivity increase, linkage to new performance categories along with wage rise was signed off and implemented amicably and currently is in force. This settlement is helping the company to reward better performance and help employees to grow in the organization. We have introduced a performance management system for our shop, office & technician employees with updated performance categories which is helping us to differentiate and recognize employees' contribution in the business's success. We are taking the right steps to provide them with access to technology with which employees can leverage our online systems for better learning and bringing effectiveness in their daily work. We have also introduced an internal job posting system for all new positions across organizations which helps us to grow talent from non-exempt category. Our emphasis on "Right Environment" for all our employees is continued to ensure that all our employees feel comfortable and secure at their workplace. We ensured our employees are engaged through various sports activities and family functions such as cricket tournaments for all our employees/ Family Day celebration etc. Employee participation in various Corporate Responsibility projects has been commendable during the Financial Year. They joined hands with Company to drive some critical social impact projects.

## 26. AUDITORS:

### STATUTORY AUDITORS:

At the 60<sup>th</sup> Annual General Meeting held on August 12, 2021, M/s. Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants (Firm Registration No.: 304026E/E-300009) ("PWC"), was appointed as Statutory Auditor of the Company to hold office till the conclusion of 65<sup>th</sup> Annual General Meeting.

Accordingly, PWC completed audit for Financial Year 2024-25 and issued Auditor's Report. There are no qualifications, reservations, adverse remarks or disclaimers made by the auditors in the Audit Report for the Financial Year 2024-25.

In terms of the Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the appointment of Statutory Auditors does not require ratification by the Members in Annual General Meeting. Accordingly, the Board noted the continued appointment of PWC as the Statutory Auditors of the Company for the Financial Year 2025-26 in its meeting held on May 28, 2025. PWC have informed the Company that they are eligible to continue, and their appointment is within the limits prescribed under Section 141 of the Companies Act, 2013.

#### **SECRETARIAL AUDITORS:**

M/s MMJB & Associates LLP, Practicing Company Secretaries, (LLPIN: AAR-9997) was appointed to conduct the secretarial audit of the Company for the Financial Year 2024-25, as required under Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report in Form MR-3 for the Financial Year 2024-25 is appended as **Annexure '5'** which forms part of this Report. Both the reports do not contain any qualification, reservation or adverse remark.

The Annual Secretarial Compliance Report has been submitted to the Stock Exchanges as required under Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Board at its meeting held on May 28, 2025, on the recommendation of the Audit and Compliance Committee, has approved the appointment of M/s. Makarand M. Joshi & Co., a firm of Company Secretaries in practice, a peer reviewed firm (Firm Registration Number: P2009MH007000) as the Secretarial Auditors of the Company for a period of five consecutive years commencing from FY 2025-26 till FY 2029-30, subject to approval of shareholders of the Company at the ensuing Annual General Meeting.

#### **COST AUDITORS:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. The Directors, on the recommendation of the Audit and Compliance Committee, had appointed M/s. C S Adawadkar & Co., Cost Accountants (Firm Registration Number: 100401), to audit the cost accounts of the Company for the Financial Year 2024-25 at a remuneration of ₹ 950,000/- plus taxes as applicable and re-imbursment of out of pocket expenses.

The remuneration was ratified by Members in the 63<sup>rd</sup> Annual General Meeting held on August 07, 2024.

Pursuant to recommendation of the Audit and Compliance Committee, the Board in its meeting held on May 28, 2025, has appointed M/s C S Adawadkar & Co. (Firm Registration No.: 100401), to audit the cost accounts of the Company for the Financial Year 2025-26 at a remuneration of ₹ 950,000/- plus taxes as applicable and re-imbursment of out of pocket expenses. As required under the Companies Act, 2013, the Members ratification for the remuneration payable to M/s. C S Adawadkar & Co, Cost Auditors, is being sought at the ensuing Annual General Meeting.

M/s. C S Adawadkar & Co, Cost Auditors, under Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, have furnished a certificate of their eligibility and consent for appointment.

## **27. CORPORATE SOCIAL RESPONSIBILITY POLICY AND ITS REPORT:**

Your Company is an early adopter of the Corporate Social Responsibility (CSR) initiatives. Corporate Social Responsibility continues to be the core value of your Company embedded in the core value of caring, which focuses on 'serving and improving the communities in which we live'. Cummins India Foundation serves as the implementation agency for executing the Company's CSR initiatives, aligned with its three core focus areas: Higher Education, Energy and Environment, and Equality of Opportunity. In addition, the Company undertakes other strategic initiatives as part of its broader commitment to social responsibility.

Details of the CSR Policy and initiatives taken by the Company during the year are available on our website <https://www.cummins.com/en/in/investors/india-corporate-governance>. The CSR Policy was last revised in the Board Meeting held on February 05, 2025. The Annual Report on our CSR Activities *inter-alia* including the amount spent, amount unspent together with reasons therefore is appended as **Annexure '11'** which forms part of this Report.

## 28. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

As stipulated under the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular dated May 10, 2021, your Company presents the Business Responsibility and Sustainability Report ('BRSR') for Financial Year 2024-25, which provides enhanced disclosures on Environment, Social and Governance (ESG) practices and focused areas of the Company, and is appended as **Annexure '12'** and forms a part of this Report.

Pursuant to SEBI Listing Regulations, the Company has obtained, BRSR Reasonable assurance on BRSR Core Indicators from Price Waterhouse & Co Chartered Accountants LLP on a standalone basis for the FY 2024-25.

## 29. SECRETARIAL STANDARDS:

The Company is in compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India, specifically Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2).

## 30. DIVIDEND DISTRIBUTION POLICY:

The Board of Directors of the Company have formulated a Dividend Distribution Policy which is appended as **Annexure '9'** and forms part of this Report. The Policy was last revised in the Board Meeting held on February 05, 2025. The policy is also available on our website <https://www.cummins.com/en/in/investors/india-corporate-governance>.

## 31. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to Section 124 and Section 125 of Companies Act, 2013 and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, during the year under review, the Company has transferred the following unclaimed and unpaid dividend and corresponding shares to IEPF, upon completion of period of seven years:

Date of Declaration	Type of Dividend	Amount transferred (₹)	No of equity shares transferred
August 03, 2017	Final Equity Dividend (FY 2016-17)	1,13,94,045	4,180
February 01, 2018	Interim Equity Dividend (FY 2017-18)	60,65,050	1,78,403

## 32. DETAILS OF INSOLVENCY AND BANKRUPTCY CODE:

During the year under review, your Company has neither made any application nor any application is pending under the Insolvency and Bankruptcy Code.

## 33. DETAILS REGARDING VALUATION REPORT:

During the year under review, your Company has not entered into any One-Time Settlement with Bank's or Financial Institutions and therefore, no details of valuation in this regard is available.

### 34. GENERAL:

Further, the Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions or applicability with respect to these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise;
- b. Issue of shares (including sweat equity shares) by the Company to its employees;
- c. The Managing Director of the Company did not receive any remuneration or commission from any of its subsidiaries. Further, the Company had not appointed any other Whole-time Director except the Managing Director;
- d. No frauds were reported by Auditors under Section 143(12) of the Companies Act, 2013 and rules frame thereunder
- e. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations. However, Members' attention is drawn to the Statement on Contingent Liabilities, commitments in the notes forming part of the Financial Statement;
- f. No material changes and commitments occurred during April 01, 2025 till the date of this Report which would affect the financial position of your Company;
- g. No penalties, strictures were imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets during the last three financials years; and
- h. Details as prescribed under section 134 of the Companies Act, 2013 and Rules made thereunder, applicable to the Company, have been specifically given in this Report, wherever applicable.

### ACKNOWLEDGEMENT:

The Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. The Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, employees, staff and associates.

For and on behalf of the Board of Directors

Jennifer Mary Bush  
Chairperson  
DIN: 09777114  
Place: Washington  
D.C., USA

Shveta Arya  
Managing Director  
DIN: 08540723  
Place: Pune

Date: May 28, 2025

*Note: All the Annexures referred in the Directors' Report form an integral part of the same. The entire Annual Report along with the Notice convening the Annual General Meeting and Financial Statements (Standalone and consolidated along with respective Audit Reports) shall be read together.*

## Annexures to the Directors' Report

### Annexure 1 – STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

[Pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 – Form AOC - 1]

#### Part "A": Subsidiaries:

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to the wholly-owned subsidiary

Sr. No.	Particulars	
1.	Name of the subsidiary :	Cummins Sales & Service Private Limited
2.	The date since when subsidiary was acquired	October 01, 2015
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period :	Financial Year 2024-25
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries :	Indian Rupees (₹)
5.	Share capital :	₹ 12.00 Crore
6.	Reserves & surplus :	₹ 31.58 Crore
7.	Total assets :	₹ 83.90 Crore
8.	Total Liabilities :	₹ 40.33 Crore
9.	Investments :	Nil
10.	Turnover :	₹ 200.40 Crore
11.	Profit before taxation :	₹ 11.31 Crore
12.	Provision for taxation :	₹ 3.13 Crore
13.	Profit after taxation :	₹ 8.19 Crore
14.	Proposed Dividend :	Not Applicable
15.	% of shareholding :	100

#### Note:

The Board of Directors of the Company at its meeting held on February 7, 2025, had approved the sale of 100% stake in its wholly owned subsidiary, namely, Cummins Sales & Service Private Limited ("CSSPL"). Upon transfer of 100% shares to the buyer, CSSPL ceased to be a wholly owned subsidiary of the Company effective April 1, 2025.

## Annexures to the Directors' Report

### Part "B": Associates and Joint Ventures:

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Company and Joint Ventures

Name of Associates / Joint Ventures	Valvoline Cummins Private Limited	Cummins Generator Technologies India Private Limited
1. Date of the latest audited Balance Sheet	March 31, 2025	March 31, 2025
2. Date on which the Associate/ Joint Venture was associated or acquired	October 28, 1994 (Please refer note no. 1)	July 05, 2002
3. Shares of Associates / Joint Ventures held by the Company on the year end		
i. No. of Shares	95,00,000 equity shares of ₹ 10/- each	7,79,997 equity shares of ₹ 10/- each
ii. Amount of Investment in Associates/ Joint Ventures	₹ 8.04 Crore (Please refer note no. 1)	₹ 17.20 Crore (Please refer note no. 2)
iii. Extent of Holding %	50%	48.74% (Please refer note no. 4)
4. Description of how there is significant influence	Joint Venture	Associate Company with control of more than 20% of total share capital
5. Reason why the associate / joint venture is not consolidated	NA	NA
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 162.79 Crore	₹ 387.36 Crore
7. Profit/Loss for the year		
i. Considered in Consolidation	₹ 100.23 Crore	₹ 166.55 Crore
ii. Not Considered in Consolidation	₹ 100.56 Crore	₹ 177.53 Crore

#### Notes:

- The shareholding in Valvoline Cummins Private Limited, valued at ₹ 8.46/- per share, was transferred to the Company and consequently considered as a Joint Venture post amalgamation of Cummins Sales and Service India Limited (erstwhile wholly-owned subsidiary of Company) w.e.f. April 01, 2008, vide order of Hon'ble High Court of Bombay dated March 20, 2009.
- The Company invested ₹ 220.50/- per share in Cummins Generator Technologies India Private Limited.
- There is neither any Associate Company/ Joint Venture which is yet to commence operations nor any Associate Company/ Joint Venture which has been liquidated or sold during the year.
- The shareholders of Cummins Generator Technologies India Private Limited (CGTIPL) at their Extra-ordinary General Meeting held on March 17, 2022, approved a scheme of reduction of the issued, subscribed and paid-up share capital of the CGTIPL (the 'Scheme'), cancelling and extinguishing, in aggregate, 7,433 equity shares of CGTIPL ('Capital Reduction') as recommended by the Board of Directors in their meeting held on February 11, 2022. CGTIPL had filed a petition with Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench, seeking approval on the said Scheme of Capital Reduction on April 7, 2022. The NCLT has approved the reduction in share capital corresponding to 6,532 equity shares of ₹ 10 each with effect from December 18, 2024. Consequent to the reduction, the shareholding % of the Company in CGTIPL has increased from 48.54% to 48.74%.

5. Share of profit of Joint Venture and Associate Company (net off adjustments on account of profit in inventory) have been considered in consolidation.

For and on behalf of the Board of Directors

Jennifer Mary Bush  
Chairperson

DIN: 09777114  
Place: Washington D.C., USA

Shveta Arya  
Managing Director

DIN: 08540723

Farokh N. Subedar  
Director

DIN: 00028428  
Place: Mumbai

Place : Pune  
Date : May 28, 2025

Vinaya Joshi  
Company Secretary  
PAN: AMQPJ5216P

Prasad Kulkarni  
Interim Chief Financial Officer  
PAN: AKPPK6578A

## Annexures to the Directors' Report

### Annexure 2 – PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES

[Pursuant to clause (h) of Section 134(3) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 – Form AOC - 2]

This Form pertains to the disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

No contracts or arrangements or transactions were entered into during the year ended March 31, 2025, which were not at arm's length basis.

#### 2. Details of material<sup>1</sup> contracts or arrangement or transactions at arm's length basis

(₹ in Crores)				
Name of the Related Party(s)	Nature of Relationship	Nature, tenure and particulars of transactions	Salient Terms	Amount of the transaction
Cummins Limited, UK ('CL')	Subsidiary of Cummins Inc., USA which is the holding company of the Company	As part of regular business operations: 1. sale of engines / gensets, their parts, accessories, and spares by the Company; 2. purchases of engines/ gensets, their parts, accessories or spares by the Company; 3. availing / rendering of any kind of service(s), reimbursements received/ paid, purchase/ sale/ exchange/ transfer/ lease of business asset(s) and/ or equipment(s), purchase and sale of export incentive licenses or any other transaction(s) for transfer of resources, services, technology, or obligations ('Other RPTs').	All contracts with related party defined as per Section 2(76) of the Companies Act, 2013, are reviewed for arm's length testing internally basis the international and domestic transfer pricing study. Further, all the transactions are at arm's length.	₹ 1,059

(₹ in Crores)

Name of the Related Party(s)	Nature of Relationship	Nature, tenure and particulars of transactions	Salient Terms	Amount of the transaction
Tata Cummins Private Limited ('TCPL')	<p>50-50% joint venture company between Cummins Inc., USA and Tata Motors Limited, India.</p> <p>Mr. Ashwath Ram, who ceased to be Managing Director of the Company (also, the Key Managerial Personnel as per Section 203 of the Companies Act, 2013) effective August 31, 2024, was also Managing Director of TCPL upto August 31, 2024.</p> <p>Ms. Shveta Arya, who was appointed as Managing Director of the Company (also, the Key Managerial Personnel as per Section 203 of the Companies Act, 2013) effective September 01, 2024, was appointed as Non-executive Director of TCPL w.e.f. October 22, 2024.</p> <p>Mr. Ajay S. Patil, who ceased to be Chief Financial Officer of the Company (also, the Key Managerial Personnel as per</p>	<p>As part of regular business operations:</p> <ol style="list-style-type: none"> <li>purchase of internal combustion engines including but not limited to B, C and L series engines, their parts and accessories thereof by the Company;</li> <li>sale of internal combustion engines, their parts and accessories thereof by the Company;</li> <li>availing/ rendering of any kind of service(s), reimbursements received/ paid, rent received/ paid, purchase/ sale/ exchange/ transfer/ lease of business asset(s) and/ or equipment(s), purchase and sale of export incentive licenses or any other transaction(s) for transfer of resources, services, technology, or obligations ('Other RPTs').</li> </ol>	<p>All contracts with related party defined as per Section 2(76) of the Companies Act, 2013, are reviewed for arm's length testing internally basis the international and domestic transfer pricing study. Further, all the transactions are at arm's length.</p>	₹ 1,412

(₹ in Crores)

Name of the Related Party(s)	Nature of Relationship	Nature, tenure and particulars of transactions	Salient Terms	Amount of the transaction
	Section 203 of the Companies Act, 2013) effective January 09, 2025 was Director of TCPL upto January 09, 2025.			
Cummins Technologies India Private Limited (CTIPL)	CTIPL is a subsidiary of Cummins Inc., USA which is also the holding company of the Company	<p>As part of regular business operations:</p> <ol style="list-style-type: none"> <li>1. purchase of engines, gensets, turbochargers, their parts, components and spares by the Company;</li> <li>2. sale of engines/ gensets, their parts, accessories, and spares by the Company;</li> <li>3. availing/ rendering of any kind of service(s), reimbursements received/ paid, rent received/ paid, purchase/ sale/ exchange/ transfer/ lease of business asset(s) and/ or equipment(s), purchase and sale of export incentive licenses or any other transaction(s) for transfer of resources, services, technology, or obligations ('Other RPTs').</li> </ol>	All contracts with related party defined as per Section 2(76) of the Companies Act, 2013, are reviewed for arm's length testing internally basis the international and domestic transfer pricing study. Further, all the transactions are at arm's length.	₹1,960

(₹ in Crores)

Name of the Related Party(s)	Nature of Relationship	Nature, tenure and particulars of transactions	Salient Terms	Amount of the transaction
Cummins Inc., USA ('CMI')	Holding company of the Company	As part of regular business operations: <ol style="list-style-type: none"><li>purchase of engines, gensets, turbochargers, their parts, components and spares by the Company;</li><li>sale of engines/ gensets, their parts, accessories, and spares by the Company;</li><li>availing/ rendering of any kind of service(s), reimbursements received/ paid, purchase/ sale/ exchange/ transfer/ lease of business asset(s) and/ or equipment(s), purchase and sale of export incentive licenses or any other transaction(s) for transfer of resources, services, technology, or obligations ('Other RPTs').</li></ol>	All contracts with related party defined as per Section 2(76) of the Companies Act, 2013, are reviewed for arm's length testing internally basis the international and domestic transfer pricing study. Further, all the transactions at arm's length.	₹ 539

**Notes:**

- Material related party transactions (RPTs) are the transactions exceeding rupees one thousand crore or ten percent of the annual consolidated turnover, whichever is lower, as per the last audited financial statements. As a part of its regular business, the Company transacts with various companies owned or managed under Cummins Group. Out of such companies, the transactions with CL, TCPL, CTIPL and CMI were expected to be material and for which the shareholders' approval was obtained at the AGM held on August 07, 2024. The actual transactions in this behalf are reported in the table above. During the FY 2023-24, the total annual consolidated turnover of the Company was ₹ 8,859.99 Crores. The said transactions were also approved by the Audit and Compliance Committee and Board of Directors on February 07, 2024, May 29, 2024, and August 06, 2024.
- Similar transactions with related parties are expected in the current Financial Year. Therefore, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit and Compliance Committee and the Board of Directors have approved these transactions on February 05, 2025, and May 28, 2025, and shall present the same for approval by the shareholders at the ensuing Annual General Meeting.

For and on behalf of the Board of Directors

Jennifer Mary Bush

Chairperson

DIN: 09777114

Place: Washington D.C., USA

Shveta Arya

Managing Director

DIN: 08540723

Place: Pune

Date : May 28, 2025

## Annexures to the Directors' Report

### Annexure 3 – MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### 1. Industry Structure and Developments

##### Economic Trends and Implications

- The global economy demonstrated continued resilience in Financial Year 2024-25. Monetary policy across major economies underwent a pivot as central banks began easing interest rates amid continued decline in inflation. Governments across major economies maintained expansionary budgetary stances to counter lingering post-pandemic vulnerabilities and geopolitical headwinds. Moderation in energy and commodity prices, coupled with higher capacity utilization, boosted corporate profitability and investment sentiment, driving a recovery in private capital expenditure.
- The Indian economy continued its growth trajectory in FY 2024-25, with real GDP growth projected at 6.5%<sup>1</sup>. Core industry output has reported a growth in FY 2024-25 driven by higher output of coal, cement, steel, and power sectors. The ratio of real Gross Fixed Capital Formation (GFCF) as percentage of GDP was 33.7% in FY 2024-25<sup>1</sup> indicating a marginal improvement from FY 2023-24
- Infrastructure development remained a central priority of government policy with multiple projects being executed under the initiatives – PM Gati Shakti and the National Infrastructure Pipeline. Development of access-controlled expressways, Dedicated Freight Corridor (DFC) and Multi-modal Logistics Parks (MMLPs) will reduce the cost of logistics and improve the competitiveness of Indian products in global markets. Public-private partnerships gained further traction in FY 2024-25, with increased private sector participation in infrastructure development. Digital infrastructure development accelerated, with expanded coverage of high-speed internet networks, enhanced digital payment systems, and improved digital service delivery platforms.
- Manufacturing sector continued to demonstrate resilience in FY 2024-25 with continued policy support through Production-Linked Incentive (PLI) schemes and efforts to improve ease of doing business helped maintain manufacturing momentum despite global trade uncertainties. India continued to strengthen its position as a preferred destination for organizations diversifying and derisking their supply chains, benefiting from footprint optimisation strategies and shifting global trade patterns. Technology adoption in manufacturing accelerated, with increased implementation of Industry 4.0 technologies, automation, and digital supply chain solutions.
- Sustainability and decarbonization initiatives gained additional momentum, with both government policy and market forces driving the transition toward cleaner energy and production systems. India added 25GW of renewable energy capacity in FY 2024-25, marking a 35% increase over the previous year<sup>2</sup>. Energy storage systems saw growing interest for their potential to facilitate renewable energy integration and support grid stability. The sector is experiencing growth, supported by evolving policies, though challenges such as high upfront costs and technical integration remain pertinent.
- The hydrogen economy in India continued to develop in FY 2024-25, supported by initiatives such as the Strategic Interventions for Green Hydrogen Transition (SIGHT) Programme. While the implementation of program components – including incentives for green hydrogen production and electrolyzer manufacturing—has begun to stimulate investment and technology exploration, the sector remains at an early stage. International partnerships are being explored to position India within emerging global hydrogen value chains and to build domestic capabilities.
- The growth prospects face headwinds from rising geopolitical conflicts, potential trade disruptions and volatile commodity markets. While business sentiments showed further improvement, supported by easing inflation and resilient labour markets, increasing trade protectionism is altering flows of capital as countries look to pursue self-sufficiency and economic security.

*Sources:*

1. Ministry of Statistics and Programme Implementation (MOSPI), GoI
2. Ministry of New and Renewable Energy, GoI

## 2. Opportunities and Threats

### Key Opportunities

#### Power Generation

- FY 2024-25 witnessed a robust growth for Power Generation market driven by strong business activity and economic growth across industries. Key segments driving the growth for the Power Generation market included Datacentres, Real estate, Manufacturing, Infrastructure and Quick Commerce.
- Emission norms have become more stringent for the back up power industry, with the introduction of CPCBIV+, on July 01, 2024, for products up to 800kW. Your Company has launched best-in class, sophisticated and emission compliant products for the customers across the range.

#### Industrial

- **Railways:** Indian Railways has achieved over 98% track electrification of its broad-gauge network of about 68000 kms in March 2025 coupled with addition of 6000 km of new tracks in the last financial year. This is driving demand for Diesel Electric Tower Cars (DETCs) that are used for periodic inspection and maintenance of traction overhead equipment. With the expansion of the railway network and dedicated freight corridors becoming operational, growth is expected to sustain in the track maintenance sector. Your Company continues to monitor this development and remains interested in contributing relevant technologies and capabilities as the ecosystem evolves.

Increased demand for fully air conditioned, high-speed passenger trains in India especially those with End-On-Generation systems and the need for efficient and reliable auxiliary power supply within these trains is driving the procurement of Hotel Load Converters by Indian Railways. Your Company has ventured into the design, development and supply of hotel load converters which will help augment business in the auxiliary power segment.

With the introduction of CPCBIV+ compliance norms, your Company has been the first mover in the supply of engines and peripherals for Power car application of LHB passenger coaches.

To move towards its goal of net zero emissions by 2030, Indian Railways is planning to introduce hydrogen powered trains on heritage routes through hydrogen fuel cell or battery powered solutions. Your Company continues to monitor this development and remains interested in contributing relevant technologies and capabilities as the ecosystem evolves.

- **Mining:** India achieved record coal production in FY 2024-25 at over 1 billion tonnes, registering an annual growth of 5%. With increased power demand fuelling the need to enhance domestic coal production, new coal blocks are being developed, and mining operations are being contracted to mine developers & operators including private players to enhance productivity and efficiency. Growth in domestic coal production is expected to have a favourable impact on the Heavy Earth Moving Machinery (HEMM) market in the medium term especially high tonnage dump trucks for which your Company is a critical technology partner to leading OEMs. Your company has also made strong inroads into the Excavators, Motor Graders, Dozers and Stone Crusher applications with its wide range of engines.
- **Marine:** Indian Navy and Coast Guard have undertaken a fleet expansion and modernization plan backed by the 'Atmanirbhar Bharat' initiative of the Central Government. The Union Budget's proposal of a ₹ 25,000 crore Maritime Development Fund reflects the government's continued focus on strengthening the marine sector. Large government and private shipyards have announced initiatives aimed at supporting inland water transport and enhancing port infrastructure, contributing to increased activity in the commercial marine space. Government funding towards green ship building and availability of easy financing is expected to sustain demand over next few years.
- **Oil & Gas:** Strong momentum in city gas distribution network expansion due to planned increase in CNG stations from 6,980 now to 17,000 by 2030. In line with this, your Company continues to supply gas compression engines to leading OEMs, reinforcing its established presence in this space.

- **Defence:** Allocation of funds by Government of India to focus on indigenous design, development, and manufacturing, along with promotion of exports of defence equipment is expected to boost domestic production and sustain multi-year growth. Your Company is positioning itself for long term sustainable growth on critical technology engine platforms through collaboration and strategic partnerships with OEMs in this sector for both wheeled and tracked applications.
- **Pumps:** Your Company is pursuing selective growth opportunities in this segment aligned with current market dynamics and demand conditions.
- **Construction:** The construction sector is poised for rapid growth over the next decade, driven by an accelerated pace of infrastructure development and substantial government capex. As a leading engine supplier in the construction equipment industry, your company has forged strong partnerships with OEMs, positioning well to capitalize on the favourable industry trends. Your company is also working to expand the product offerings aligned to the emerging market requirements, which are expected to help us to address new market segments.

\*Sources: Ministry of Railways, IROAF - Indian railways Organization for Alternate fuels, Ministry of Coal, Ministry of Petroleum and Natural Gas, Ministry of Defence, Ministry of Road Transport and Highways and India Investment Grid – Government of India.

## Distribution

- The National Green Tribunal (NGT) and the Commission for Air Quality Management (CAQM) have strengthened regulatory measures in several regions, mandating the retrofitting of diesel generators with emission control solutions. The emphasis on cleaner energy alternatives by the government will increase demand for Dual Fuel Kits (DF kits) and Retrofit Aftertreatment System (RAS).
- Growth outlook for the Powergen business is positive on the back of strong demand for uninterrupted power supply from Datacentres, healthcare, and commercial realty segments. This will fuel aftermarket demand for maintenance, spare parts, and service contracts, ensuring long-term business opportunities.
- Government focus on infrastructure development, rapid urbanization, and increased construction activities is set to drive demand for heavy machinery and equipment across the construction sector. Investment in the infrastructure sector and the increasing pace of project delivery will further boost the utilization of equipment leading to the requirement of maintenance and better aftermarket revenue.
- Indian Railways is rapidly expanding its infrastructure, adding approximately 15 km of new tracks daily. With a strong focus on infrastructure, the government plans to allocate 40% of the FY26 budget to track maintenance. Growing demand for reliable maintenance, efficient operations, spare parts, and service contracts will drive aftermarket growth.
- Indian mining industry is increasingly adopting green mining techniques and circular economy models to reduce its ecological footprint. This shift will fuel growing demand for DF kits and ReCon components among customers.
- Growth of organized fleet and leasing markets is expected to increase demand for comprehensive service contracts, maintenance packages, and spare parts.

## Exports

- Your Company has witnessed significant growth in Industrial Engines exports for Mining applications over the last 2 years.
- Increased shipbuilding activities are providing opportunities for marine engines with domestic OEMs exporting vessels built in India to the Middle East and Europe.
- Your Company continues to pursue opportunities to grow the PowerGen exports market by focussing on segments like manufacturing, realty and rental.
- Your Company is seeing uptick in demand primarily from residential and low commercial markets in Europe, Africa, Middle East and Latin America.

## Key Threats

### Power Generation

- With the domestic players expanding their product ranges and international players gaining foothold in the region, competition is intensifying in Powergen segment. As a result, pricing pressure is intensifying across the industry.
- Risk of cost escalation and supply constraints driven by supply chain disruption, raw material shortages and tariff wars.

### Industrial

- **Railways:** With nearly 100% of Indian Railways' broad gauge rail network already electrified demand for DETCs may soften going ahead. While your Company continues to invest in electrified products like Hotel Load Converters and Propulsion systems for Self-propelled Accident Relief Trains, this market is price sensitive with relatively long payback periods.
- **Mining:** Private Mine Developers and Operators securing long term contracts may slow down procurement of Heavy Earth Moving Equipment. Timely allocation of coal blocks to private players and ramping up of coal production is critical to sustain demand for mining equipment.
- **Construction:** Delay in notification of CEMM (Tracked/Excavator) Emission norms is delaying the adoption of clean diesel technology in Excavator segment. Your Company is ready and eager to launch best in class products for expected Construction, Earthmoving, Material Handling and Mining Equipment (CEMM) BS IV emission norms.

### Distribution

- Increasing Rail electrification will restrict usage of diesel engines to Diesel Electric Multiple Units (DEMUs) and Power Car applications which will reduce maintenance requirements from customers.
- The delay in new engine tenders in the railway sector, potentially affecting new engine business and associated aftersales service growth.
- CIL (Coal India Limited) is outsourcing development and operation of new mines to MDOs (mine developer & operators) private players, which is posing a threat to your Company leading to tougher competition for service contracts and part supplies.

### Exports

- Your Company anticipates volatility in demand due to economic slowdown in key markets, ongoing geopolitical conflict, trade protectionism, and supply chain disruptions.
- Your Company is experiencing strong competitive activity in the Powergen segment. Global OEMs as well as Genset assemblers are driving increased competition in the market.

## 3. Product-wise Performance

### Power Generation

- In FY 2024-25, your Company has successfully delivered 23000+ units of CPCBIV+ gensets across India, with strong adoption in key regions.
- Your Company has launched new products in high horsepower range –
  - CAQM regulation compliant products for the range of 1000kVA and above
  - 2000kVA Prime rating with improved power density, engineered for demanding operating conditions
  - 2500kVA DCC rating to meet the evolving need of modern data centres

## Industrial

- **Railways:** Your Company has strengthened its market presence with Indian Railways through the supply of complete DETC propulsion packages, CPCB IV+ compliant diesel alternator sets, Engines for Track Maintenance Machines & Shunting locomotives and Hotel Load Converter (HLC). Your company has also secured a developmental order for propulsion systems for High-Speed Self Propelled Accident Relief Trains.
- **Marine:** Your Company has successfully secured multiple complex projects from leading shipyards to build engines and gensets for a wide range of defence and commercial vessels. These projects highlight your Company's growing presence in both propulsion and high-capacity power generation solutions for leading shipyards.
- **Defence:** Your Company has strengthened its capabilities across key defence mobility platforms, supporting a range of critical applications. A prototype engine developed for a strategic defence program has successfully completed field trials and is well-positioned for deployment across multiple platforms.
- **Construction:** Your Company has a leading position in excavator segment and has successfully transitioned its product portfolio to comply with CEV BS V emission norms effective Jan-25. Your company is developing latest generation higher power diesel engine based on fuel - agnostic platform with class leading power density and efficiency for the compressor & construction segment.

## Distribution

- Robust sales of DF Kits and RECD in the year driven by regulatory push from CAQM mandates to use Emission Control Devices (ECDs) on operational DG sets.
- Your Company is promoting the applicability of DF Kits beyond power generation segment; by catering to DF Kit orders for Mining application.
- Your Company successfully installed Retrofit Aftertreatment System (RAS) for residential application, driven by Graded Action Response Plan (Grap) IV in Delhi. Your company went above and beyond by providing exceptional support and successfully installing the RAS at the location within just two days.
- To cater to the high-growth On-highway segment, your Company expanded its product offerings in the aftermarket to better serve evolving customer needs.
- Your Company implemented a pilot installation of the OptiNAS+ Hydraulic filter kit on EX1200 THCM Excavator in the mining segment.

## Exports

- Increased demand for high-horsepower and light-horsepower PowerGen solutions across key international markets – including North America, Central America, Latin America, Europe, and the Middle East – contributed to the growth in your Company's export revenue during the year.

## 4. New Business initiatives for Financial Year 2024-25

### Power Generation

- Focusing on customer needs, significant steps were taken to improve the power density of products to reduce the total cost of ownership, lower the maintenance cost and provide the benefit of a smaller installation footprint.

### Industrial

- **Railways:** Your Company has succeeded in testing and shipment of CPCBIV+ compliant diesel alternator set for Power Car, Track Recording Car and a Hotel Load Converter to meet the requirements of the auxiliary power sub-segment of Indian Railways.

- **Marine:** Your Company continues to gain traction in the marine segment, delivering value to both government shipyards through complex long-term projects and to commercial shipbuilders across the country.
- **Mining:** Your Company continues to innovate and develop fit-for-market products for large mining OEMs to expand its presence in the HEMM segments both for domestic and international markets.
- **Pumps:** Your Company has successfully expanded its product portfolio with high-speed ratings of FM / UL certified engines for the pumps segment and is actively pursuing growth opportunities with global OEMs in domestic and export markets.
- **Defence:** Your Company has consolidated its position on critical technology platforms for both wheeled and tracked applications and has secured new orders for the specialized vehicle applications from Defence OEMs.
- **Construction:** Your Company will continue to focus on expanding its product portfolio with unregulated and electronic engines for higher tonnage excavators, which continues to offer excellent value proposition to our partners. Your Company continues to develop advanced engines on fuel - agnostic platform with best-in-class power density and efficiency for the compressor & construction segment.

## Distribution

- Your Company launched Power Management Solutions (PMS), addressing power factor penalties, harmonics issues, and the demand for IoT-enabled power quality monitoring. PMS includes a Smart Energy Meter for real-time monitoring and APFC (Automatic Power Factor Control) Panels for customized solutions.
- Your Company launched Cummins Retrofit Aftertreatment System (RAS), a cutting-edge retrofit emission control device designed for seamless installation and operation, providing an efficient solution to control Particulate Matter emissions from gensets.
- Your Company recently introduced OptiNAS+ Hydraulic Filter designed to enhance the performance and longevity of heavy-duty Machinery.
- Your Company launched DGBLUE a Diesel Exhaust Fluid (DEF) designed especially for usage in Cummins range of CPCBIV+ gensets, ensuring smooth and efficient operations.
- Demonstrating our commitment to national defense, your Company signed an MoU with a prominent naval training establishment to support maintenance training for the naval fleet—reinforcing collaboration in India's defense ecosystem.
- Your Company organized All India Aftermarket Conference (AIAC), bringing together Aftermarket Leadership, Sales teams, and dealers under one roof for the first time. Cummins India Leadership Team acknowledged the exceptional performance of the business in the previous year, and charted a strategic roadmap with aspirational goals, for the upcoming year.

## Exports

- Your Company launched projects to improve market penetration for the LHP segment through Fit-for-Market products, Channel initiatives, Pricing and Sales penetration.
- Your Company introduced low kVA Fit-for-market gensets targeted towards unregulated markets in Latin America.
- Along with the improvements in products and processes, your Company is leveraging channel synergy to improve understanding of customer requirements and improve sales.

## 5. Achievements

### Power Generation

- Your Company's efforts to improve the product accessibility for customers in the Powergen market continues with the expansion of the dealer channel with the GOEMs, from 113 dealers in FY 2023-24 to 127 dealers in FY2024-25.
- In the high horsepower segment, your Company successfully executed the orders for a large hyperscale datacenter coming up in India. Hyperscale datacentres present a huge business potential and with this prestigious win your Company is well positioned to expand its presence in this segment and meet the stringent customer requirements.

### Industrial

- **Railways:** Your Company continues to deepen its strategic partnership with Indian Railways through a broad portfolio of solutions for passenger and utility applications. Cummins HLCs have demonstrated strong performance over extended operational hours in service across the Indian Railways network and are expected to commence serial production this year.
- **Marine:** Your Company recorded the highest ever annual sales driven by robust execution of government and commercial marine orders. Order Intake was also at a record high pointing to a sustainable growth in the coming years.
- **Mining:** Your Company has made further inroads in Heavy Earth Moving Machinery (HEMM) market by securing orders from key OEMs.
- **Defence:** Successful delivery and field trials of proto engine for a key program of Indian Army is expected to fuel growth on this platform in coming years.
- **Construction:** With strong customer focus, your Company has won businesses from new and existing customers in unregulated electronic engines which offers excellent value proposition.

### Distribution

- DBU achieved highest Net Promoter Score (NPS) globally of 90% which is the testimony of customer loyalty towards the Company, and its service support.
- A leading construction equipment manufacturer recognized your Company as a valuable business partner, marking a key milestone in the partnership. The recognition was awarded to Cummins India DBU for driving 61% year-on-year growth in the aftermarket business, setting new sales records.
- Your Company successfully delivered a complex power synchronization solution for a pharma giant, enabling seamless transition between grid and DG power to ensure uninterrupted operations.
- Your Company signed pan-India RC with a leading public sector power utility for parts and labour. The aim is to streamline operations by standardizing rates across all their locations, driving uniformity in service delivery.
- Your Company secured its first order in the Railway electrical space for maintenance and overhaul of a high-voltage distribution substation.
- Your Company successfully secured an order from Eastern Railway for pre-inspection, transportation, repair/rewinding, and overhauling of 30 traction alternators. By successfully executing this project, we aim to expand our footprint in railway electrification and forging long term strong relationships with both existing and new Indian Railways clients.

- Your Company responded swiftly to a critical engine failure in Leh, powering a military prototype machine for Indian Army. Despite harsh weather and remoteness, our engineer delivered excellent service, showcasing resilience, expertise, and strong customer commitment in tough conditions.

## Exports

- Your Company introduced 38L and 50L uprated electronic engines to cater to North America and Central America markets in the last financial year.

## 6. Outlook and Initiatives for the Current Year and Thereafter

### Power Generation

- Your Company will focus on enhancing current products particularly in high horsepower range and developing value added offerings for the customers.
- With greater focus on more stringent environmental norms in the future, your Company is positioned favourably as a pioneer in producing engines with cleaner technology.
- Power back-up solutions operating on alternate energy sources are expected to enter the power generation landscape in the coming years. Your Company sees these technologies as opportunities to serve customers since they become more viable.

### Industrial

- Your Company is investing significantly on localization initiatives to offer locally manufactured products to customers and support the Government of India's "Make in India" and "Atmanirbhar Bharat" initiative.
- **Railways:** With 100% electrification of broad-gauge network of Indian Railways, your Company has invested to pursue growth opportunities in electrified propulsion system solutions while continuing to maintain leadership position on its diesel product portfolio.
- **Marine:** Your Company is well positioned to consolidate its positioning and relationship with the Indian Navy, Coast Guard as well as major shipyards to offer engines, integrated propulsion and genset packages for upcoming projects.
- **Mining:** Your Company continues to invest in new technologies in mining segment for higher capacity (> 190 tons) dump trucks and for migration to future emission regulations (CEMM).
- **Defence:** Your Company is well placed to address emerging opportunities resulting from Govt. of India's focus on giving boost to domestic defense manufacturing industry and increasing share of indigenous content in defence equipment.
- **Construction:** Construction segment in India is expected to witness healthy growth driven by increased momentum in implementation of infrastructure projects. Further your Company's presence in the high growth specialised equipment category is expected to help the company grow faster than overall construction equipment market.

### Distribution

- In response to the growing focus on Environmental, Social, and Governance (ESG) priorities among its customers, your Company plans to expand its emission-controlling product portfolio to new business segments and applications. This strategic move is further amplified by the increased focus on reconditioning engines, which promotes sustainability through product life extension.
- The Company proactively establishing channels in key regions across the globe to leverage potential synergies by aligning products with market demands for future growth.
- Your Company is actively working on decarbonization initiatives under the Destination Zero strategy by certifying carbon footprint of our remanufactured / ReCon products and providing assurance to customers on their carbon savings.

- Your Company recently deployed salesforce for dealer management, implementing advanced analytics to enhance capabilities of our dealerships. Predictive analytics will be used in Sales and Service processes to exceed customer expectations and deliver excellence in our service.

## Exports

- Your Company is focused on increasing the exports of its products and is positioned strongly in the marketplace across key geographies.
- Focusing on customer needs, your Company has taken significant steps to improve engagement with customer and consultants from Latin America, Asia Pacific, Africa and Middle East regions.

## 7. Risks and Concerns the Management Perceives

- Your Company's export growth hinges on the increase in demand in key geographies across the globe partner countries. The Company continues to be cautious about exports business performance due to the ongoing economic uncertainty and aftereffects of the pandemic in partner countries. Because of our international business presence, we are exposed to foreign currency exchange rate risks.
- Capital investment in the private sector has been lagging even though the country's attractiveness for investment has been well established. Coupled with inflation being on the higher side along with high interest rates, delayed capital investment plans could have downside risk for domestic demand.
- Further, the Company has identified certain sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to the Company's business which includes Climate action and, Cybersecurity. The detailed information is provided in the Business Responsibility and Sustainability Report which is appended as **Annexure 12** and forms part of this Report.

## Measures to Mitigate Risks

- To counter the slowdown in global economic growth and demand, it was imperative to maintain focus in the domestic market. New product and market development, overall portfolio diversification and better regional penetration for existing products was and will continue to be the focus areas for your Company.
- Various cost reduction, efficiency improvement and transformation programs, which leverage Six Sigma approach have had a positive influence on your Company's profitability. Continued focus on these efforts will help your Company to maintain cost leadership in the domestic market and will remain the preferred source for exports.
- Your Company continues to implement Supply Chain Digitalization initiatives to leverage latest technologies, connect systems end-to-end and use analytics to improve decision making with the help of real time data. Advanced digital tools in manufacturing, planning, logistics and quality have helped your Company to address emerging risks faster and enabled automated risk mitigation controls.
- Your Company is actively working on its supply chain for further improvements. Dual sourcing adjusted payment terms with financially weaker suppliers, price revisions, long term supplier agreements, inventory building (areas wherever necessary) are some of the measures that your Company is taking to make the supply chain more agile and resilient against disruption.

## 8. Internal Control Systems and its Adequacy

Your Company has established adequate internal control procedures, commensurate with the nature of its business and size of its operations. These controls have been designed to provide a reasonable assurance regarding maintenance of proper accounting controls for ensuring orderly and efficient conduct of its business, monitoring of operations, reliability of financial reporting, accuracy and completeness of the accounting records, the timely preparation of reliable financial information, protecting assets from unauthorized use or losses, prevention and detection of frauds and errors, and compliances with regulations. Your Company has continued its efforts to align all its processes and controls with global best practices.

To provide reasonable assurance that assets are safeguarded against loss or damage and that accounting records are reliable for preparing financial statements, the Management maintains a system of accounting and controls. Internal controls are evaluated by the Internal Audit department and supported by the Management reviews. All audit observations and follow up actions thereon are tracked for resolution and reported to the Audit and Compliance Committee. As an ongoing program, for the reinforcement of the Cummins Code of Conduct is prevalent across the organization. The Code covers transparency in financial reporting, ethical conduct, regulatory compliance, conflicts of interests review and reporting of concerns. Anti-fraud programs including whistle blower mechanisms are operative across the Company.

The Board and the Risk Management Committee takes responsibility for the overall process of risk management throughout the organization. Through an Enterprise Risk Management program, the Company's business units and corporate functions address opportunities and the attendant risks through an institutionalized approach aligned to the Company's objectives. The business risk is managed through cross functional involvement and communication across businesses. The results of the risk assessment and residual risks are presented to the Senior Management. The Risk Management Committee reviews business risk areas and business continuity plans *inter-alia* covering leadership excellence, customer centricity, technical capability and capacity, VPI execution, legal & environmental compliances and data security.

## 9. Key Financial Ratios

- (i) Details of changes in key financial ratios including significant changes i.e. change of 25% or more as compared to the immediately previous financial year along with detailed explanations:

Particulars	FY 2024-25	FY 2023-24	Explanation for significant change
Debtor Turnover	<b>4.73</b>	4.88	Not Applicable
Inventory Turnover	<b>6.73</b>	6.33	Not Applicable
Interest Coverage Ratio (Debt Service Coverage Ratio)	<b>180.81</b>	79.09	During the year the Company has fully repaid its borrowings.
Current Ratio	<b>3.12</b>	2.90	Not Applicable
Debt Equity Ratio	-	0.02	During the year the Company has fully repaid its borrowings.
Operating Profit Margin (%)	<b>28.9%</b>	28.8%	Not Applicable
Net profit Margin (%)	<b>18.43%</b>	18.56%	Not Applicable

**Note:** The disclosed financial ratios are in alignment with Schedule III of Companies Act, 2013, as amended and as per guidance note on 'Division II - IND AS Schedule III to the Companies Act, 2013' (Revised in January 2022) issued by Institute of Chartered Accountants of India. Please refer to Note no. 45 of Standalone Financial Statements for additional disclosure.

- (ii) Details of any change in Return on Net Worth as compared to the previous financial year:

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Return on Net Worth (%)	<b>28.92%</b>	28.83%	<b>28.22%</b>	27.84%

Return on net worth is computed as net profit by average net worth. The details of the change in return on net worth are explained in the relevant sections above.

## 10. Human Resources Development and Industrial Relations

The total number of employees including the contractual employees stands at 3,975 as on March 31, 2025.

### Leadership Excellence

Your Company focuses on investing and building capabilities in leaders at all levels through various initiatives to develop 'Future Ready' Leaders and build leadership talent for future needs.

In line with our 'Hire to Develop' philosophy, we continue to invest in our Company sponsorship programs and leadership development programs. Details are following:

- **192** employees applied for education assistance to pursue higher education programs using the Global Education Assistance Policy (GEAP).
- **48** employees applied for education assistance to pursue certification programs using the Global Employee External Development Policy (EEDP)
- The Company continues to provide leadership development training through the Building Success in You (BSY) program and Global Leadership Development Program (GLDP).
- **93** employees continue pursuing the Company sponsored B.Tech and M.Tech Programs.

### Hire-To-Develop and Seamless Talent Deployment

Your Company is continuing with the important initiative of hire-to-develop that presents growth opportunities to employees for self-development by taking up responsibilities across functions and businesses. At least **270** professional employees have moved into different roles or functions within the organization. There were **18%** of professional employees who were promoted to the next salary grade due to change in their job profiles and relative advancement in career growth.

As your Company continues to grow and expand, getting visibility to talent insights becomes increasingly important. By standardizing, integrating, and automating talent management processes. Your Company has provided Leaders with an efficient technology-based process called Integrated Talent Management (ITM). ITM touches the key stakeholders - employees, managers, and businesses and enables all to work together to achieve their goals and helps employees reach their full potential with two-way communication and feedback.

Your Company is working on the following strategic initiatives - Reimagine the HR function to meet evolving needs, deliver predictive and prescriptive talent analytics, and empower the workforce through technologies. Under these initiatives, leaders will have more autonomy and accountability to deliver talent management strategies. They will have greater real-time access to talent intelligence by which they can make more informed and proactive decisions. At every level, leaders will have the capability and capacity to deliver on their leadership responsibilities. Your Company is working towards making talent processes, tools, and approaches to be largely harmonized, allowing HR employees to consult more seamlessly across the organization.

## Recruitment

Continuing the focus around employing the right and diverse talent at both entry and experienced level and developing them for future roles within the organization, this year, your Company hired a total of **773** professionals with **88** entry-level exempt professionals supplemented with **279** experienced exempt professionals and **406** non-exempt professionals.

Your Company hired **55 (63%)** female employees at entry-level in addition to **116 (42%)** female employees at experienced level. This elevated our overall female representation in external hiring to **47%**, thus showcasing our commitment towards improving gender equality. Your Company has increased its focus on diversity beyond gender by hiring a workforce from diverse backgrounds like People with Disabilities, LGBTQ & North-East region of India.

The Company is successfully running the 'Partnership and Engagement' programs with premier B-Schools & Engineering Institutes to hire top Managerial & Engineering talent thereby continuing our focus on 'Hire to Develop' philosophy at an early career.

This year again your Company continued its focus on increasing brand presence on social media platforms and will continue to focus on improving this engagement with the digital media.

## Diversity, Equity, and Inclusion (DE&I)

Diversity, Equity, and Inclusion is in the DNA of your Company. Reiterating Mr. J Irwin Miller's (Cummins Inc. Chairman, 1951-1977) famous quote "Character, ability and intelligence are not concentrated in one sex over the other, nor in persons with certain accents or in certain races or in persons holding degrees from universities", your Company has five Employee Resource Groups (ERGs) focusing on the primary dimensions of diversity namely: Gender, Generation, Culture, Person with Disability (PwD), and LGBTQ+. Promoting the organisation's Diversity, Equity and Inclusion agenda, these ERGs work on initiatives that contribute to making organisation's environment 'Inclusive' enabling employees to bring in their full potential at workplace. Initiatives undertaken by these ERGs include revisiting internal policies and processes, introducing new policy or guidelines to support a diverse dimension, rolling out effective workshops and awareness events, conducting audits and recommending workplace adjustments amongst others.

Your Company continue to focus on increasing our gender (female) diversified talent, which is today at **27%**. As the next step, your Company is working to achieve gender parity in our workforce, by moving the needle to **50%** representation of female talent by 2040. In this journey, the WE Network (Women Empowerment Network) ERG will continue to be a strong partner with the business. As the Company continue to hire primarily through our campus and lateral hiring, it is also focusing on the pool of talent who have taken a career break but are now all geared up to restart their career.

'**Wings**', Employee Resource Group, focused on hiring and providing a conducive environment to Persons with Disability, celebrated International Day of Persons with Disabilities (IDPWD) inviting senior India and global leaders to address the audience and had persons with disabilities share their success stories which inspired many. The Company also prioritising how it can create a safe and inclusive environment in the Company to also attract the LGBTQ+ talent. 'India Pride', ERG for LGBTQ+ community worked on creating more awareness, promoting Pride Ally program, and holding training sessions on bursting myths and sensitizing employees. The gender reassignment policy launched this year is also one step in making your Company a safe and inclusive place to work for diverse employees. Another key area of focus is under-represented regions of our country in the workforce i.e., talent from Northeast India. Our ERG, '**Ekam**', is concentrating on spreading more awareness about different regions, cuisines, cultures etc through events, webinars, and competitions. In addition, your Company has an ERG, '**NeXus**', focused on generation awareness and is also aspiring to improve the representation of "veterans" in our workforce.

Your Company is being successful in consistently delivering on its commitment to provide an inclusive environment to a diverse workforce, senior leader's commitment to lead, to advocate and to advise on issues related to diversity and inclusion are critical.

## **Megasite Update**

At Cummins Megasite, Phaltan, living up to the spirit of 'One Cummins', your Company continues to move talent seamlessly within all the plants based on employee and business needs. Your Company believes in "Hire to Develop" and acts by providing internal opportunities as well as recruitment of fresh talent through campus recruitment. Right talent balance is achieved through hiring special skills from outside to meet business talent needs.

At Cummins Megasite, your Company has achieved **16.6%** female representation amongst the shop-floor employees and **17.3%** female representation amongst the professional employees. The Company is actively working on implementing a broad plan to ensure retention & engagement of employees at Megasite, part of which has already been implemented.

## **Right Environment**

Your Company is committed to fostering a physically and psychologically safe, integrity based, respectful, inclusive, high-performance culture that breaks down hierarchies and organizational boundaries while engaging the full talent of our diverse employees to delight all our stakeholders consistently. Your Company's efforts to drive awareness and commitment amongst employees towards 'Cummins Code of Business Conduct', 'Treatment of Each Other at Work' Policy and other Ethics and Compliance policies continue year on year through various communication platforms, trainings, emailers, portals, posters etc. which helps in creating and sustaining the right environment for all the stakeholders, both internal and external to the organization. Every year, your Company utilizes its learnings via various speak-up channels and ensures to upgrade all relevant policies to help its employees unleash their full potential. In addition to the other policy awareness and trainings, the Company also focuses its efforts on creating awareness, through training, posters, email communications etc. on "Prevention of Sexual Harassment" under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act").

## **11. Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, tax laws and other statutes and incidental factors.

## Annexures to the Directors' Report

### Annexure 4 – CORPORATE GOVERNANCE REPORT

#### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Corporate Governance is a set of principles, processes and systems to be followed by the Directors, Management and all employees of the Company for enhancement of shareholder value, keeping in view interests of all stakeholders. Integrity, transparency, and compliance with applicable laws in all dealings with government, customers, suppliers, employees and other stakeholders are the objectives of good corporate governance. These principles and objects are embodied in your Company's philosophy on the Corporate Governance. Your Company continues to adopt and practice these principles of good Corporate Governance while ensuring integrity, transparency, and accountability at all levels in the organization. Your Company believes that Corporate Governance is instilled in its values and principles. Your Company's continued commitment to ethical business practices is reflected across all our operations. It inspires the Company to establish benchmarks that not only fulfill statutory requirements but also exceed them.

Your Company believes that good governance is the foundation for a truly sustainable company. Our commitment is to do what is right and to do what we say we will do. This long-standing commitment to integrity provides the framework for all our business activities and serves as the foundation for the Company's governance policies and procedures. Your Company's Board of Directors represents and protects the interests of the Company's stakeholders, with the legal responsibility for overseeing the affairs of the Company.

#### 2. BOARD OF DIRECTORS:

##### a) Composition of the Board of Directors, attendance at Meetings and other details as on March 31, 2025, and as on date of this Report:

###### Composition:

During the Financial Year under review, the composition of the Board was in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'the Listing Regulations') read together with Section 149 and 152 of the Companies Act, 2013 ('the Act') and rules framed thereunder. As on March 31, 2025, the Board comprises of 10 Directors, with 1 Promoter (Executive) Woman Director, 4 Promoter (Non-executive and Non-independent) Directors that includes 2 Women (Non-executive and Non-independent) Directors, 5 Independent (Non-executive) Directors that includes 3 Women Independent (Non-executive) Directors. The name and brief profile of Board of Directors of the Company is accessible on the website of the Company at <https://www.cummins.com/en/in/investors/cummins-india-limited-board-of-directors>.

Ms. Jennifer Mary Bush (DIN: 09777114), Non-executive Director, is the Chairperson of the Board of Directors of the Company effective November 07, 2023, and Ms. Shveta Arya (DIN:08540723) is the Managing Director of the Company effective September 01, 2024.

During the Financial Year under review, seven Board Meetings were held and the gap between two Meetings did not exceed one hundred and twenty days. The said Meetings were held on May 29, 2024, August 06, 2024, November 07, 2024, December 18, 2024, February 05, 2025, February 07, 2025, and February 18, 2025, for which the requisite quorum was present.

All Independent Directors attended the separate Meeting of Independent Directors held on February 05, 2025, in compliance with Regulation 25 of the Listing Regulations. The Independent Directors, after considering the views of Executive Director and Non-executive Directors, reviewed the performance of Non-independent Directors, the Board as a whole and the Chairperson of the Company.

The names and categories of the Directors on the Board, DIN and their attendance at Board Meetings held during the Financial Year under review including attendance at the last Annual General Meeting ("AGM") along with other details as on date of this Report are hereunder:

Details of the Board Meeting(s)									Date of the AGM
Name of the Director	29.05.2024	06.08.2024	07.11.2024	18.12.2024	05.02.2025	07.02.2025	18.02.2025	% of attendance of a Director	07.08.2024
<b>Chairperson (Non-executive Director)</b>									
Ms. Jennifer Mary Bush (DIN: 09777114)	✓	✓	✓	✓	✓	✓	✓	100	✓
<b>Managing Director (Executive Director)</b>									
Mr. Ashwath Ram <sup>2</sup> (DIN: 00149501)	✓	✓	NA	NA	NA	NA	NA	100	✓
Ms. Shveta Arya <sup>3</sup> (DIN: 08540723)	NA	NA	✓	✓	✓	✓	✗	80	NA
<b>Non-executive Directors</b>									
Mr. Donald Jackson (DIN: 08261104)	✓	✓	✓	✓	✓	✓	✓	100	✓
Ms. Bonnie Jean Fetch (DIN:09791477)	✗	✓	✓	✓	✓	✓	✓	85.71	✓
Mr. Cornelius O' Sullivan <sup>4</sup> (DIN: 10829830)	NA	NA	NA	✓	✓	✓	✗	75	NA
<b>Independent (Non-executive) Directors</b>									
Mr. Nasser Munjee <sup>5</sup> (DIN: 00010180)	✓	NA	NA	NA	NA	NA	NA	100	NA
Mr. Rajeew Bakshi <sup>5</sup> (DIN:00044621)	✓	NA	NA	NA	NA	NA	NA	100	NA
Ms. Rama Bijapurkar (DIN: 00001835)	✓	✓	✓	✓	✓	✗	✓	85.71	✓
Ms. Rekha (DIN: 08501990)	✓	✓	✗	✓	✓	✗	✗	57.14	✓
Ms. Lira Goswami (DIN: 00114636)	✓	✓	✓	✓	✓	✓	✓	100	✓
Mr. Sekhar Natarajan <sup>6</sup> (DIN: 01031445)	✓	✓	✓	✓	✓	✓	✓	100	✓
Mr. Farokh N. Subedar <sup>6</sup> (DIN: 00028428)	NA	✓	✓	✓	✓	✓	✓	100	✓

**Notes:-**

1. Mr. Farokh N. Subedar, Director (Non-executive and Independent), attended the AGM as the Chairperson of Audit and Compliance Committee (erstwhile known as Audit Committee) of the Board of Directors of the Company. Ms. Rama Bijapurkar, Director (Non-executive and Independent), attended the AGM as the Chairperson of Nomination and Remuneration Committee, and the Corporate Social Responsibility Committee of the Board of Directors of the Company. Ms. Lira Goswami, Director (Non-executive and Independent), attended the AGM as the Chairperson of Stakeholders Relationship Committee of the Board of Directors of the Company. Mr. Sekhar Natarajan, Director (Non-executive and Independent), attended the AGM as the Chairperson of Risk Management Committee of the Board of Directors of the Company.
2. Mr. Ashwath Ram ceased to be the Managing Director of the Company with effect from close of business hours of August 31, 2024. Consequently, he also ceased to be a Member of Risk Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee with effect from close of business hours of August 31, 2024.

3. Ms. Shveta Arya was appointed as an Additional Director and Managing Director (Designate) of the Company in the Board meeting held on August 6, 2024, effective August 08, 2024. Further, the Board appointed Ms. Arya as the Managing Director of the Company, not liable to retire by rotation, for a period of three (3) years effective from September 01, 2024, to August 31, 2027, the shareholders of the Company also approved this appointment by way of Postal Ballot on October 17, 2024.
4. Mr. Cornelius O'Sullivan was appointed by the Board as an Additional Director (Non-executive and Non-independent) effective November 08, 2024, and regularized as a Director (Non-executive and Non-independent), liable to retire by rotation, by way of Postal Ballot on January 07, 2025.
5. Mr. Nasser Munjee and Mr. Rajeev Bakshi retired as a Non-executive Independent Director effective from July 31, 2024, upon completion of their second term.
6. Mr. Farokh N. Subedar and Mr. Sekhar Natarajan were appointed as Additional Director (Non-executive and Independent) of the Company effective May 29, 2024, and regularized as Director (Non-executive and Independent) of the Company at the 63<sup>rd</sup> Annual General Meeting of the Company held on August 07, 2024, for their first term of five (5) consecutive years effective from May 29, 2024 to May 28, 2029.
7. Further, none of the Directors are inter-se related to each other.
8. Pursuant to circulars/notifications issued by Ministry of Corporate Affairs ('MCA'), provisions of the Act and SEBI, certain Board and/or its Committees' Meetings during the Financial Year were held through Video Conferencing.

The composition of the Board is in conformity with Regulation 17, 17A and 26 of the Listing Regulations read with Section 149 of the Companies Act, 2013.

Pursuant to the provisions of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations, as amended from time to time, the Independent Directors have submitted *inter-alia* declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act, and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations. Further, the Independent Directors have also confirmed that they are independent of Management. The Independent Directors have further stated that they are unaware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Company has received confirmation from all the existing Independent Directors of their registration on the Independent Directors Database maintained by the Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The details of the familiarization programmes imparted to the Independent Directors can be viewed at <https://www.cummins.com/en/in/investors/india-corporate-governance>.

Based on the disclosures received from all the Independent Directors and as noted in the Board Meeting held on May 28, 2025, the Board is of the opinion that, all the Independent Directors possess requisite qualifications, experience, expertise and hold high standards of integrity for the purpose of Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014.

The required information, including information as enumerated in Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, is made available to the Board of Directors, for discussion and consideration at Board Meetings.

**b) Details of Directorship and Committee Memberships:**

The name of other listed entities in which the Director is a Director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on date of this Report are stated in the below table:

Name of Directors	Category	No. of Directorships in other Public Limited Companies		No. of Committee positions in other Public Limited Companies***		Directorship in other Listed Companies (Category of Directorship - Independent and Non-executive Director)
		Chairperson*	*Member	Chairperson	**Member	
Ms. Jennifer Mary Bush (DIN: 09777114)	Non-executive and Non-independent	-	-	-	-	-
Ms. Shveta Arya <sup>1</sup> (DIN: 08540723)	Executive and Non-independent	-	-	-	-	-
Ms. Rama Bijapurkar (DIN: 00001835)	Non-executive and Independent	-	5	1	4	<ul style="list-style-type: none"> <li>• Sun Pharmaceuticals Industries Limited</li> <li>• Apollo Hospitals Enterprise Limited</li> <li>• VST Industries Limited</li> <li>• Gokaldas Exports Limited</li> </ul>
Ms. Rekha (DIN: 08501990)	Non-executive and Independent	-	-	-	-	-
Ms. Lira Goswami (DIN: 00114636)	Non-executive and Independent	-	1	-	1	<ul style="list-style-type: none"> <li>• Maruti Suzuki India Limited</li> </ul>
Mr. Donald Jackson (DIN: 08261104)	Non-executive and Non-independent	-	-	-	-	-
Ms. Bonnie Jean Fetch (DIN: 09791477)	Non-executive and Non-independent	-	-	-	-	-
Mr. Sekhar Natarajan <sup>2</sup> (DIN: 01031445)	Non-executive and Independent	1	3	3	4	<ul style="list-style-type: none"> <li>• Ingersoll-Rand (India) Limited</li> <li>• Bayer CropScience Limited</li> <li>• Colgate-Palmolive (India) Limited</li> </ul>
Mr. Farokh N. Subedar <sup>2</sup> (DIN: 00028428)	Non-executive and Independent	1	3	2	3	<ul style="list-style-type: none"> <li>• DCB Bank Limited</li> <li>• Tata Investment Corporation Limited</li> </ul>

Name of Directors	Category	No. of Directorships in other Public Limited Companies		No. of Committee positions in other Public Limited Companies***		Directorship in other Listed Companies (Category of Directorship - Independent and Non-executive Director)
		Chairperson*	*Member	Chairperson	**Member	
Mr. Cornelius O'Sullivan <sup>3</sup> (DIN: 10829830)	Non-executive and Non-independent	-	-	-	-	-

\* Number of Membership of Board includes Chairmanship of Board.

\*\*Number of Membership of Committees include Chairmanship of Committees.

\*\*\* Pertains to memberships/chairpersonships of the Audit Committee and Stakeholders' Relationship Committee of other Indian public companies as per Regulation 26(1)(b) of the SEBI Listing Regulations.

- Ms. Shveta Arya was appointed as an Additional Director and Managing Director (Designate) of the Company in the Board meeting held on August 6, 2024, effective August 08, 2024. Further, the Board appointed Ms. Arya as the Managing Director of the Company, not liable to retire by rotation, for a period of three (3) years effective from September 01, 2024, to August 31, 2027, the shareholders of the Company also approved this appointment by way of Postal Ballot on October 17, 2024.
- Mr. Farokh N. Subedar and Mr. Sekhar Natarajan were appointed as Additional Director (Non-executive and Independent) of the Company effective May 29, 2024, and regularized as Director (Non-executive and Independent) of the Company at the 63<sup>rd</sup> Annual General Meeting of the Company held on August 07, 2024, for their first term of five (5) consecutive years effective from May 29, 2024 to May 28, 2029.
- Mr. Cornelius O'Sullivan was appointed by the Board as an Additional Director (Non-executive and Non-independent) effective November 08, 2024, and regularized as a Director (Non-executive and Non-independent), liable to retire by rotation, by way of Postal Ballot on January 07, 2025.

As per the records available with the Company, none of the Directors hold the office of Independent Director in more than seven listed companies and ten public companies.

The details given in the table are as per Regulation 26 and Schedule V of the Listing Regulations.

### c) Disclosure of Expertise or Skills of Directors:

The Directors appointed on the Board are from diverse backgrounds and possess expertise in the fields that they represent which enables them to effectively contribute in deliberations at Board and Committee Meetings. In terms of Listing Regulations, the Board has identified following core skills/ areas of expertise of the Directors as given below:

Sr. No.	Core Skills/ Expertise	Description of the Skill/ Expertise
1.	General Management and Leadership	Extended leadership experience resulting in a practical understanding of organizational systems and processes, complex business and regulatory environment, strategic planning, risk management, understanding of emerging local and global trends and management of accountability and performance. Demonstrated strengths in developing talent, planning succession, driving change and long-term growth & guiding the Company towards its vision, missions, and values.

Sr. No.	Core Skills/ Expertise	Description of the Skill/ Expertise
2.	Financial and Accounting Expertise/ Experience	In depth understanding of finance and financial reporting processes, taxation, proficiency in complex financial management, capital allocation and resource utilization across business lines and geography of operations. Understanding of financial policies and accounting statements.
3.	Global business/ emerging Market Experience	Experience in driving business success in markets around the world with an understanding of diverse business environments, economic conditions, regulatory frameworks, sensitivity to cultural diversity and adaptability. Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
4.	Industry Knowledge and Experience	Domain knowledge in businesses in which the Company participates i.e., automotive industry, manufacturing, engineering along with key operational areas such as distribution and supply chain management. Guidance and contribution to growth of Company along with Board oversight in all dimensions of business and Board accountability.
5.	Governance and Regulatory oversight	Experience in developing insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices while driving corporate ethics and values.
6.	Mergers & Acquisitions	Experience of leading growth through acquisitions and other business combinations with ability to access 'build' or 'buy' options and developing the company through inorganic growth options. Evaluate financial, operational and cultural integration with acquired company or other business combinations.
7.	Sales & Marketing	Ability in developing strategies to increase sales and market share through innovation, build better experience for customers, enhance company's reputation along with creating brand awareness and leveraging consumer insights for business benefits.
8.	Human Resource Management	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of various stakeholders like customers, partners, employees, and other stakeholders. Recognition and retention of talent in the organization.
9.	Sustainability, Environment and Social Responsibility	Building Company's strategy around sustainability and right environment and achieving success with sense of social responsibility.
10.	Information Technology and Innovation	Significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models leveraging digital / Information Technology across the value chain, ability to anticipate technological driven changes and appreciation of the need of cybersecurity and controls across organization.

The following table states the identified core skills / expertise / competencies mapped for each of the Director:

Sr. No.	Name of Director	Expertise/Skills in specific functional area
1.	Ms. Jennifer Mary Bush	General Management and Leadership, Global business/ emerging Market Experience, Industry Knowledge and Experience, Sales & Marketing and Sustainability, Environment and Social Responsibility.
2.	Ms. Shveta Arya	General Management and Leadership, Strategy, Global business/ emerging Market Experience, Industry Knowledge and Experience, Mergers & Acquisitions, Sales & Marketing.
3.	Ms. Rama Bijapurkar	General Management and Leadership, Global business/ emerging Market Experience, Industry Knowledge and Experience, Governance and Regulatory oversight, Sales & Marketing and Human Resource Management.
4.	Ms. Rekha	General Management and Leadership, Global business/ emerging Market Experience, Industry Knowledge and Experience, Sales & Marketing & Information Technology and Innovation.
5.	Ms. Lira Goswami	General Management and Leadership, Industry Knowledge and Experience, Governance and Regulatory oversight, Mergers & Acquisitions and Sustainability, Environment and Social Responsibility.
6.	Mr. Donald Jackson	General Management and Leadership, Financial and Accounting Expertise/ Experience (including Treasury Experience) & Global business/ emerging Market Experience.
7.	Ms. Bonnie Jean Fetch	General Management and Leadership, Global business/ emerging Market Experience, Industry Knowledge and Experience & Human Resource Management.
8.	Mr. Sekhar Natarajan	General Management and Leadership, Business Strategy, Sales Marketing, Financial Control, Risk Management, Industry Knowledge and Experience.
9.	Mr. Farokh N. Subedar	General Management and Leadership, Financial and Accounting Experience, Environment and Social Responsibility, Risk Management, Investment Management.
10.	Mr. Cornelius O'Sullivan	General Management and Leadership, Strategy, Global Business/ emerging Market Experience, Industry Knowledge and Experience in supply chain management.

**d) Details of equity shares of the Company held by the Directors as on March 31, 2025, are given below:**

None of the Directors hold any shares in the Company.

**2. COMMITTEES OF THE BOARD:**

The Composition of the Committees of the Board of Directors as on March 31, 2025, is as stated in the below table:

Sr. No.	Name of Committees	Composition
1.	Audit and Compliance Committee (erstwhile known as Audit Committee)	Mr. Farokh N. Subedar, Chairperson <sup>1</sup> Mr. Sekhar Natarajan, Member <sup>2</sup> Ms. Rekha, Member <sup>3</sup> Ms. Lira Goswami, Member Mr. Donald Jackson, Member Ms. Jennifer Mary Bush, Member

Sr. No.	Name of Committees	Composition
2.	Nomination and Remuneration Committee	Ms. Rama Bijapurkar, Chairperson Mr. Farokh N. Subedar, Member <sup>1</sup> Mr. Sekhar Natarajan, Member <sup>2</sup> Ms. Lira Goswami, Member Ms. Bonnie Jean Fetch, Member
3.	Stakeholders Relationship Committee	Ms. Lira Goswami, Chairperson Ms. Rama Bijapurkar, Member Mr. Sekhar Natarajan, Member <sup>2</sup> Ms. Shveta Arya, Member <sup>4</sup> Mr. Cornelius O'Sullivan, Member <sup>5</sup>
4.	Corporate Social Responsibility Committee	Ms. Rama Bijapurkar, Chairperson Mr. Farokh N. Subedar, Member <sup>1</sup> Ms. Shveta Arya, Member <sup>4</sup> Ms. Rekha, Member <sup>3</sup> Ms. Bonnie Jean Fetch, Member
5.	Risk Management Committee	Mr. Sekhar Natarajan, Chairperson Mr. Farokh N. Subedar, Member <sup>1</sup> Ms. Rekha, Member <sup>3</sup> Ms. Lira Goswami, Member <sup>2</sup> Ms. Shveta Arya, Member <sup>4</sup> Ms. Jennifer Mary Bush, Member

1. Mr. Farokh N. Subedar was appointed as the Chairperson of the Audit and Compliance Committee and as Member of Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee effective May 30, 2024.
2. Mr. Sekhar Natarajan was appointed as the Chairperson of the Risk Management Committee and as the Member of the Audit and Compliance Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee effective May 30, 2024.
3. Ms. Rekha was appointed as the Member of the Corporate Social Responsibility Committee and Risk Management Committee effective May 30, 2024, and as the Member of the Audit and Compliance Committee effective August 09, 2024.
4. Ms. Shveta Arya was appointed as the Member of the Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee effective November 08, 2024.
5. Mr. Cornelius O'Sullivan was appointed as the Member of the Stakeholders Relationship Committee effective February 05, 2025.

**a) AUDIT AND COMPLIANCE COMMITTEE:**

As on March 31, 2025, the Audit and Compliance Committee comprised of 6 Directors including 2 Promoter (Non-executive) Director – Mr. Donald Jackson and Ms. Jennifer Mary Bush and 4 Independent Directors – Mr. Farokh N. Subedar (Chairperson), Mr. Sekhar Natarajan, Ms. Rekha and Ms. Lira Goswami.

**Meetings at a glance:**

<b>6</b>	<b>5</b>	<b>97 %</b>
<b>Directors</b>	<b>Meetings</b>	<b>Attendance</b>

## Meetings and Attendance at the Audit and Compliance Committee Meetings for F.Y. 2024-25

Name of Directors	Dates of Audit and Compliance Committee Meetings				
	May 29, 2024	August 06, 2024	November 07, 2024	December 18, 2024	February 05, 2025
Mr. Nasser Munjee (Chairperson) <sup>1</sup>	✓	NA	NA	NA	NA
Mr. Farokh N. Subedar (Chairperson) <sup>1</sup>	NA	✓	✓	✓	✓
Mr. Rajeev Bakshi <sup>2</sup>	✓	NA	NA	NA	NA
Mr. Sekhar Natarajan <sup>2</sup>	NA	✓	✓	✓	✓
Mr. Donald Jackson	✓	✓	✓	✓	✓
Ms. Jennifer Mary Bush	✓	✓	✓	✓	✓
Ms. Rama Bijapurkar <sup>3</sup>	✓	✓	NA	NA	NA
Ms. Lira Goswami	✓	✓	✓	✓	✓
Ms. Rekha <sup>3</sup>	NA	NA	x	✓	✓

1. Mr. Nasser Munjee ceased to be a Chairperson and Member of the Audit and Compliance Committee effective May 30, 2024. Further, he also ceased to be Non-executive Independent Director of the Company due to retirement effective July 31, 2024. Mr. Farokh N. Subedar was appointed as Chairperson and Member of the said Committee effective from May 30, 2024.
2. Mr. Rajeev Bakshi ceased to be a Member of the Audit and Compliance Committee effective May 30, 2024. Further, he also ceased to be Non-executive Independent Director of the Company due to retirement effective July 31, 2024. Mr. Sekhar Natarajan was appointed as a Member of the said Committee effective from May 30, 2024.
3. Ms. Rama Bijapurkar ceased to be a Member of Audit and Compliance Committee effective August 09, 2024, and Ms. Rekha was appointed as a Member of Audit and Compliance Committee effective from August 09, 2024.

Minimum number of Meetings of the Audit and Compliance Committee during the Financial Year under review, were complied with.

The Committee reviewed the Audited Financial Statements for the Financial Year ended March 31, 2025, and Unaudited Financial Results for the Quarters ended June 30, 2024, September 30, 2024, and December 31, 2024. The Committee also reviewed (i) Appointment and remuneration of Statutory, Secretarial and Cost Auditors of the Company; (ii) Performance of Subsidiary, Joint Ventures & Associates; (iii) Appointment and reports of the Internal Auditor; (iv) Cost Audit Report for the Financial Year 2024-25; (v) Acquisition/ sale of assets; (vi) Directors' Responsibility Statement; (vii) Related Party Transactions; (viii) Performance of Statutory and Internal Auditors; (ix) Legal Compliance Reports; (x) Major litigations; (xi) Forex Management Policy; (xii) Prohibition of Insider Trading Policies and (xiii) Ethics, Cummins Code of Conduct (ix) Divestment in the subsidiary of the Company (x) Appointment of Interim Chief Financial Officer of the Company and related matters.

The Committee had periodic interactions with the Internal, Statutory and Cost Auditors of the Company.

All recommendations of the Committee made during the Financial Year were accepted by the Board of Directors from time to time.

### **Broad Terms of Reference of the Audit and Compliance Committee:**

The Committee primarily acts in line with the Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Committee oversees the Company's financial reporting process, the system of internal financial controls, the audit process, the Company's system/ process/ mechanism for monitoring legal and regulatory compliances and ensures that the financial statements are correct, sufficient and credible. The Committee reviews the annual and quarterly financial statements before submission to the Board for approval. The Committee is guided by the Charter adopted by the Board, accessible on the website of the Company at <https://www.cummins.com/en/in/investors/india-corporate-governance>. The Charter is reviewed and re-assessed when deemed fit by the Committee and was last amended on February 05, 2025.

The Committee also reviews Related Party Transactions of the Company and approves the transactions which are in line with the Related Party Transactions Policy of the Company. The Related Party Transactions Policy of the Company is on the website at <https://www.cummins.com/en/in/investors/india-corporate-governance>.

**Related Party Transactions Policy:** The Policy regulates all transactions between the Company and its related parties. Pursuant to the relevant provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, Regulation 23 of the Listing Regulations and various circulars issued by SEBI, the Policy was last revised and adopted in the Board Meeting held on February 05, 2025, effective from February 05, 2025.

The Committee has been entrusted with the following responsibilities/Terms of Reference for review of financial reporting process and system of internal financial controls:

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- To recommend appointment, remuneration and terms of appointment of Auditors (Statutory Auditors, Secretarial Auditor, Cost Auditor and Internal Auditor) of the Company and to approve payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- To review with the Management, the annual and quarterly financial statements and Auditor's Report thereon before submission to the Board for approval;
- To review, with the Management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the end utilization of proceeds of a public issue or rights issue, and or preferential issue or qualified institutional placement, and making appropriate recommendations to the Board to take up steps in this matter;
- To review and monitor the auditor's independence, performance, experience, qualification, and effectiveness of audit process along with performance of statutory and internal auditors, adequacy of the internal control systems;
- To approve the transactions of the Company with related parties and/or any subsequent modification thereof including material modification(s);
- Scrutiny of inter-corporate loans and investments to evaluate undertakings or assets of the Company, wherever it is necessary;
- To evaluate internal financial controls and risk management systems;

- To review compliance and reports as may be applicable, pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015;
- To review the adequacy of internal audit function, discuss with Internal Auditors of any significant findings and follow up thereon, review the findings of any internal investigations into matters of a material nature and reporting the matter to the Board;
- To discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower Policy and/or Vigil Mechanism;
- To review and recommend the Cost Audit Statements and Cost Audit Report to the Board of Directors;
- To approve appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- To review utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower or such other limit as may be prescribed.
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- To carry out any other function as may be delegated by the Board or as may be prescribed under applicable laws from time to time.

The Committee has been entrusted with the following responsibilities/ terms of reference for review of legal and regulatory compliances:

- To review the system and/or framework devised for monitoring and implementing compliance with applicable laws, rules and regulations, to ensure that the same is adequate and operating effectively and to recommend changes required if any;
- To note the overall compliance status by periodically reviewing the Legal Compliance Report including management responses thereto;
- To review the legal cases filed by and against the Company, as per the threshold approved by the Board and/or Committee from time to time and significant government inquiries or investigations and other significant legal actions, if any;
- To review significant current and upcoming amendments to the laws, rules and regulations that may impact business operations, performance, strategy or reputation of the Company;
- To review ethics updates periodically;
- To aid management in developing a strong compliance culture at all levels in the Company resulting in appropriate consideration of compliance risks in key strategic and business decisions.
- To carry out any other function as may be delegated by the Board or as may be prescribed under applicable laws from time to time.

**Compliances regarding Prohibition of Insider Trading Code & Fair Disclosure Code:** The Company has a separate “Code of Fair Disclosures and Conduct to Regulate, Monitor and Report Trading by Designated Persons and Immediate Relatives of Designated Persons” in listed securities of the Company (“Code of Conduct”), in line with SEBI (Prohibition of Insider Trading) Regulations, 2015 (and amendment thereof) (“SEBI Regulations”). The

Code was last amended by the Board of Directors on May 28, 2025. The said Code is applicable to all Directors, Designated Persons and Connected Persons, as defined under the said Code of Conduct". The trading window is closed during the time of declaration of results and occurrence of any material events, if any, as per the Code. By frequent communication and Sensitization sessions, the Company makes Designated Persons conversant of the obligations under the Code of Conduct and the SEBI Regulations. The Code is also uploaded on the website of the Company and is accessible at <https://www.cummins.com/en/in/investors/india-corporate-governance>.

The Company also has a Code of Fair Disclosure which forms part of Code of Conduct of the Company ('Fair Disclosure Code'), for Disclosure of Unpublished Price Sensitive Information pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2018 (Amendment) and which was brought into effect from April 01, 2019 in order to protect and preserve the confidentiality of unpublished price sensitive information (UPSI), ensures timely and adequate disclosure of UPSI and to maintain uniformity, transparency and fairness in dealing with all its stakeholders. The Code is also uploaded on the website of the Company and is accessible at <https://www.cummins.com/en/in/investors/india-corporate-governance>. Fair Disclosure Code which forms part of Code of Conduct of the Company was last amended by the Board of Directors on May 28, 2025.

The Audit and Compliance committee and the Board at its Meeting held on May 28, 2025, had reviewed the compliance in terms Regulation 9A(4) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and confirmed that the Company has put in place adequate and effective system to ensure compliance with the said Regulations.

## b) NOMINATION AND REMUNERATION COMMITTEE:

### Composition:

As on March 31, 2025, the Committee comprised of 5 Directors including 1 Promoter (Non-executive) Director – Ms. Bonnie Jean Fetch and 4 Independent Directors – Ms. Rama Bijapurkar (Chairperson), Ms. Lira Goswami, Mr. Sekhar Natarajan and Mr. Farokh N. Subedar.

### Meetings at a glance:

<b>5</b>	<b>6</b>	<b>97%</b>
<b>Directors</b>	<b>Meetings</b>	<b>Attendance</b>

### Meetings and attendance at the Nomination and Remuneration Committee Meetings for F.Y. 2024-25:

Name of Directors	Dates of Nomination & Remuneration Committee Meetings					
	May 28, 2024	August 06, 2024	November 07, 2024	December 18, 2024	February 05, 2025	February 18, 2025
Ms. Rama Bijapurkar (Chairperson)	✓	✓	✓	✓	✓	✓
Mr. Nasser Munjee <sup>1</sup>	✓	NA	NA	NA	NA	NA
Mr. Rajeev Bakshi <sup>2</sup>	✓	NA	NA	NA	NA	NA
Ms. Lira Goswami	✓	✓	✓	✓	✓	✓
Ms. Bonnie Jean Fetch	✗	✓	✓	✓	✓	✓
Mr. Farokh N. Subedar <sup>1</sup>	NA	✓	✓	✓	✓	✓
Mr. Sekhar Natarajan <sup>2</sup>	NA	✓	✓	✓	✓	✓

1. Mr. Nasser Munjee ceased to be a Member of the Nomination and Remuneration Committee effective May 30, 2024. Further, he also ceased to be Non-executive Independent Director of the Company due to retirement effective July 31, 2024. Mr. Farokh N. Subedar was appointed as a Member of the said Committee effective from May 30, 2024.

2. Mr. Rajeev Bakshi ceased to be a Member of the Nomination and Remuneration Committee effective May 30, 2024. Further, he also ceased to be Non-executive Independent Director of the Company due to retirement effective July 31, 2024. Mr. Sekhar Natarajan was appointed as a Member of the said Committee effective from May 30, 2024.

Minimum number of Meetings of the Nomination and Remuneration Committee during the Financial Year under review, were complied with.

The Committee reviews appointment of Directors, Key Managerial Personnel and Senior Management Personnel. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director. The Board upon recommendation from the Committee have formulated a policy relating to the remuneration for the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company. The Committee is guided by the Nomination and Remuneration Policy and Nomination and Remuneration Committee Charter accessible on the website of the Company at <https://www.cummins.com/en/in/investors/india-corporate-governance>. The Policy is reviewed and re-assessed as deem fit by the Committee and was last amended on May 28, 2025. The Board had last revised the Nomination and Remuneration Committee Charter effective May 28, 2025.

### **Broad Terms of Reference of the Nomination and Remuneration Committee:**

The role and terms of reference of the Committee primarily covers the areas as contemplated under Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations and is as follows:

- To identify persons who are qualified to become directors and who may be appointed as Key Managerial Personnel and Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a remuneration policy, relating to the remuneration for the Directors, Key Managerial Personnel, and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors, Non-executive Directors, the Board and Committees of the Board as per applicable laws;
- To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required for appointment of an independent director.
- Devising a policy on diversity of the Board of Directors as a part of overall Nomination and Remuneration Policy;
- Recommend to the Board, all remuneration, in whatever form, payable to the Directors, Key Managerial Personnel and Senior Management;
- Identify whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors or on the basis of a review of skills matrix of the Board of Directors;
- Deliberate on succession planning of Executive and Independent Directors, Key Managerial Personnel and Senior Management.

### **Performance evaluation criteria for Directors including Independent Directors:**

The Committee oversees the evaluation process, undertaken by the Directors, by the Board and by each Committee of the Board to determine their effectiveness and opportunities for improvement. Each Board Member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, value addition, governance and the effectiveness of the whole Board and its various Committees in descriptive manner including:

- Reviewing the Performance of the Non-independent Directors and the Board as a whole;
- Reviewing performance of Committees of the Board;
- Reviewing performance of the Chairperson and the Managing Director of the Company; and
- Assessing the quality, quantity and timelines of flow of information between the Company's Management & the Board.

Feedback on each Director including separate feedback for Managing Director and Chairperson is solicited as a part of the survey. Some of the performance indicators based on which the Independent Directors are evaluated include:

- Ability to contribute to and monitor corporate governance practices of the Company;
- Active monitoring of the strategic direction and operational performance of the Company; and
- Facilitating open and interactive discussion by encouraging diverse perspectives.

The evaluation criteria was duly approved by the Nomination and Remuneration Committee and the Board. Based on the said criteria, a questionnaire-cum-rating sheet was uploaded on an online IT tool for seeking evaluation rating and feedback of the directors in the most confidential manner with regards to the performance of the Board, its committees, the chairperson, and individual directors.

Based on the feedback received from the directors, a report on summary of performance evaluation of the Board, its committees, the Chairperson and Directors and a consolidated report thereof for FY 2024-25 was prepared. The report of performance evaluation so prepared was then discussed and noted by the Nomination and Remuneration Committee and the Board at their Meetings held on May 28, 2025.

### Remuneration of Directors:

The Non-executive Independent Directors are paid sitting fees for attending Board/Committee meetings and annual commission. The annual commission is paid on an equal basis to all Non-executive Independent Directors at a rate not exceeding 1% of Net Profits computed in accordance with Section 198 of the Companies Act, 2013 and pursuant to ordinary resolution passed by the Members at their 56<sup>th</sup> Annual General Meeting of the Company.

The Managing Director is paid remuneration as approved by the shareholders.

Details of remuneration paid or payable to Non-executive Independent Directors during the FY 2024-25 are given below. The same are also provided in the Form MGT-7, i.e. the annual return which can be accessed at <https://www.cummins.com/en/in/investors/india-annual-reports>.

### Details of Sitting Fees and Commission to Non-executive Independent Directors for the Financial Year April 01, 2024, to March 31, 2025:

Name of the Director	Sitting fees	Annual Commission	Total (₹)
Mr. Nasser Munjee <sup>1</sup>	3,00,000	5,00,000	8,00,000
Mr. Rajeev Bakshi <sup>1</sup>	3,00,000	5,00,000	8,00,000
Ms. Rama Bijapurkar	14,00,000	15,00,000	29,00,000
Ms. Rekha	7,00,000	15,00,000	22,00,000
Ms. Lira Goswami	15,50,000	15,00,000	30,50,000
Mr. Farokh N. Subedar <sup>2</sup>	11,50,000	12,62,097	24,12,097
Mr. Sekhar Natarajan <sup>2</sup>	13,50,000	12,62,097	26,12,097

1. Mr. Nasser Munjee and Mr. Rajeev Bakshi retired as a Non-executive Independent Director effective from July 31, 2024, upon completion of their second term.
2. Mr. Farokh N. Subedar and Mr. Sekhar Natrajan were appointed by the Board as Additional Directors (Non-executive and Independent) of the Company effective May 29, 2024, and regularized as Directors (Non-executive and Independent) of the Company at the 63<sup>rd</sup> Annual General Meeting of the Company held on August 07, 2024, for their first term of five (5) consecutive years effective from May 29, 2024, to May 28, 2029.

**Details of remuneration paid to Managing Director of the Company during the Financial Year April 01, 2024, to March 31, 2025:**

(₹ in Crores)

Name	Sitting fees	Salary	Comm- ission	House Rent	Gas/ Elect. / water	Medical	Other Benefits	Total
Mr. Ashwath Ram <sup>1</sup>	-	7.18 <sup>^</sup>	-	-	-	-	-	7.18 <sup>^</sup>
Ms. Shveta Arya <sup>2</sup>	-	3.83 <sup>^</sup>	-	-	-	-	-	3.83 <sup>^</sup>

<sup>^</sup> This value includes stock options of Holding Company.

1. Mr. Ashwath Ram ceased to be the Managing Director of the Company with effect from close of business hours of August 31, 2024.
2. Ms. Shveta Arya, was appointed as an Additional Director and Managing Director (Designate) of the Company on August 08, 2024. Ms. Arya was further appointed as a Managing Director of the Company, not liable to retire by rotation, for a period of three (3) years effective from September 01, 2024, to August 31, 2027.

In addition to the remuneration mentioned above, Mr. Ashwath Ram also received additional compensation from Cummins Inc. towards his role as Vice President - Global Supply Chain Function.

**Notes:**

1. The Company does not have a Stock Option Scheme and no severance fees are payable to any Director.
2. There is no notice period for severance of the Directors. For Managing Director, notice period shall be governed by Company's HR policies.

There is no pecuniary relationship or transactions of any of the Non-executive Directors vis-à-vis the Company, apart from the remuneration as detailed in this Report or in Note No. 41 to the Standalone Financial Statements.

**Criteria for making payment to Non-executive Independent Directors:**

- Non-executive Independent Directors may be paid sitting fees (for attending the Meetings of the Board and of Committees of which they are Members) and commission as per limits and provisions prescribed in the Companies Act, 2013, as amended from time to time. Quantum of sitting fees may be subject to review on a periodic basis, as may be required.
- The payment of sitting fees and commission shall be recommended by the Nomination and Remuneration Committee and approved by the Board based on the study of comparable companies and within the limits prescribed under the applicable provisions of the Companies Act 2013, as amended from time to time. Overall remuneration practices shall be consistent with recognized best practices.
- In addition to the sitting fees and commission, the Company may pay/reimburse to any Director such fair and reasonable expenditure, as may have been incurred by the Director while attending the board or committee meetings and performing his/her role as a Director of the Company.

## c) STAKEHOLDERS RELATIONSHIP COMMITTEE:

### Composition:

As on March 31, 2025, the Stakeholders Relationship Committee comprised of 5 Directors including 1 Promoter (Executive) Director – Ms. Shveta Arya, 1 Promoter (Non-executive) Director – Mr. Cornelius O’Sullivan and 3 Independent Directors – Ms. Lira Goswami (Chairperson), Ms. Rama Bijapurkar and Mr. Sekhar Natarajan.

### Meetings at a glance:

<b>5</b>	<b>2</b>	<b>100%</b>
<b>Directors</b>	<b>Meetings</b>	<b>Attendance</b>

### Meetings and Attendance at the Stakeholders Relationship Committee Meetings for F.Y. 2024-25:

Name of Directors	Date of Stakeholders Relationship Committee Meetings	
	May 28, 2024	November 06, 2024
Ms. Lira Goswami (Chairperson)	✓	✓
Mr. Ashwath Ram <sup>1</sup>	✓	NA
Ms. Rama Bijapurkar	✓	✓
Mr. Rajeev Bakshi <sup>2</sup>	✓	NA
Mr. Sekhar Natarajan <sup>2</sup>	NA	✓
Ms. Shveta Arya <sup>3</sup>	NA	NA
Mr. Cornelius O’Sullivan <sup>4</sup>	NA	NA

1. Mr. Ashwath Ram ceased to be a Member of the Stakeholders Relationship Committee effective August 31, 2024, consequent to his resignation as the Managing Director of the Company with effect from close of business hours of August 31, 2024.
2. Mr. Rajeev Bakshi ceased to be a Member of the Stakeholders Relationship Committee effective May 30, 2024. Further, he also ceased to be Non-executive Independent Director of the Company due to retirement effective July 31, 2024. Mr. Sekhar Natarajan was appointed as a Member of the said Committee effective from May 30, 2024.
3. Ms. Shveta Arya was appointed as an Additional Director and Managing Director (Designate) effective August 08, 2024, and was appointed as Managing Director effective September 01, 2024. She was appointed as a Member of Stakeholders Relationship Committee effective November 08, 2024.
4. Mr. Cornelius O’Sullivan was appointed as an Additional Director (Non-executive and Non-independent) effective November 08, 2024. He was appointed as a Member of Stakeholders Relationship Committee effective February 05, 2025.

Minimum number of Meetings of the Stakeholders Relationship Committee during the Financial Year under review, were complied with.

The Committee is guided by the Charter, adopted by the Board, accessible on the website of the Company at <https://www.cummins.com/en/in/investors/india-corporate-governance>. The Charter is reviewed and re-assessed when deemed fit by the Committee. The terms of reference were amended and the Charter including revised terms of reference was adopted on May 26, 2022.

## Broad Terms of Reference to the Stakeholders Relationship Committee:

The Committee primarily acts in line with the Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Committee reviews and advises the Company in the following areas:

- To resolve the grievances of the security holders of the company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends/ warrants, issue of new/duplicate certificates or new certificates on split/consolidation/renewal etc., dematerialization and re-materialization requests of equity shares are addressed in timely manner, General Meetings, Investor Education and Protection Fund related queries etc.;
- To oversee compliances in respect to dividend payments and transfer of unclaimed amounts and shares to the Investor Education and Protection Fund, as per the provisions of the Companies Act, 2013 and Rules thereunder;
- To review the measures taken for effective exercise of voting rights by security holders;
- To oversee the performance of the Registrar & Share Transfer Agent ('RTA') including review of their adherence to the service standards adopted by the Company or as may be prescribed by regulatory authorities, from time to time;
- To recommend measures for overall improvement in the quality of investor services including ensuring proper controls;
- To review various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- To obtain, at its sole authority, professional services/ advice of internal or outside experts (legal or other professionals), where judged necessary, to discharge its duties and responsibilities;
- To periodically provide updates to the Board, on such matters as it considers relevant and carry out such other function as may be delegated by the Board or as may be prescribed under applicable laws from time to time;
- To note the investor engagement plans/initiatives and movement in shareholdings and ownership structure of the Company.

**Compliance Officer:** The Board has appointed, Ms. Vinaya Joshi, Company Secretary, as the Compliance Officer, as required under the Listing Regulations and the Nodal Officer to ensure compliance with the rules.

## The following shareholder complaints were received and resolved during the Financial Year April 01, 2024, to March 31, 2025:

Sr. No.	Nature of Complaint*	No. of Complaints
1.	Non-receipt of Annual Reports	0
2.	Non-receipt of Dividend Warrants / Complaints regarding unclaimed dividend	1
3.	Non-receipt of Share Certificates / Letter of Confirmation / Transmission/ Name Deletion/ Issue of Duplicate Share Certificate / Exchange Certificate	15
4.	Non-receipt of Bonus Certificates	0
5.	Others	2
	<b>Total</b>	<b>18</b>

\* BSE and NSE vide its guidance note dated July 07, 2022, has directed Listed Companies to consider complaints received from all the sources while filing the quarterly report for investor complaints.

**Number of complaints pending with the Company as on March 31, 2025: 2\*\***

\*\* The two complaints pending as on March 31, 2025, were received by the Company closer to the end of the quarter. As on the date of this report, both complaints are resolved, within the statutory timelines.

**Number of pending share transfers with the Company as on March 31, 2025: NIL****d) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:****Composition:**

As on March 31, 2025, the Corporate Social Responsibility Committee comprised of 5 Directors including 1 Promoter (Executive) Director – Ms. Shveta Arya, 1 Promoter (Non-executive) Director – Ms. Bonnie Jean Fetch and 3 Independent Directors – Ms. Rama Bijapurkar (Chairperson), Ms. Rekha and Mr. Farokh N. Subedar.

**Meetings at a glance:**

<b>4</b>	<b>4</b>	<b>83.33%</b>
<b>Directors</b>	<b>Meetings</b>	<b>Attendance</b>

**Meetings and Attendance at the Corporate Social Responsibility Committee Meetings of F.Y. 2024-25:**

Name of Directors	Date of Corporate Social Responsibility Committee meetings			
	May 28, 2024	August 06, 2024	November 06, 2024	February 05, 2025
Ms. Rama Bijapurkar (Chairperson)	✓	✓	✓	✓
Mr. Nasser Munjee <sup>1</sup>	✓	NA	NA	NA
Mr. Ashwath Ram <sup>2</sup>	✓	✓	NA	NA
Ms. Bonnie Jean Fetch	✗	✓	✓	✓
Ms. Rekha <sup>1</sup>	NA	✓	✗	✓
Mr. Farokh N. Subedar <sup>1</sup>	NA	✓	✓	✗
Ms. Shveta Arya <sup>2</sup>	NA	NA	NA	✓

1. Mr. Nasser Munjee ceased to be a Member of the Corporate Social Responsibility Committee effective May 30, 2024. Further, he also ceased to be Non-executive Independent Director of the Company due to retirement effective July 31, 2024. Mr. Farokh N. Subedar and Ms. Rekha were appointed as Members of the said Committee effective from May 30, 2024.
2. Mr. Ashwath Ram ceased to be a Member of the Corporate Social Responsibility Committee effective August 31, 2024, consequent to his resignation as the Managing Director of the Company with effect from close of business hours of August 31, 2024. Ms. Shveta Arya was appointed as an Additional Director and Managing Director (Designate) effective August 08, 2024, and was appointed as Managing Director effective September 01, 2024. She was appointed as the Member of Corporate Social Responsibility Committee effective November 08, 2024.

Minimum number of Meetings of the CSR Committee during the Financial Year under review, were complied with.

The Committee is guided by the Charter, adopted by the Board, accessible on the website of the Company at <https://www.cummins.com/en/in/investors/india-corporate-governance> The Charter is reviewed and re-assessed when deemed fit by the Committee and was last amended on March 26, 2021.

### **Broad Terms of Reference of Corporate Social Responsibility Committee:**

The Committee oversees, *inter-alia*, corporate social responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Companies Act, 2013, in the following areas:

- To identify the areas of CSR activities;
- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013 or any amendment thereto read with Government Directives from time to time;
- To formulate and recommend to the Board, an Annual Action Plan, in pursuance to its CSR Policy;
- To recommend the amount of expenditure be incurred on such other activities as decided and permitted under the applicable laws from time to time;
- To implement and monitor the Corporate Social Responsibility Policy of the Company from time to time;
- To coordinate with Cummins India Foundation or any other agencies as may be decided, for implementing programs and executing initiatives as per CSR Policy of the Company;
- To take such necessary steps as may be required to carry out impact assessment of CSR projects, as per applicable laws through an independent agency;
- To carry out any other function as may be delegated by the Board or as may be prescribed under applicable laws from time to time; and
- The Committee may periodically provide necessary updates to the Board.

The Committee has also formulated a Policy indicating the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013, or any amendment thereto, adopted by the Board, accessible on the website of the Company at <https://www.cummins.com/en/in/investors/india-corporate-governance>. The Policy is reviewed and re-assessed as and when deem fit by the Committee and was last amended on February 05, 2025.

### **e) RISK MANAGEMENT COMMITTEE:**

#### **Composition:**

As on March 31, 2025, the Risk Management Committee comprised of 6 Directors including 1 Promoter (Executive) Director – Ms. Shveta Arya, 1 Promoter (Non-executive) Director – Ms. Jennifer Mary Bush, 4 Independent Directors (Non-executive) – Mr. Sekhar Natarajan (Chairperson), Ms. Lira Goswami, Ms. Rekha and Mr. Farokh N. Subedar.

#### **Meetings at a glance:**

<b>6</b>	<b>4</b>	<b>91.67 %</b>
<b>Directors</b>	<b>Meetings</b>	<b>Attendance</b>

## Meetings and Attendance at the Risk Management Committee Meetings for F.Y. 2024-25:

Name of Directors	Date of Risk Management Committee Meetings			
	May 28, 2024	August 06, 2024	November 06, 2024	February 05, 2025
Mr. Rajeev Bakshi (Chairperson) <sup>1</sup>	✓	NA	NA	NA
Mr. Sekhar Natarajan (Chairperson) <sup>1</sup>	NA	✓	✓	✓
Mr. Nasser Munjee <sup>2</sup>	✓	NA	NA	NA
Mr. Farokh N. Subedar <sup>2</sup>	NA	✓	✓	✘
Mr. Ashwath Ram <sup>3</sup>	✓	✓	NA	NA
Ms. Rama Bijapurkar	✓	✓	NA	NA
Ms. Lira Goswami	✓	✓	✓	✓
Ms. Jennifer Mary Bush	✓	✓	✓	✓
Ms. Rekha <sup>2</sup>	NA	✓	✘	✓
Ms. Shveta Arya <sup>3</sup>	NA	NA	NA	✓

1. Mr. Rajeev Bakshi ceased to be Chairperson and Member of the Risk Management Committee effective May 30, 2024. Further, he also ceased to be Non-executive Independent Director of the Company due to retirement effective July 31, 2024. Mr. Sekhar Natarajan was appointed as Chairperson and Member of the said Committee effective from May 30, 2024.
2. Mr. Nasser Munjee ceased to be a Member of the Risk Management Committee effective May 30, 2024. Further, he also ceased to be Non-executive Independent Director of the Company due to retirement effective July 31, 2024. Mr. Farokh N. Subedar and Ms. Rekha were appointed as Members of the said Committee effective from May 30, 2024.
3. Mr. Ashwath Ram ceased to be a Member of the Risk Management Committee effective August 31, 2024, consequent to his resignation as the Managing Director of the Company with effect from close of business hours of August 31, 2024. Ms. Shveta Arya was appointed as an Additional Director and Managing Director (Designate) effective August 08, 2024, and was appointed as Managing Director effective September 01, 2024. She was appointed as the Member of Risk Management Committee effective November 08, 2024.

Minimum number of Meetings of the Risk Management Committee during the Financial Year under review, were complied with.

### Broad Terms of Reference of the Risk Management Committee:

The Committee is guided by the Charter adopted by the Board, accessible on the website of the Company at <https://www.cummins.com/en/in/investors/india-corporate-governance>. The Charter is reviewed and re-assessed when deemed fit by the Committee and was last amended on August 11, 2021. The roles and responsibilities of the Committee are as prescribed under Regulation 21 of the SEBI Listing Regulations, which *inter-alia* included:

- To identify, assess, mitigate and monitor the existing as well as potential risks (internal and external) to the Company, to recommend the strategies to overcome them and review key leading indicators in this regard;
- To formulate and recommend to the Board, a Risk Management Policy, which shall include framework for identification of internal and external risks faced by the Company, in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee; measures for risk mitigation and business continuity plan;
- To periodically review and approve the Risk Management framework including the Risk Management processes, systems and practices of the Company;
- To evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner;
- To advise on developing and implementing action plans to mitigate the risks;
- To co-ordinate its activities with the Audit and Compliance Committee and other committees in instances where there is any overlap with risk areas or audit (e.g., internal, or external risk issues/ audit issues relating to Risk Management Policy or practice);
- To oversee at such intervals as may be necessary, the adequacy of Company's resources to perform its Risk Management responsibilities and achieve its objectives;
- To review and periodically assess the Company's performance against the identified risks of the Company; and
- To review and periodically re-assess the adequacy of its Charter and recommend any proposed changes to the Board for approval.

**f) Particulars of Senior Management of Cummins India Limited:**

<b>Name of Senior Management Personnel</b>	<b>Category</b>
Mr. Ashwath Ram <sup>1</sup>	Managing Director
Ms. Shveta Arya <sup>1</sup>	Managing Director
Mr. Ajay S. Patil <sup>2</sup>	Chief Financial Officer
Mr. Prasad S Kulkarni <sup>2</sup>	Interim Chief Financial Officer
Ms. Anupama Kaul	Executive Director – HR Head
Ms. Sanjit Kaur Batra	Group Vice President – Legal
Mr. Vivek Malapati <sup>3</sup>	Vice President – Distribution Business
Mr. Pankaj Kapoor <sup>3</sup>	Vice President – Distribution Business and NRP
Ms. Vinaya Joshi	Company Secretary and Compliance Officer

1. Mr. Ashwath Ram ceased to be the Managing Director of the Company effective from close of business hours of August 31, 2024. Ms. Shveta Arya was appointed as an Additional Director and Managing Director (Designate) effective August 08, 2024, and was appointed as Managing Director effective September 01, 2024, for a term of three years.
2. Mr. Ajay S. Patil resigned as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company with effect from close of business hours on January 9, 2025. Mr. Prasad S Kulkarni was appointed as the Interim Chief Financial Officer and KMP of the Company, effective January 10, 2025, till the time a new CFO is appointed by the Board.

3. Mr. Vivek Malapati resigned as Vice President – Distribution Business, a Senior Management Personnel of the Company with effect from close of business hours on August 31, 2024. Mr. Pankaj Kapoor was appointed as Vice President – Distribution Business and NRP, a Senior Management Personnel of the Company with effect from September 01, 2024.

The Senior Management of your Company have made disclosures to the Board confirming that there are no material financial and commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

Succession planning at Senior Management levels is reviewed by the Board. Business, function or unit heads are invited to present on specific topics at Board meetings from time to time, offering an opportunity to the directors to assess their values, competencies, and capabilities.

#### 4. GENERAL MEETINGS:

##### a) ANNUAL GENERAL MEETING ('AGM'):

###### Location, Date and Time, where previous three (3) AGMs were held:

	FY 2021-22	FY 2022-23	FY 2023-24
<b>Date and Time</b>	August 10, 2022, at 12 Noon	August 03, 2023, at 4.00 P.M.	August 07, 2024, at 10.00 A.M.
<b>Venue</b>	Conducted through Video conference. Place of Meeting was construed as Cummins India Office Campus, Tower A, 5 <sup>th</sup> Floor, Survey No. 21, Balewadi, Pune 411 045.	Conducted through Video conference. Place of Meeting was construed as Cummins India Office Campus, Tower A, 5 <sup>th</sup> Floor, Survey No. 21, Balewadi, Pune 411 045.	Conducted through Video conference. Place of Meeting was construed as Cummins India Office Campus, Tower A, 5 <sup>th</sup> Floor, Survey No. 21, Balewadi, Pune 411 045.
<b>Special resolutions passed</b>	No Special Resolution was passed.	Special Resolution was passed for the Appointment of Ms. Lira Goswami as a Non-executive Independent Director.	Special Resolution was passed for the Appointment of Mr. Sekhar Natarajan and Mr. Farokh Nariman Subedar as a Non-executive Independent Director.

##### b) EXTRA-ORDINARY GENERAL MEETING ('EGM'):

No Extra-ordinary General Meeting of the shareholders of the Company was convened during the FY 2024-25.

##### c) POSTAL BALLOT:

During FY 2024-25, the Company sought approval of members through Postal Ballot and details of the same are given below:

Particulars of Resolution(s) Passed	Type of Resolution	Votes (No. of shares and %)		Date of passing the resolution
		In favour	Against	
To appoint Ms. Shveta Arya (DIN: 08540723) as a Director and as Managing Director (Key Managerial Personnel) of the Company along-with remuneration	Ordinary Resolution	235,252,970 (97.87)	5,111,989 (2.13)	October 17, 2024
Appointment of Mr. Cornelius O'Sullivan (DIN: 10829830) as a Director (Non-executive and Non-independent) of the Company	Ordinary Resolution	237,535,336 (99.65)	825,600 (0.35)	January 07, 2025

The Company had appointed Mr. Pramodkumar Ladda (Membership No. FCS 7326 and CP No. 8006) Partner, M/s Ladda Bhutada & Associates, Company Secretaries, Pune, as the Scrutinizer for conducting the postal ballot process through remote e-voting in a fair and transparent manner.

#### Procedure:

In compliance with Regulation 44 of the Listing Regulations, Sections 108, 110 of the Act, Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, and other applicable provisions of the Act read with the Rules issued thereunder and General Circulars issued by Ministry of Corporate Affairs, the Company provided remote e-voting facility to all its Members. The Company engaged the services of MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) the Registrar and Share Transfer Agent of the Company for the purpose of providing e-voting facility to all its Members for above postal ballot activities.

The postal ballot notice was sent to the members in electronic form at their email addresses registered with the depositories/RTA.

The Company also published notice in the newspapers declaring the details of completion of dispatch, e-voting details and other requirements in terms of the Act, read with the Rules issued thereunder and the Secretarial Standards issued by the Institute of Company Secretaries of India.

The results were displayed on the website of the Company [www.cumminsindia.com](http://www.cumminsindia.com) and communicated to the Stock Exchanges, Depositories, and Registrar and Share Transfer Agents. The resolutions passed by the postal ballot were deemed to have been passed on the last date of e-voting period.

## 5. STATUTORY AUDITORS

M/s. Price Waterhouse & Co. Chartered Accountants LLP, Chartered Accountants, are the Statutory Auditors of the Company. The payment of Statutory Auditors' fees, on consolidated basis for FY 2024-25 is ₹ 1.97 Crores.

## 6. DISCLOSURES:

- The Company does not have materially significant Related Party Transactions (i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, or their subsidiaries or relatives etc.) which may have potential conflict with the interest of the Company at large. The Company has disclosed the policy on dealing with Related Party Transactions on its website and is accessible at <https://www.cummins.com/en/in/investors/india-corporate-governance>.
- The Company does not have any material subsidiary.
- The Company has disclosed the Material Subsidiary Policy on its website and is accessible at <https://www.cummins.com/en/in/investors/india-corporate-governance>.
- The Company has disclosed all policies, codes and charters, as required to be disclosed and are accessible on the website of the Company at <https://www.cummins.com/en/in/investors/india-corporate-governance>.

- e. The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/ strictures have been imposed against it in the last 3 years.
- f. The Company has complied with the mandatory Corporate Governance requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- g. The Company has not adopted any discretionary requirements mentioned in Regulation 27(1) of the Listing Regulations.
- h. The Company follows a Vigil Mechanism Policy (earlier known as Whistle Blower Policy) since Financial Year 2003-04 in line with the Listing Regulations. No person has been denied access to the Audit and Compliance Committee under the Vigil Mechanism Policy.
- i. The Managing Director and Chief Financial Officer of the Company have certified to the Board of Directors, *inter-alia*, on the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations.
- j. Foreign exchange risk and hedging activities:  
  
During the Financial Year 2024-25, the Company has managed foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of the sensitivity analysis on the foreign currency exposure are disclosed in note no. 43 (a)(i) to the Annual Accounts (Standalone Financial Statements).
- k. The Company follows the mandatory Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI) and to the best of its knowledge, there are no deviations in the accounting treatments that require specific disclosure.
- l. There were no recommendations of the Committees of the Board, mandatorily required, in the Financial Year 2024-25 which were not accepted by the Board.
- m. Details relating to fees paid to the Statutory Auditors are given in note no. 31 to the Standalone Financial Statements and note no. 31 to the Consolidated Financial Statements.
- n. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the Management.
- o. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: The details of number of complaints filed and disposed of during the year and pending as on March 31, 2025, is given in the Directors' Report.
- p. During the Financial Year 2024-25, the Company has not granted any Loans and Advances in the nature of loans to firms/companies in which Directors are interested.
- q. Pursuant to Regulation 26(5) of the Listing Regulations, Senior Management has made periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company.
- r. Disclosure of certain types of agreements binding the Company: During the year, no information was required to be disclosed by the Company under clause 5A of Para A of Part A of Schedule III of the Listing Regulations. Further, none of the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or of its holding, subsidiary and associate company have submitted any information as specified under Regulation 30A of the Listing Regulations.

## 7. MEANS OF COMMUNICATION:

- a. The quarterly shareholding pattern and quarterly / half-yearly / yearly un-audited / audited financial results were posted on the Company's website <https://www.cummins.com/en/in/investors/india-shareholding> and also on the website of Stock Exchanges at <https://www.nseindia.com/> and <https://www.bseindia.com/>.
- b. The official news releases of the Company were displayed on the Company's website <https://www.cummins.com/en/in/investors/india-investors-notice> and also on the website of Stock Exchanges at <https://www.bseindia.com/> and <https://www.nseindia.com/>.
- c. The quarterly unaudited/yearly audited financial results for the financial year ended March 31, 2025, were duly published in Business Standard (All editions) and Loksatta (Pune Edition). The copies of the same were also uploaded on the website of the Stock Exchanges.
- d. Transcript of quarterly conference calls with the Analysts held on May 30, 2024, August 07, 2024, November 8, 2024, and February 07, 2025, and the Managing Director's Presentation to the Shareholders made at the Annual General Meeting held on August 07, 2024, were displayed on the Company's website [www.cumminsindia.com](http://www.cumminsindia.com) and also on the website of Stock Exchanges at <https://www.nseindia.com/> and <https://www.bseindia.com/>. Additionally, transcript of 63<sup>rd</sup> Annual General Meeting held on August 07, 2024, was displayed on the Company's website at <https://www.cummins.com/en/in/investors/india-investor-analyst>.
- e. The Company also issues press releases on important matters as may be required from time to time.
- f. In compliance with the provisions of Section 20 of the Companies Act, 2013 and as a continuing endeavor towards the 'Go Green' initiative by Ministry of Corporate Affairs, the Company proposes to send all correspondence / communications through electronic means to those shareholders who have registered their email addresses with their respective depository participant's / Company's Registrar and Share Transfer Agent.

## 8. GENERAL SHAREHOLDER INFORMATION:

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Registered Office	Cummins India Office Campus, Tower A, 5 <sup>th</sup> Floor, Survey No. 21, Balewadi, Pune 411 045, Maharashtra, India
Phone No.	: (020) 67067000
Fax No.	: (020) 67067015
Website	: <a href="http://www.cumminsindia.com">www.cumminsindia.com</a>

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Annual General Meeting	Date and Time : Friday, August 08, 2025 at 09.30 A.M. (IST) Mode : Video conference and other audio-visual means Venue : Deemed venue shall be Cummins India Office Campus, Tower A, 5 <sup>th</sup> Floor, Survey No. 21, Balewadi, Pune 411 045. Remote e-voting Starts : Monday, August 04, 2025 Remote e-voting Ends : Thursday, August 07, 2025 E-voting at AGM : Friday, August 08, 2025 Live Webcast of AGM : Pursuant to Regulation 44(6) of the Listing Regulations, top 100 listed entities shall, with effect from 1 April 2019, provide one-way live webcast of the proceedings of their AGM. Accordingly, as now Company is amongst the top 100 listed entities, the Company has entered into an arrangement with National Securities Depository Limited (NSDL) to facilitate live webcast of the proceedings of ensuing 64 <sup>th</sup> Annual General Meeting of the Company.
Financial Year	The Financial Year of the Company is from 1 <sup>st</sup> April to 31 <sup>st</sup> March.
Financial Calendar (Tentative)	<ul style="list-style-type: none"> <li>■ Results for quarter ending June 30, 2025 – By second week of August, 2025</li> <li>■ Results for quarter and half-year ending September 30, 2025 – By second week of November 2025</li> <li>■ Results for quarter and nine months ending December 31, 2025 – By second week of February 2026</li> <li>■ Results for the quarter and financial year ending March 31, 2026 – By Fourth week of May, 2026</li> </ul>
Interim dividend payment date	March 03, 2025
Rate of Final Dividend	The Board of directors has proposed a dividend of ₹ 33.50 per equity share (1,675%) of the face value of ₹ 2/- for the financial year 2024-25, subject to approval of members at the ensuing AGM.
Record Date for Final Dividend	July 18, 2025
Final Dividend payment date	On or around September 02, 2025 (subject to approval of shareholders in the ensuing Annual General Meeting)

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Tax Deducted at Source (TDS) on Dividend Members may note that pursuant to Finance Act, 2020, as amended, dividend income will be taxable in the hands of Members, and the Company is required to deduct tax at source from the dividend paid to Members at the prescribed rates. For Resident Members, taxes shall be deducted at source under Section 194 of the Income Tax Act, 1961, as follows:

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Shareholders having valid PAN	10% or as notified by the Government of India
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Shareholders not having PAN / valid PAN / PAN not linked with Aadhaar	20% or as notified by the Government of India
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Further, the Company follows a practice of sending a detailed communication to the members outlining the tax implications on dividend income as per the Income Tax Act, 1961 for resident as well as non-resident shareholders, Insurance companies, Mutual Funds, Alternative Investment Fund (AIF), etc and provides facility to submit the tax exemption documents such as Form 15G, Form 15H, Form 10F, Tax Residency Certificate, Declaration of Category of shareholder, etc. to the RTA to determine the appropriate tax liability.

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Withholding of dividend in respect of folios whose KYC details are not updated

Pursuant to Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 issued by Securities and Exchange Board of India (SEBI) (including earlier circulars issued in this regard) (the Circular), kindly note that w.e.f. April 01, 2024, the Dividend shall be paid only through electronic mode to the Members who have updated their KYC details (including bank account details) against their /folios. In the absence of KYC details, the Company shall withhold the dividend, as may be declared at the ensuing Annual General Meeting. This dividend shall be released through electronic credit to the concerned shareholders upon successful updation of KYC details as per the aforesaid SEBI Circulars.

For the purpose of updation of KYC details against folio, members are requested to send requisite KYC forms to the Registrar and Transfer Agent of the Company namely MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited). The formats for Nomination and Updating of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and SEBI circulars are available on website of the RTA at <https://web.in.mpms.mufg.com/KYC-downloads.html>.

Also, pursuant to the above-mentioned SEBI circular, the listed companies shall intimate its physical security holders about folios which are incomplete with regards to KYC on an annual basis within six months from the end of the financial year. In view of the same, the Company has sent communication to shareholders (holding securities in physical form), whose folio(s) are not updated with the KYC details in the month of June 2024.

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Transfer of unclaimed/ unpaid dividend and the underlying shares to Investor Education and Protection Fund (IEPF) Pursuant to section 124 and 125 of Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the 'IEPF Rules'), the dividend amount remaining unpaid / unclaimed for period of seven consecutive years and the underlying shares shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF"), within 30 days of such shares becoming due for transfer. Thus, in compliance with the same, the Company has transferred the unclaimed/unpaid dividend and the underlying shares to Investor Education and Protection Fund (IEPF), the details of the same are as below:

Type of Dividend	Financial Year	Amount Transferred (₹)	Shares Transferred
Final Dividend	FY 2016-17	1,13,94,045	4,180
Interim Dividend	FY 2017-18	60,65,050	1,78,403

Further, as mandated under IEPF Rules, the Company shall dispatch individual physical letters to the shareholders whose dividend for Financial Year 2017-18 has remained unclaimed/unpaid, requesting them to claim the amount of unpaid dividend on or before the date on which Company is legally bound to transfer the shares to the demat account of IEPF authority. The Company had also published an advertisement in one English and one vernacular newspaper in this behalf. Further, the Company shall also host a statement of unpaid/ unclaimed dividend since FY 2017-18 on its website.

Listing on Stock Exchanges	<b>Name of Exchange</b>	<b>Stock Code</b>
	BSE Limited (BSE) P. J. Towers, Dalal Street, Mumbai: 400 001.	500480
	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai: 400 051.	CUMMINSIND
International Securities Identification Number (ISIN)	<b>INE298A01020</b>	
Payment of Listing Fees	The Company has paid the Listing Fees to both the Stock Exchanges for the Financial Year 2025-26.	

Registrar and Transfer Agent	<p>The Company has appointed MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) (“RTA”), Mumbai as its Registrar and Transfer Agent. Share transfers, dematerialization of shares, dividend payment and all other investor related activities are attended to and processed at the office of the Registrar and Transfer Agent:</p> <p>MUFG Intime India Private Limited (previously known as Link Intime India Private Limited) Unit: Cummins India Limited C-101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai 400083. Phone No. +91 810 811 6767; Fax No. 022 - 4918 6000 Contact Person : Mrs. Sujata Poojary E-mail: <a href="mailto:sujata.poojary@in.mpms.mufg.com">sujata.poojary@in.mpms.mufg.com</a> / <a href="mailto:rnt.helpdesk@in.mpms.mufg.com">rnt.helpdesk@in.mpms.mufg.com</a> Website: <a href="https://in.mpms.mufg.com">https://in.mpms.mufg.com</a> Link to raise queries / service requests: <a href="https://web.in.mpms.mufg.com/helpdesk/Service_Request.html">https://web.in.mpms.mufg.com/helpdesk/Service_Request.html</a>. Time:- 10.00 to 16.00 hours (Mon. to Fri. excl. public holidays)</p> <p>The name of the RTA was changed from “Link Intime India Private Limited” to “MUFG Intime India Private Limited” with effect from December 31, 2024.</p>
Share Transfer System	<p>Trading in Equity Shares of the Company through recognized Stock Exchanges is permitted only in dematerialized form. In terms of Regulation 40(1) of SEBI Listing Regulations, transfer of securities held in physical mode has been discontinued and the transfer of securities is allowed only in dematerialized form.</p> <p>Further, SEBI vide its Circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2022/8 dated January 24, 2022, mandated all the listed companies to issue securities in dematerialized form only, while processing the service request for issue of duplicate securities certificates, renewal/exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form.</p> <p>Further, SEBI vide Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, (SEBI) (including earlier circulars issued in this regard) ,<i>inter-alia</i>, mandated that any service request shall be entertained only upon registration of PAN, KYC details and nomination. Hence, all holders of physical securities of the Company are requested to update their KYC’s in their respective folios.</p>
Review of service standards adhered by MUFG Intime India Private Limited with respect to share related activities	<p>The RTA of the Company has set up the standards for adhering to the statutory timelines for processing the various service request of the shareholders. On an on-going basis, the Company engages with officials of RTA at various levels for review of these standards. Periodic meetings and discussions are held to understand the concerns of shareholders, deviations, if any, in the timelines for processing service requests, best practices and other measures to strengthen shareholder-related services.</p>

Distribution of shareholding as on March 31, 2025.	Category	No. of shares of ₹ 2/- each	% of shareholding
	Promoters	141,372,000	51.00
	Mutual Funds	45,184,601	16.3
	Banks/ Financial Institutions/ Insurance Companies	12,168,590	4.39
	Foreign Institutional Investors (FIIs)	47,718,402	17.21
	Corporate Bodies	1,432,576	0.52
	Indian Public	20,217,160	7.29
	NRIs	1,504,042	0.54
	Others	7,602,629	2.74
	<b>TOTAL</b>	<b>277,200,000</b>	<b>100.00</b>

#### Distribution of shareholding within various categories (as on March 31, 2025)

Sr. No.	Category (shares)	No. of shareholders	Percentage of shareholders to total shareholders	Total No. of shares	Percentage of shares to total shares
1	1-1,000	160,189	95.7753	1,14,39,392	2.0634
2	1,001-2,000	2,417	1.4451	34,88,168	0.6292
3	2,001-4,000	1,550	0.9267	43,32,346	0.7814
4	4,001-6,000	723	0.4323	35,79,922	0.6457
5	6,001-8,000	370	0.2212	25,83,990	0.4661
6	8,001-10,000	331	0.1979	29,84,278	0.5383
7	10,001-20,000	722	0.4317	1,07,92,940	1.9468
8	20,001 and above	953	0.5698	51,51,98,964	92.9291
<b>Total</b>		<b>167,255</b>	<b>100</b>	<b>55,44,00,000</b>	<b>100</b>

Dematerialization of shares and liquidity (as on March 31, 2025) 99.71% of the paid-up Equity Capital was held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Trading in the equity shares of the Company is permitted only in dematerialised form.

Sub-divided share certificate in lieu of old certificates 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 04, 2000, the Company further 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.

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity The Company has not issued GDRs / ADRs / Warrants or any Convertible instruments.

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Plant locations	<ol style="list-style-type: none"> <li>1. Kothrud, Pune – 411 038, Maharashtra.</li> <li>2. Gat No. 311/1B, at Post Kasar Amboli, Taluka Mulshi Pirangut, District Pune – 412 111, Maharashtra.</li> <li>3. MIDC Phaltan, Village Survadi, Nandal, Taluka Phaltan, Satara – 415 523, Maharashtra.</li> <li>4. Survey No. 461/2C, Puzhal Village, Saidapet Taluk, Madhavaram Taluk, Thiruvallur District, Chennai – 600 060, Tamil Nadu.</li> </ol>
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Address for correspondence and information for grievance redressal	<ol style="list-style-type: none"> <li>1. Ms. Vinaya Joshi Company Secretary &amp; Compliance Officer Cummins India Office Campus, Tower A, 5<sup>th</sup> Floor, Survey No. 21, Balewadi, Pune – 411 045, Maharashtra, India. Tel: +91 20 6706 7000, 3019 7000 Fax: +91 20 6706 7011 E-mail: <a href="mailto:Cil.Investors@cummins.com">Cil.Investors@cummins.com</a></li> <li>2. Ms. Sujata Poojary MUFGE Intime India Private Limited (formerly known as Link Intime India Private Limited) C-101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai 400083. Phone No. +91 810 811 6767, Fax No. 022 - 4918 6000 E-mail: <a href="mailto:sujata.poojary@in.mpms.mufg.com">sujata.poojary@in.mpms.mufg.com</a></li> </ol>
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The Company also has dedicated E-mail ID, for Shareholders, which is [Cil.Investors@cummins.com](mailto:Cil.Investors@cummins.com) for the purpose of registering complaints and the same has been hosted on the Company's website.

The shareholders can raise the service requests in electronic mode on the website of Registrar and Transfer Agent of the Company namely MUFGE Intime India Private Limited (formerly Link Intime India Private Limited). The link for the same is as below -  
[https://web.in.mpms.mufg.com/helpdesk/Service\\_Request.html](https://web.in.mpms.mufg.com/helpdesk/Service_Request.html)

SWAYAM Portal by MUFGE Intime India Private Limited -

SWAYAM is an Investor Self-Service Portal of RTA of the Company that empowers shareholders to effortlessly access information through a dashboard and avail various services in digital mode. Shareholders may register on the SWAYAM portal by accessing the below link -  
<https://swayam.in.mpms.mufg.com/>

Here are a few key features and benefits that 'SWAYAM' offers:

1. Have an updated status on electronic holdings
2. Track Corporate Actions like Dividend/Interest/Bonus/split.
3. Generate and track service requests/complaints raised on this portal bringing digital convenience.
4. Registration also open to security holders with holding in physical form, i.e., against folios which are KYC-compliant.

The Company is registered with SEBI Complaints Redressal System (SCORES), which can be accessed by the shareholders at <https://www.scores.gov.in>.

The Company is also registered on Smart ODR portal for addressing the grievances of the shareholders, which can be accessed at <https://smartodr.in/login>.

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	<p>Security holders would have to correspond with the respective Depository Participants for shares held in dematerialized form for transfer/ transmission of shares, change of Address, change in Bank details, etc. The Shareholders may visit the Company's website for more information at <a href="https://www.cummins.com/en/in/investors/india-investors-overview">https://www.cummins.com/en/in/investors/india-investors-overview</a>.</p>
Demat Suspense Escrow Account	<p>As per SEBI Circular SEBI/HO/MIRSD/MIRSD_RT AMB/P/CIR/2022/8 dated January 25, 2022, the Company shall transfer the shares to Suspense Escrow Account if the shareholder does not make a request to the Depository Participant within a period of 120 days from the date of issuance of 'Letter of Confirmation' (LOC).</p> <p>Accordingly, in compliance with the above requirement, the Company has transferred 1,595 equity shares of the Company in the month of January 2025.</p> <p>Further upon request received from the shareholder for claim of shares transferred to the Suspense Escrow Account, along with requisite documents as stipulated under SEBI guidelines, the Company transferred 525 shares belonging to such shareholder to the demat account as furnished by the shareholder and registered as per the KYC details.</p> <p>The balance of the demat account as on March 31, 2025, is 1,070 equity shares of ₹ 2/- face value each.</p>
Unclaimed Demat Suspense Account	No equity shares were lying under unclaimed suspense account during the Financial Year 2024-25.

## 19. COMPLIANCE CERTIFICATE OF THE AUDITORS:

The Company has obtained a Certificate from M/s MMJB Associates LLP, Practicing Company Secretaries, confirming compliance with conditions of the Code of Corporate Governance as stipulated in Regulation 34 read with Schedule V of the Listing Regulations and the same is appended as **Annexure '6'** to the Directors' Report.

## 20. CERTIFICATE FROM PRACTICING COMPANY SECRETARY:

The Company has received a certificate from M/s MMJB Associates LLP, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified by MCA or SEBI or any such Statutory authority from being appointed / continuing as Director and the same is appended as **Annexure '7'** to the Directors' Report.

## DECLARATION – CODE OF CONDUCT

As per Regulation 26 of the Listing Regulations, all Board Members and Senior Management personnel of the Company have affirmed compliance with the applicable Code of Conduct for the Financial Year 2024-25.

For Cummins India Limited

Place : Pune  
Date : May 28, 2025

Shveta Arya  
Managing Director  
DIN: 08540723

## Annexures to the Directors' Report

### Annexure 5 – FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT for the Financial Year ended March 31, 2025

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Cummins India Limited**  
Cummins India Office Campus,  
Tower A, 5<sup>th</sup> Floor, Survey No. 21,  
Balewadi, Pune – 411045

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cummins India Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

#### **Auditor's Responsibility:**

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by the Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- i. The Companies Act, 2013 (the Act), and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; (Overseas Direct Investment and External Commercial Borrowings are not Applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period)
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable to the Company during the Audit Period)

- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the Audit Period)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period)
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period)
- vi. As identified, no specific law applicable to the Company;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations')

During the Audit Period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (three meetings were convened at shorter notice for which necessary approvals were obtained as per applicable provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the Audit Period the Board at its meeting held on February 7, 2025 accorded its approval for the divestment of 100% equity stake in Cummins Sales & Service Private Limited (CSSPL), a wholly owned subsidiary of the Company to PAL SVAM Power Solutions Private Limited for a total consideration of ₹ 56,50,00,000 and the negotiated terms of the Share Purchase Agreement (SPA). The closing conditions pursuant to SPA dated February 7, 2025, were fulfilled and the 100% share transfer was completed on April 1, 2025, upon which CSSPL ceased to be a wholly owned subsidiary of the Company with effect from April 1, 2025.

For MMJB & Associates LLP  
Company Secretaries  
ICSI UIN: L2020MH006700  
Peer Review Cert. No.: 2826/2022

Bhavisha Jewani  
Designated Partner  
FCS: 8503  
C P No.: 9346  
UDIN: F008503G000468501

Date: May 28, 2025  
Place: Mumbai

This report is to be read with our letter of event date which is annexed as *Annexure 'A'* and which forms an integral part of this report.

## ***Annexure 'A'***

To,  
The Members,  
**Cummins India Limited**  
Cummins India Office Campus,  
Tower A, 5<sup>th</sup> Floor, Survey No. 21,  
Balewadi, Pune – 411045

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MMJB & Associates LLP  
Company Secretaries  
ICSI UIN: L2020MH006700  
Peer Review Cert. No.: 2826/2022

Bhavisha Jewani  
Designated Partner  
FCS: 8503  
CP No.: 9346  
UDIN: F008503G000468501

Date: May 28, 2025  
Place: Mumbai

## Annexures to the Directors' Report

### Annexure 6 - CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members,

**Cummins India Limited**

Cummins India Office Campus,  
Tower A, 5<sup>th</sup> Floor, Survey No. 21,  
Balewadi, Pune – 411045

We have examined the compliance of conditions of Corporate Governance by **Cummins India Limited** ("the Company") for the year ended on March 31, 2025, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MMJB & Associates LLP  
Company Secretaries  
ICSI UIN: L2020MH006700  
Peer Review Cert. No.: 2826/2022

Bhavisha Jewani  
Designated Partner  
FCS: 8503  
CP No.: 9346  
UDIN: F008503G000468600

Date: May 28, 2025  
Place: Mumbai

## Annexures to the Directors' Report

### Annexure 7 – CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members

**Cummins India Limited**

Cummins India Office Campus,  
Tower A, 5<sup>th</sup> Floor, Survey No. 21,  
Balewadi, Pune - 411045

We have examined the relevant disclosures provided by the Directors of Cummins India Limited having CIN- L29112PN1962PLC012276 and having registered office at Cummins India Office Campus, Tower A, 5<sup>th</sup> Floor, Survey No. 21, Balewadi, Pune - 411045 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information based on (i) documents available on the website of Ministry of Corporate Affairs and Bombay Stock Exchange of India Limited and NSE Limited as on May 21, 2025 (ii) Verification of Directors Identification Number (DIN) status at the website of Ministry of Corporate Affairs on May 21, 2025, and (iii) disclosures provided by the Directors to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority as on March 31, 2025.

**Table A**

Sr. No	Name of the Directors	Director Identification Number	Date of appointment in Company	Date of Re-appointment
1.	Ms. Jennifer Mary Bush	09777114	05/11/2022	-
2.	Ms. Shveta Arya	08540723	08/08/2024	-
3.	Ms. Rama Bijapurkar	00001835	17/06/2020	-
4.	Ms. Rekha	08501990	11/08/2022	-
5.	Ms. Lira Goswami	00114636	24/05/2023	-
6.	Mr. Farokh Nariman Subedar	00028428	29/05/2024	-
7.	Mr. Sekhar Natarajan	01031445	29/05/2024	-
8.	Mr. Donald Jackson Gray	08261104	30/10/2018	-
9.	Ms. Bonnie Jean Fetch	09791477	25/11/2022	-
10.	Mr. Cornelius O'Sullivan	10829830	08/11/2024	-

For MMJB & Associates LLP  
Company Secretaries  
ICSI UIN: L2020MH006700  
Peer Review Cert. No.: 2826/2022

Bhavisha Jewani  
Designated Partner  
FCS No. 8503  
CP No. 9346  
UDIN: F008503G000479138

Date: May 28, 2025

Place: Mumbai

## Annexures to the Directors' Report

### Annexure 8 – NOMINATION AND REMUNERATION POLICY

[Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Nomination and Remuneration Policy ("Policy") of Cummins India Limited ("Cummins" or "Company") is formulated under the requirements of applicable laws, including the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy is intended to set out the criteria to pay equitable remuneration to Directors, Key Managerial Personnel (KMP), Senior Management (as defined below) and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.

#### 1. OBJECTIVES OF POLICY

The key objectives of the Policy are :

- 1.1. To guide the Board in relation to appointment and removal of Directors (Non -Executive, Executive, Independent), Key Managerial Personnel and Senior Management.
- 1.2. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.3. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.4. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.5. To facilitate diversity of Board of Directors.
- 1.6. To formulate criteria for evaluation of the members of the Board including Independent Directors.

#### 2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel/KMP** means,
  - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
  - 2.4.2. Whole-time director;
  - 2.4.3. Chief Financial Officer;
  - 2.4.4. Company Secretary;
  - 2.4.5. such other officer, not more than one level below the Directors who is in wholetime employment, designated as Key Managerial Personnel by the Board; and
  - 2.4.6. such other officer as may be prescribed.

- 2.5. **Senior Management** means Officers and personnel of the listed entity who are Members of its core management team, excluding Board of Directors and shall also comprise all members of management one level below the Chief Executive Officer or Managing Director or Whole-time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

### 3. ROLE OF COMMITTEE

#### 3.1 **Policy for appointment/ re-appointment and removal of Director, KMP and Senior Management**

##### 3.1.1 **Appointment criteria and qualifications**

- a. The Committee shall ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is satisfactory for the concerned position.
- c. The Committee shall ensure all Board appointments/re-appointments are based on merit, in the context of appropriate skills, experience, independence and knowledge, for the Board as a whole to be effective.
- d. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years or such other age for the purpose of superannuation as per the internal policy of the Company. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- e. The Company shall not appoint or continue the employment of any person as Non-executive Director who has attained the age of seventy-five years. Provided that the term of the person holding this position may be extended beyond the age of seventy-five years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy-year years.

##### 3.1.2 **Term / Tenure**

- a. Chairman/ Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re- appointment shall be made earlier than one year before the expiry of term.

- b. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. *However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined*

*by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.*

- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to such number as may be prescribed under the applicable laws in force.

### **3.1.3 Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### **3.1.4 Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **3.1.5 Evaluation of performance:**

The Committee shall formulate and recommend to the Board, the criteria and framework for evaluation of performance of every Director including Chairperson, Managing Director, Board as a whole and Committees thereof.

## **3.2 Policy relating to the Remuneration for the Whole-time Director, KMP, Senior Management Personnel and Other Employees**

### **3.2.1 General:**

- a. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be aligned with the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company if any and as per the provisions of the Act.
- c. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the shareholders in the case of Whole-time Director wherever required.
- d. The remuneration / compensation to other employees will be determined as per the Company HR policies and will be in line with Company's performance considering overall Indian market trends from time to time. The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Further, the remuneration/compensation shall be fixed pay or a mix of fixed and variable pay depending on role of the respective employee. Remuneration may also contain such other cash or non- cash perquisites or components or grants or such other benefits permissible under various regulatory requirements from time to time.
- e. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **3.2.2 Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

#### **a) Overall Remuneration:**

The remuneration is divided into fixed pay, variable pay & mandatory / voluntary retirement benefits. The division is based on fixed pay and variable pay component as per the respective grade. Mandatory / voluntary retirement benefits are applicable to all.

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Over and above the fixed and variable component the Whole-time Director/ KMP and Senior Management Personnel may also be eligible for other cash or non-cash perquisites or grants or components or such other benefits as per company policies and as permissible under various regulatory requirements from time to time.

#### **b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act.

#### **c) Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it.

### **3.2.3 Remuneration to Non-executive / Independent Director:**

#### **a) Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company, if any and the Act.

#### **b) Sitting Fees:**

The Non-executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### **c) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### **d) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

#### **4. BOARD DIVERSITY**

Company recognises and embraces the importance of a diverse Board in its success. Company believes that a truly diverse board will leverage differences in thoughts, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure Company retains its competitive advantage.

Accordingly, the Nomination and Remuneration Committee is responsible for reviewing and assessing the composition of the Board. The Committee shall:

- a. assess the appropriate mix of diversity, skills, experience, and expertise required on the Board and assess the extent to which the required skills are represented on the Board,
- b. make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience, and expertise on the Board and
- c. report to the Board, if any requirement, in relation to the diversity of the Board.

#### **5. REVIEW/ AMENDMENT:**

The Committee is authorized to review, amend or modify this Policy, in whole or in part, as and when deemed necessary in line with the applicable laws, rules and regulations ("applicable laws"). Any amendment in the regulatory requirements shall be binding on the Company and shall prevail over this Policy even if not incorporated in the Policy. In any circumstance where the terms of the Policy differ from any applicable law for the time being in force, the provisions of such applicable law shall take precedence over the Policy.

# ANNEXURES TO THE DIRECTORS' REPORT

## Annexure 9 - DIVIDEND DISTRIBUTION POLICY

### Introduction

This Dividend Distribution Policy (hereinafter referred to as "the Policy") has been adopted by the Board of Directors of Cummins India Limited (hereinafter referred to as "the Company") in the meeting held on February 1, 2017, pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (hereinafter referred to as "the SEBI Regulations").

The Policy intends to set out several factors for consideration by the Board at the time of taking a decision on distribution *vis-a-vis* retention of profits, in the interest of providing transparency to the shareholders and maximising returns on investments.

The Policy is one of the guiding factors to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

### Dividend

Dividend means distribution of profits, earned in the current year or earlier years, by the Company, to its shareholders in proportion to the amount paid-up on shares held by them. Under Companies Act 2013 (the "Act"), a Company can either declare dividend during the year, which is called interim dividend, or can declare dividend after the end of financial year, which is called final dividend.

This policy applies to declaration of interim dividend and recommendation of final dividend by the Board.

Interim dividend can be declared by the Board of Directors during the financial year by passing a resolution at its meeting. Final dividend is recommended by the Board of Directors for approval by the shareholders at the annual general meeting.

The dividend for any financial year shall normally be paid in accordance with the provisions of the Act or such other provisions as may be applicable including:

- out of the profits for the year (arrived at after providing for depreciation in accordance with law and transferring such amount to reserves as may be considered appropriate by the Board of Directors of the Company); and/or
- out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.
- Out of free reserves

### Factors affecting dividend declaration

The Board of Directors considers the following factors while arriving at the dividend amount:

#### Internal Factors & Financial Parameters

- profits earned during the year
- distributable surplus available with the Company
- Company's liquidity position & return ratios, future cash flow requirements for operations and reserve for any contingencies
- capital expenditure requirements for expansion and growth
- history of dividends distributed by the Company

- loan covenants, if any
- Contingent liabilities, under exceptional circumstances
- Any other significant developments that require cash investments.

### **External Factors**

- dividends distributed by other comparable companies
- taxation policy and any amendments expected thereof
- cost and availability of alternative sources of financing
- state of economy and nature of industry
- macroeconomic and business conditions in general
- any other relevant factors that the Board may deem fit.

### **Utilisation of retained earnings**

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilisation of retained earnings of the Company would be based on criteria as the Board may deem fit from time to time.

### **Quantum and manner of dividend payout**

The Company is committed to deliver sustainable value to all its stakeholders. The Company strives to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the equity shareholders, in the form of dividend. Determining the dividend pay-out depends on several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Board shall have absolute discretion to determine & recommend appropriate Dividend pay- out for the relevant financial year.

### **The circumstances under which the shareholders may or may not expect dividend**

The shareholders of the Company may expect dividend only if the Company has surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board of Directors:

- the Company has inadequacy of profits or incurs losses for the Financial Year;
- the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
- the Company undertakes /proposes to undertake any corporate action likely to have an impact on cash flows such as buy back of securities, acquisitions or joint arrangements requiring significant allocation of capital etc.
- the Company has significantly higher working capital requirement affecting free cash flow.
- the Company is prohibited to recommend/declare dividend by any regulatory body.

### **Provisions in regard to various classes of shares.**

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has only one class of shares, namely, Equity.

## **Review & modification**

The Board is authorised to change or modify this Policy from time to time at its sole discretion and/or in pursuance of any amendments made by any relevant law for the time being in force.

## **Amendment**

In the event of any conflict between the provisions in this Policy and of the Act/ Regulations or any other statutory enactments, rules, the provisions such Act or the Regulations or statutory enactments or rules would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

## **Disclaimer**

This Policy represents a general guidance regarding dividend and shall not be construed as a solicitation for investments in the Company's securities. It shall not act as an assurance or a commitment of guaranteed returns (in any form), on investments in the Company's securities.

The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.

## ANNEXURES TO THE DIRECTORS' REPORT

### Annexure 10 – INFORMATION AS REQUIRED UNDER THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

#### 1 Remuneration paid to the Directors:-

- As on March 31, 2025, the Board of Directors of the Company consists of 1 Promoter (Executive) Director, 4 Promoter (Non-executive) Directors and 5 Independent (Non-executive) Directors.
- Details of remuneration paid to Managing Director of the Company:

	(₹ In Crores)							
	Sitting Fees	Salary	Commission	House Rent	Gas/ Electricity/ Water	Medical	Other Benefits	Total
<b>Mr. Ashwath Ram</b>								
2024-25 (till Aug 2024)	-	7.18 <sup>^</sup>	-	-	-	-	-	7.18 <sup>^</sup>
% increase in remuneration during the FY	As per below note#							
<b>Ms. Shveta Arya</b>								
2024-25 (September 2024 – March 2025)	-	3.83 <sup>^</sup>	-	-	-	-	-	3.83 <sup>^</sup>
% increase in remuneration during the FY	As per below note##							

<sup>^</sup> This value includes stock options of Holding Company. Further, liability for post-employment benefits, other long-term benefits, termination benefits and certain short-term benefits such as compensated absences are provided on an actuarial basis for the Company as a whole. Accordingly, the amount for the above pertaining to Mr. Ashwath Ram and Ms. Shveta Arya is not ascertainable and, therefore, not included above.

#For Ashwath Ram - The overall percentage increase of 18% includes merit increase of 12.15% p.a. computed basis actual increment on the Total Cash Compensation with Long Term Incentives (TCC with LTI). In addition to the remuneration mentioned above, Mr. Ashwath Ram would have received additional compensation from Cummins Inc. USA, towards his role as Vice President - Global Supply Chain Function.

##Ms. Shveta Arya was appointed as Managing Director of the Company with effect from September 01, 2024, and was promoted again as Cummins Inc. Officer with effect from March 01, 2025. The overall compensation increase was 104% including promotion increases as on September 2024, March 2025, and Short-term (AVP) & Long Term Incentive (LTI) eligibility enhancements. The overall increase has been computed basis TCC with LTI as on April 01, 2024, till March 31, 2025.

- c. Details of Sitting Fees and Commission to Non-executive Independent Directors for the period April 01, 2024, to March 31, 2025:

(Amount in ₹)

Name of the Director	FY 2023-24			FY 2024-25			% increase in remuneration over 2024-25
	Sitting fees	Annual Commission	Total	Sitting fees	Annual Commission	Total	
Mr. Nasser Munjee <sup>1</sup>	8,25,000	15,00,000	23,25,000	3,00,000	5,00,000	8,00,000	-
Mr. Rajeev Bakshi <sup>1</sup>	9,00,000	15,00,000	24,00,000	3,00,000	5,00,000	8,00,000	-
Ms. Rama Bijapurkar	9,00,000	15,00,000	24,00,000	14,00,000	15,00,000	29,00,000	-
Ms. Rekha	3,50,000	15,00,000	18,50,000	7,00,000	15,00,000	22,00,000	-
Ms. Lira Goswami	8,25,000	12,82,258	21,07,258	15,50,000	15,00,000	30,50,000	-
Mr. Farokh N. Subedar <sup>2</sup>	NA	NA	NA	11,50,000	12,62,097	24,12,097	-
Mr. Sekhar Natarajan <sup>2</sup>	NA	NA	NA	13,50,000	12,62,097	26,12,097	-

1. Mr. Nasser Munjee and Mr. Rajeev Bakshi retired as a Non-executive Independent Director effective from July 31, 2024, upon completion of their second term.
2. Mr. Farokh N. Subedar and Mr. Sekhar Natarajan were appointed by the Board as Additional Directors (Non-executive and Independent) of the Company effective May 29, 2024, and regularized as Directors (Non-executive and Independent) of the Company at the 63<sup>rd</sup> Annual General Meeting of the Company held on August 07, 2024, for their first term of five (5) consecutive years effective from May 29, 2024, to May 28, 2029.

- d. Other details:

- The median remuneration of employees of the Company during the FY 2024-25 was ₹ 11,38,228/-.
- The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2024-25:

Name of Directors	Designation	Ratio of remuneration to MRE*
Ms. Jennifer Mary Bush	Chairperson of the Board	-
Mr. Ashwath Ram <sup>1</sup>	Managing Director	63.08
Ms. Shveta Arya <sup>1</sup>	Managing Director	33.66
Mr. Nasser Munjee <sup>2</sup>	Independent Director	0.70
Mr. Rajeev Bakshi <sup>2</sup>	Independent Director	0.70
Ms. Rama Bijapurkar	Independent Director	2.55
Ms. Rekha	Independent Director	1.93
Ms. Lira Goswami	Independent Director	2.68
Mr. Farokh N. Subedar <sup>3</sup>	Independent Director	2.12
Mr. Sekhar Natarajan <sup>3</sup>	Independent Director	2.29
Mr. Donald Jackson	Non-executive Director	-
Ms. Bonnie Jean Fetch	Non-executive Director	-
Mr. Cornelius O'Sullivan <sup>4</sup>	Non-executive Director	-

\*MRE – Median Remuneration of employees ₹11,38,228/- with ratio rounded-off to two decimals.

1. Mr. Ashwath Ram ceased to be the Managing Director of the Company effective from close of business hours of August 31, 2024. Ms. Shveta Arya was appointed as an Additional Director and Managing Director (Designate) effective August 08, 2024, and was appointed as Managing Director effective September 01, 2024, for a term of three years.
  2. Mr. Nasser Munjee and Mr. Rajeev Bakshi retired as a Non-executive Independent Director of the Company, effective from July 31, 2024, upon completion of their second term.
  3. Mr. Farokh N. Subedar and Mr. Sekhar Natarajan were appointed as Additional Director (Non-executive and Independent) of the Company effective May 29, 2024, and regularized as Director (Non-executive and Independent) of the Company at the 63<sup>rd</sup> Annual General Meeting of the Company held on August 07, 2024, for their first term of five (5) consecutive years effective from May 29, 2024 to May 28, 2029.
  4. Mr. Cornelius O'Sullivan was appointed by the Board as an Additional Director (Non-executive and Non-independent) effective November 08, 2024, and regularized as a Director (Non-executive and Non-independent), liable to retire by rotation, by way of Postal Ballot on January 07, 2025.
- Percentage increase in remuneration of Key Managerial Personnel (Chief Financial Officer and Company Secretary) in the Financial Year 2024-25:

(₹ in Crores)

Name & Designation of other KMP	Remuneration 2024-25 <sup>^</sup>	% increase in remuneration over 2023-24 <sup>#</sup>
Mr. Ajay S. Patil, Chief Financial Officer (upto January 09, 2025)	4.41	18.00%
Mr. Prasad S Kulkarni, Interim Chief Financial Officer (from January 10, 2025)	0.28	NA
Ms. Vinaya Joshi, Company Secretary	0.50	21.15%

#The percentage increase in remuneration is computed based on actual annual increment on the guaranteed cash component effective April 01, 2024.

<sup>^</sup>This value includes stock options of Holding Company. Further, liability for post employment benefits, other long-term benefits, termination benefits and certain short-term benefits such as compensated absences is provided on an actuarial basis for the Company as a whole. Accordingly, the amount for above pertaining to Mr. Ajay S. Patil, Mr. Prasad S Kulkarni, and Ms. Vinaya Joshi is not ascertainable and, therefore, not included above.

- In the Financial Year, there was an increase of 13.50% in the median remuneration of employees as part of the annual compensation cycle (excluding promotion increase, off cycle compensation corrections and other increases) and the Key Managerial Personnel excluding Managing Director. This was effective April 01, 2024.
- Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof including any exceptional circumstances for increase in the managerial remuneration.
  - The average percentage increase for Key Managerial Personnel: 19%
  - The average percentage increase of employees other than the managerial personnel: 13.40%
  - The average percentage increase in salaries is primarily on account of market movement-based increase in salaries.
- There were 3,026 permanent employees on the rolls of the Company as on March 31, 2025.
- The Profit before Exceptional Items and Tax for the Financial Year ended March 31, 2025, increased by 16% whereas the % increase in median remuneration of the employees as well as the Key Managerial Personnel (excluding Managing Director) was 13.50%.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

# ANNEXURES TO THE DIRECTORS' REPORT

## Annexure 11 – ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time]

### 1. Brief outline on Corporate Social Responsibility (CSR) Policy of your Company:

Corporate citizenship is a natural extension of the Company's values. The Company also recognises and appreciates the long-term benefits of such an association over tangible results in the short term for the communities in which it operates. Towards achieving long-term stakeholder value creation, Company shall continue to prioritise the communities, especially those from socially and economically backward groups, the underprivileged, marginalized and most vulnerable groups.

The CSR initiatives of the Company are predominantly implemented through the Cummins India Foundation ('the Foundation' or 'CIF'), a Public Charitable Trust registered under *inter-alia* the Maharashtra Public Trusts Act, 1950 and the Income-Tax Act, 1961. CIF is also registered with Ministry of Corporate Affairs (MCA), Government of India as an implementing agency for undertaking CSR activities.

CSR initiatives of the Company are aligned with Cummins' mission to serve and improve the communities in which we live and operate, reflecting our commitment to creating sustainable, inclusive impact. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013 ('the Act').

The three focus areas include **Education, Environment** and **Equity**, across all the Company's locations. In addition, the Company is also actively involved in key strategic projects - Cummins Powers Women, Cleaner Air Better Life, Monsoon Resilient Maharashtra, and Phaltan Model Town under the CSR umbrella.

In addition to the CSR obligation prescribed under the Act, the Company is committed to the active involvement and participation of its employees in corporate social responsibility initiatives through the 'Every Employee Every Community' (EEEC) program, which encourages each employee to dedicate a minimum of four working hours in a calendar year, towards any of the projects undertaken across the three broad focus areas.

### CSR Policy and Projects:

The Committee has formulated a CSR Policy *inter-alia* indicating the CSR activities to be undertaken by the Company as per the Act. The said policy was revised and adopted in the Board meeting held on February 05, 2025. The Committee reviews and recommends the amount of expenditure and CSR activities to be undertaken by the Company. The Committee also monitors the implementation of the CSR Policy of the Company from time to time. Details of the Policy of the Company are available at: <https://www.cummins.com/en/in/investors/india-corporate-governance>.

Details of various CSR initiatives undertaken by the Company are provided in this report and in the Business Responsibility and Sustainability Report of the Company for FY 2024-25 and are also available at: <https://www.cummins.com/en/in/company/corporate-responsibility/global-impact/cummins-india-foundation>.

## 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Rama Bijapurkar	Chairperson of the Committee (Independent Director)	4	4
2	Mr. Nasser Munjee <sup>1</sup>	Member (Independent Director)	1	1
3	Mr. Farokh N. Subedar <sup>1</sup>	Member (Independent Director)	3	2
4	Ms. Bonnie Jean Fetch	Member (Non-independent Director)	4	3
5	Ms. Rekha <sup>1</sup>	Member (Independent Director)	3	2
6	Mr. Ashwath Ram <sup>2</sup>	Member (Managing Director)	2	2
7	Ms. Shveta Arya <sup>2</sup>	Member (Managing Director)	1	1

1. Mr. Nasser Munjee ceased to be a Member of the CSR Committee effective May 30, 2024. Mr. Farokh N. Subedar and Ms. Rekha were appointed as Members of the said Committee effective from May 30, 2024.
2. Mr. Ashwath Ram ceased to be a Member of the CSR Committee effective August 31, 2024, consequent to his resignation as the Managing Director of the Company with effect from close of business hours of August 31, 2024. Ms. Shveta Arya was appointed as an Additional Director and Managing Director (Designate) effective August 08, 2024, and was appointed as Managing Director effective September 01, 2024. She was appointed as the Member of the CSR Committee effective November 08, 2024.

Further details and terms of reference of the CSR Committee are given in the Corporate Governance Report, which forms a part of the Annual Report.

## 3. Weblink where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

<https://www.cummins.com/en/in/investors/india-corporate-governance>

## 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable:

No Impact Assessment was due for the projects undertaken during FY 2024-25.

## 5. Average net profit of the Company as per Section 135(5):

Sr. No.	Particulars	Amount in (₹)
(a)	Average net profit of the Company as per sub-section (5) of Section 135	13,97,50,38,162
(b)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	27,95,00,763
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year	Nil
(d)	Amount required to be set off for the financial year, if any	Nil
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	27,95,00,763

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

₹ 25,99,86,432/-

(b) Amount spent in Administrative Overheads: ₹ 33,60,940/-

(c) Amount spent on Impact Assessment, if applicable: NA

(d) Total amount spent for the Financial Year [(a) + (b) + (c)]: ₹ 26,33,47,372/-

(e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (in ₹)	Amount unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
26,33,47,372*	1,61,53,393	April 17, 2025	NA	NA	NA

**\*Note:** Pursuant to Section 135 of the Act, and Rules made thereunder, the Company had contributed CSR obligation of ₹ 27,95,00,763/- for Financial Year 2024-25 to CIF, an implementing agency of the Company. After spending of ₹ 26,33,47,372/- on ongoing projects including administrative expenditure of ₹ 33,60,940/- incurred by the Company through CIF, there was an unspent amount of ₹ 1,61,53,393/- as on March 31, 2025. The said unspent amount was transferred to a separate bank account in the name of 'CUMMINS INDIA LTD - Unspent CSR FY 2024-25' on April 17, 2025, as per Section 135(6) of the Act, read with the MCA General Circular 14/2021 dated August 25, 2021.

(f) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	27,95,00,763
(ii)	Total amount spent for the Financial Year	26,33,47,372
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Not Applicable
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent CSR amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8	
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)*	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1: 2023-24	3,67,23,287	0	3,67,23,287	Not Applicable		Not Applicable	0
2	FY-2: 2022-23	1,54,72,700	0	0	Not Applicable		Not Applicable	0
3	FY-3: 2021-22	3,92,39,847	0	0	Not Applicable		Not Applicable	0

**\*Note:** CIF had unspent amount of ₹ 3,67,23,287/- as on March 31, 2024. This amount was transferred back by CIF to the Company and deposited in the separate bank account opened by the Company under name CUMMINS INDIA LTD UCSR FY 2023-2024 ('CSR Unspent Account 23-24') as on April 23, 2024. During the year depending on the project requirements, the Company had disbursed amount from CSR Unspent Account 23-24 to CIF. Further, CIF had spent this unspent amount of ₹ 3,67,23,287/- in Financial Year 2024-25 towards ongoing projects.

Further, unspent amounts for FY-2 and FY-3 have already been spent on the ongoing projects during the immediately succeeding financial year, respectively.

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable**

**9 Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):**

During the year under review, the Company was required to spend ₹ 27,95,00,763/- in accordance with Section 135(1) of the Act. Out of the same, the Company had spent ₹ 26,33,47,372/- on the ongoing CSR projects during the Financial Year through its implementing agency, Cummins India Foundation ('CIF'). The unspent amount of ₹ 1,61,53,393/- was transferred to the unspent account as is mandated under the Act and is allocated to the ongoing CSR projects. These projects will continue to be implemented in Financial Year 2025-26 and onwards as per statutory provisions applicable in this behalf. Due to practical and on-ground challenges in scaling up the projects, the aforementioned amount of ₹ 1,61,53,393/- was unspent and has been transferred to the unspent account opened by the Company. The Company reiterates its commitment to discharge its CSR obligation and shall continue to implement meaningful CSR projects in the CSR areas in accordance with its CSR Policy.

Further, during the year, CIF had also spent the entire amount ₹ 3,67,23,287/- from the unspent CSR account for the FY 2023-24. The said unspent account was closed in FY 2024-25.

**10. Detailed CSR Initiatives:**

Addressing the social, civic and environmental issues, the Company made significant contributions in Financial Year 2024-25 with projects on Education, Rural Development, Watershed Management, Afforestation, Solid Waste Management, Scholarship Program, Cummins Powers Women and Monsoon Resilient Maharashtra. Following are the details of some of these key projects:

**Education**

**Nurturing Brilliance Scholarship Program** - Launched in 2006, this program aims to support meritorious students from financially and socially disadvantaged backgrounds in pursuing professional engineering degrees and diplomas. The program offers both financial assistance and non-financial support, including mentorship by senior Cummins employees who guide students throughout the duration of their academic journey. To further support their development, students also receive access to a digital softskills training module.

In FY 2024-25, the program supported 380 students, including both continuing and newly inducted scholars. This year, the program was expanded to cover additional aspirational districts across India—Vidisha and Guna in Madhya Pradesh, Ranchi in Jharkhand, and Dharashiv in Maharashtra—extending our reach and impact to underserved communities.

**Technical Education for Communities (TEC)**

The TEC program is a global initiative that seeks to transform lives through technical vocational education by training youth in employable skills to gain good jobs. The program focuses on reducing the gap between the skills employers need and those that job seekers possess, recognizing that good jobs are pathways into the economy, affecting entire families. It provides a standardized education framework to help institutions develop market-relevant curricula, enhance teacher training, offer career guidance, and enable work-based learning opportunities. In FY 2024-25, the Company supported 385 students across TEC sites in India—Phaltan, Kolhapur and Dharashiv.

**Cummins College of Engineering for Women (CCEW)** – Cummins India Foundation, in partnership with Maharshi Karve Stree Shikshan Samstha, established the Cummins College of Engineering for Women in Pune in 1991, with a second campus launched in Nagpur in 2010. This long-standing initiative aims to empower women in engineering and technology by delivering quality education and fostering leadership. Cummins supports CCEW through focused investments in focus areas including infrastructure, student advancement, and faculty development. Senior leaders from Cummins actively engage with the institution through mentoring and knowledge-sharing. In FY24–25, more than 2,250 young women benefited from this initiative. With continued support, CCEW Pune and Nagpur have achieved NAAC ‘A’ and ‘A+’ accreditation, respectively – underscoring the program’s impact on academic excellence and equity in education.

## Environment

### Organic Waste Management

Cummins India continues to scale its organic waste initiatives by building on successful festival waste management programs such as *Nirmalya* and *Patravali*. These multi-stakeholder projects, implemented during major festivals in Maharashtra, involve extensive planning and collaboration. Cummins supported the Pune Municipal Corporation in establishing decentralized waste collection systems and centralized composting units. In FY 2024–25, more than 1,79,000 citizens were sensitized, and 157 tons of *Nirmalya* waste were converted into compost. This compost now supports Pune’s gardens and benefits local farmers, creating a sustainable value chain. Awareness efforts at 30 immersion ghats reached over 44,000 idol immersions, promoting responsible waste disposal.

### Zero Waste slum project

Through the Zero Waste Slum Project, Cummins India aims to enhance waste segregation at the source, encourage scientific disposal, and foster behavior change within underserved communities. The initiative has achieved 87% door-to-door waste collection coverage and eliminated five major chronic waste dumping sites. By working with NGO partners and emphasizing community ownership, the project positively impacted over 2,800 residents from low-income community.

### Inorganic Waste Management

Plastic and electronic waste present long-term environmental challenges. To address this, Cummins and its partners conduct structured awareness programs in schools, colleges, and residential areas. Zero-contact collection drives operate from 25 permanent weekend centers and large-scale citywide events. In FY 2024–25, these efforts reached over 4,00,000 citizens. Cumulatively, 165 metric tons of plastic waste and 44 metric tons of e-waste were collected and responsibly recycled. Over 50,000 students from 100+ schools participated in targeted educational campaigns, building a foundation for future waste-conscious communities.

### Creating next-gen environment ambassadors: Coach Them Young

Environmental awareness among children is vital for fostering a connection to the natural world, promoting sustainable development, and encouraging conservation of natural resources. Since 2012, the “Coach Them Young” program has aimed to nurture environmental stewardship among schoolchildren. The initiative promotes awareness on topics like waste segregation, air and noise pollution, recycling, and climate change through age-appropriate content available in eight Indian languages. In FY 2024–25, the program engaged over 3,49,000 students through Cummins’ extensive network of dealers, suppliers, and customers. The scalable model continues to evolve with community feedback and digital enhancements, creating young ambassadors for sustainable change.

### Afforestation

To counteract the impact of rapid urbanization on green spaces, Cummins supports large-scale afforestation efforts around its facilities in India. In FY 2024–25, more than 34,000 trees were planted and nurtured in partnership with NGOs, local communities, the forest department, and defense organizations. A consistent tree survival rate of 90% reflects strong ecosystem stewardship. These efforts contribute to climate resilience, biodiversity conservation, and groundwater recharge.

## Water Neutrality

India faces acute water stress, with climate change and urban growth exacerbating scarcity. Cummins' water initiatives adopt a scientific and integrated approach, combining conservation, recharge, and pollution mitigation. In FY 2024–25, the Company desilted a 1.2 km stretch near Khadakwasla Dam and created two new ponds in Pune, contributing to the conservation of over 800 million gallons of water.

## Clean Technology

As global temperatures rise and weather patterns shift, the need for climate friendly products and services becomes increasingly urgent. These solutions aim to optimize natural resource use and minimize environmental impact. Cummins is dedicated to fostering healthier, cleaner, resilient, and sustainable communities by supporting tech-based innovations that protect and enhance the environment.

In collaboration with clean tech ecosystem enablers in India, Cummins provides initial funding to early-stage start-ups in the energy and environment sectors. The program was initiated in FY 2020–21, and in FY 2024–25, eight clean tech ventures focusing on areas such as circular economy, battery recycling, hydrogen fuel solutions, carbon capture and storage, etc. have been supported through grants.

## Equity

### Local Community Care:

#### Enabling Inclusion for the Visually Impaired

As part of its commitment to inclusive community development, Cummins partnered with a non-profit organization dedicated to supporting individuals with visual impairments. In FY 2024–25, the collaboration focused on enhancing the infrastructure and safety of the NGO's premises through facility upgrades, safety audits, improved electrical systems, and the development of a sensory garden. In addition, kitchen gardens were established to promote sustainability and cost-efficiency.

Cummins also introduced technology-driven solutions to improve accessibility for over 300 beneficiaries. Two flagship initiatives were launched:

- **AI-powered smart glasses**, which use artificial intelligence to interpret visual inputs and provide real-time audio descriptions, enhancing mobility and independence.
- **A digital audio library**, giving users access to curricular and extra-curricular books via user-friendly software designed for intuitive navigation.

### Rural Development:

Cummins' holistic rural development efforts reached 24 villages across India in FY 2024–25, including expansion to the aspirational district of Nandurbar. More than 50,000 individuals have benefitted from programs designed to improve infrastructure, water access, education, and women's empowerment.

- **Water Conservation and Access:**

Over 500 million gallons of water were conserved through the construction of check dams, desilting of water streams, pond rejuvenation, and installation of percolation tanks.

- **Education Infrastructure:**

Cummins supported upgrades in 17 government schools across its model villages, positively impacting over 3,700 students annually. Infrastructure improvements included classrooms, sanitation, and learning resources.

## Women's Empowerment: EmpowHer

The **EmpowHer** program was launched to enhance financial inclusion and entrepreneurial capability among rural women. The "Udgam" initiative, part of this framework, promotes menstrual hygiene awareness and entrepreneurship through the installation of eco-friendly sanitary napkin production units. This successful model has been replicated at other Cummins plant locations.

Building on this success, the program was expanded to include alternate livelihoods such as tailoring, food processing (papad and roti making), poultry farming, chick incubation, and kitchen gardening. To date, 70 new women-led SHGs have been formed and trained in entrepreneurship, impacting more than 700 women across rural communities, including those in Nandurbar.

## Strategic Projects

**Monsoon Resilient Maharashtra (MRM):** This project was conceptualized with a vision to address water scarcity in Maharashtra by making communities less dependent on the monsoon and more resilient to its vagaries.

MRM is a unique model of watershed development that integrates hydrogeological studies with GIS mapping to identify high-impact areas for treatment. To ensure the project's sustainability, MRM emphasizes community participation and capacity building. Collaborations with stakeholders are a key component in scaling the project. In 2023–24, MRM was expanded to Dharashiv, an aspirational district in Maharashtra known for its extreme drought conditions. On the demand side, over 500 farmers were supported to help improve their income. Productivity was enhanced on more than 100 acres of previously unproductive land. Additionally, over 200 women farmers received support to boost their income through improved allied activities. Around 400 extremely poor households were supported through goat rearing and poultry units.

**Cleaner Air Better Life (CABL)** is a collaborative platform where industry, entrepreneurs, governments, and civil society come together to address the sources of air pollution. Multi-stakeholder engagements were conducted throughout 2017–18 under the four task forces constituted by Cummins and NITI Aayog in June 2017, as part of the Cleaner Air Better Life initiative. Action plans have since been designed to address identified sources of air pollution, with the mission to improve air quality and thereby contribute to a better quality of life across both urban and rural India.

In 2024–25, Cleaner Air Better Life continued its expansion through urban initiatives and crop residue management, extending its reach to a total of 793 villages across Punjab and Haryana. Over the years, CABL's impact is evident from a positive shift in crop residue burning—from 97% in 2017 to 50% in 2023—according to CABL's CAHS 2024 Report. This progress reflects the concerted efforts of all stakeholders.

In Pune, we have successfully formed multiple coalitions and initiated data collection and community mobilization efforts. We are now working to scale up and develop structured processes to improve air quality in the Pune city region.

**Cummins Powers Women:** Cummins is advancing gender equity through various initiatives focused on education, economic empowerment, legal rights, and personal safety. The "L.E.A.P – Life and Employability Skills for Adolescents Program" empowers students from underserved schools in Pune, Bangalore, and Delhi with essential 21<sup>st</sup> century skills, including leadership, career guidance, and financial literacy. In FY 2024–25, the program reached over 2,800 students across 19 schools. The Gender Equity Initiative mobilizes leaders and employees globally to address gender inequality, providing training, funding, and resources to grassroots leaders in India. These leaders advocate for policy changes and have impacted over 64,348 individuals by addressing issues such as child nutrition, gender-based violence, and menstrual health.

Project Sakhi helps vulnerable families access government benefits, with a focus on women who face barriers due to lack of awareness or bureaucratic complexity. The program has onboarded over 4,000 individuals, unlocking benefits worth ₹ 11 crore. The Girls Voices Initiative strengthens girls' clubs and builds leadership capacities among adolescent girls in Maharashtra, enabling them to advocate for their rights and address local issues. Over 390 girl leaders have been trained, leading efforts in areas like menstrual health, child marriage, and girls' education, and representing their communities in international forums.

**Phaltan Model Town:** The Phaltan Town Development Project is guided by the vision of making Phaltan one of the most livable and progressive towns in its category across India. Rooted in the pillars of Clean, Green, and Smart, the initiative focuses on enhancing infrastructure, sustainability, and quality of life—ensuring benefits reach all sections of the community.

**Clean Town** - Efforts to improve sanitation and education infrastructure have positively impacted thousands. Upgrades in five municipal schools have led to increased enrollment and better performance in scholarship exams. Safe and accessible sanitation facilities at public playgrounds, developed through a Public-Private Partnership (PPP) model, now support college students. City bus station enhancements have improved safety and hygiene for daily commuters, including women conductors. Notably, the Phaltan Bus Stand was ranked first in the Pune region.

**Green Town** - Environmental and recreational spaces have been thoughtfully developed to promote health, wellbeing, and climate resilience. A centrally located 10+ acre eco-friendly garden offers open gym facilities and inclusive amenities for youth and elderly alike. A former waste site has been transformed into a community park, benefiting more than 150 residents. Tree plantation drives—comprising 600+ trees and 6,000+ shrubs, including bamboo—are helping create a cooler, greener town.

**Knowledge Park Inclusive Learning through Nature** - With over 36,000 annual visitors, half of them children under 10, the Knowledge Park is a welcoming space where learning and leisure come together. Designed around themes like energy, environment, biodiversity, health, and career guidance, the park includes a butterfly garden, lotus ponds, amphitheatre, feature walls, and interactive digital screens. These accessible features foster intergenerational learning and are inclusive of people of all ages and abilities. Clear signage and maps help visitors easily explore the space, making it a favoured destination for families, school groups, and environmental enthusiasts.

**Smart Town** - Technology-led advancements are enhancing safety, education, and sustainability. CCTV systems and smart classrooms in five municipal schools have improved the learning environment. The number of municipal buildings using solar energy has increased from one to two, thanks to collaborative efforts with government agencies. Public engagement has been further supported through the installation of 21 signboards and an informative town map across key areas.

**Recognition and Outcomes** - These inclusive and community-driven efforts have significantly raised the profile of Phaltan Nagar Parishad, which improved its standing in the Mazi Vasundhara Abhiyan 4.0—rising from 24<sup>th</sup> to 10<sup>th</sup> at the state level and securing 3<sup>rd</sup> place regionally.

All the above initiatives have benefited close to 30,000 people of Phaltan.

### **Responsibility Statement of the CSR Committee:**

In pursuance of the provisions of Section 135 of the Act, read with Rule 8 of the Companies (CSR Policy) Rules, 2014 and amendments thereto, it is stated on behalf of the CSR Committee of the Board of Directors of the Company that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company for the Financial Year 2024-25.

For and on behalf of the Board of Directors

Jennifer Mary Bush  
Chairperson

Shveta Arya  
Managing Director

Rama Bijapurkar  
Chairperson of the CSR  
Committee

Date : May 28, 2025

DIN: 09777114

DIN: 08540723

DIN: 00001835

Place: Washington  
D.C., USA

Place: Pune

Place: Mumbai

## Annexures to the Directors' Report

### Annexure 12 – BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR) FY 2024-25

#### SECTION A: GENERAL DISCLOSURES

##### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L29112PN1962PLC012276
2. Name of the Listed Entity: Cummins India Limited
3. Year of incorporation: 1962
4. Registered office address: Cummins India Office Campus, Tower A, 5<sup>th</sup> Floor, Survey No. 21, Balewadi Pune, 411045, Maharashtra, India
5. Corporate address: Cummins India Office Campus, Tower A, 5<sup>th</sup> Floor, Survey No. 21, Balewadi Pune, 411045, Maharashtra, India
6. E-mail: [cil.investors@cummins.com](mailto:cil.investors@cummins.com)
7. Telephone: +91 20 67067000
8. Website: [www.cumminsindia.com](http://www.cumminsindia.com)
9. Financial year for which reporting is being done: April 1, 2024 - March 31, 2025
10. Name of the Stock Exchange(s) where shares are listed: BSE Limited and National Stock Exchange of India Limited.
11. Paid-up Capital: ₹ 55.44 Crore
12. Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report:  

Name: Ms. Vinaya Joshi  
Designation: Company Secretary  
Telephone: 020 6706 7000  
E-mail id: [cil.investors@cummins.com](mailto:cil.investors@cummins.com)
13. Reporting boundary: Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together): Standalone basis
14. Name of assurance provider: Price Waterhouse & Co Chartered Accountants LLP.
15. Type of assurance obtained: Reasonable Assurance on BRSR Core

## II. Products/Services

16. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Electrical equipment, General purpose and Special purpose machinery and equipment, Transport equipment	95%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Internal combustion engine (not vehicle engine), manufacturing	29112	57%
2	Manufacturing of parts and accessories (engines/turbines)	29113	23%
3	Generators/generating sets, manufacturing	31101	15%

## III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5*	23	28
International	-	-	-

\*includes 1 warehouse

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	36*
International (No. of Countries)	58

\*Includes States as well as Union Territories

b. What is the contribution of exports as a percentage of the total turnover of the entity? 17.41%

c. A brief on types of customers

Cummins India Limited ("Cummins" or "CIL" or "the Company" in this report) serves customers across all segments and to all types/categories viz., end users, Original Equipment Manufacturers (OEMs), channel partners, dealers, distributors, retailers, etc. The Company works closely with a variety of industries including utility, transportation and infrastructure serving a range of end customers, including data centers, automotive, power transmission and distribution.

#### IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1,254	911	72.7%	343	27.4%
2.	Other than Permanent (E)	45	37	82.2%	8	17.8%
3.	Total employees (D + E)	1,299	948	73.0%	351	27.0%
<b>WORKERS</b>						
4.	Permanent (F)	1,771	1,460	82.4%	311	17.6%
5.	Other than Permanent (G)	2,159	1,959	90.7%	200	9.3%
6.	Total workers (F + G)	3,930	3,419	87.0%	511	13%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	-	-	0%	-	0%
2.	Other than Permanent (E)	-	-	0%	-	0%
3.	Total differently abled employees (D + E)	-	-	0%	-	0%
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	-	-	0%	-	0%
5.	Other than permanent (G)	3	2	67%	1	33%
6.	Total differently abled workers (F + G)	3	2	67%	1	33%

As differently abled is personal information, this data is voluntary for employees to report to the Company. Accordingly, the above information is based on the voluntary disclosures shared by employees/workers and available with the Company.

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10*	6*	60%*
Key Management Personnel	3	2	67%

\*As on March 31, 2025

22. Turnover rate for permanent employees and workers:  
(Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8%	11%	8%	7%	10%	8%	7%	14%	9%
Permanent Workers	6%	8%	6%	5%	9%	6%	6%	9%	7%

## V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Cummins Inc.	Holding Company	NA	
2.	Cummins Sales & Service Private Limited *	Wholly Owned Subsidiary	100%	
3.	Valvoline Cummins Private Limited	Joint Venture	50%	No
4.	Cummins Generator Technologies India Private Limited	Associate Company with control of more than 20% of total share capital	48.74%	

\*The Board of Directors of the Company at its meeting held on February 7, 2025, had approved the sale of 100% stake in its wholly owned subsidiary, namely, Cummins Sales & Service Private Limited ("CSSPL"). Upon transfer of 100% shares to the buyer, CSSPL ceased to be a wholly owned subsidiary of the Company effective April 1, 2025.

## VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes
- (ii) Turnover (in ₹): 10,166.21 Cr.
- (iii) Net worth (in ₹): 7,018.03 Cr.

## VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received  (If Yes, then provide web-link for grievance redressal policy)	Grievance Redressal Mechanism in Place (Yes/No)	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)				Not Applicable			
Shareholders	Yes	-	-	-	-	-	-
Employees and workers	Yes	-	-	-	-	-	-
Customers	Yes	1,325	94	-	1,560	288	-
Value chain partners	Yes	-	-	-	-	-	-
Other - (please specify)	Yes	-	-	-	-	-	-

26. Overview of the entity's material responsible business conduct issues – any changes:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate action – product GHG emissions	R	The Company is in the business of manufacturing and selling mainly fossil fuel-based products. Climate change and associated emission requirements are a strategic risk, which, if not managed appropriately, can affect the Company's operations and profitability.	The Company is committed to reducing its GHG emissions through innovative products that will reduce the emission and its carbon footprint. In addition, the Company is also working on reducing emissions in its facilities.	Negative
2	Cybersecurity – data and products	R	There is an overall increase in cyber-attacks and various forms of electronic fraud as the world becomes increasingly digitally connected.	The Company is committed to protecting all its data and information which is required to continue its business, protect all computer systems and have continued operations. The Company takes a holistic approach that includes an extensive assessment of its products and computer systems, creating awareness amongst its employees and other stakeholders.	Negative
3	Product innovation and emission compliance	O	Access to innovative technologies and products that have a lower carbon footprint and comply with all applicable emission norms.	NA	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Human capital management	O	The Company has a highly skilled, talented workforce with subject-matter expertise coupled with world-class infrastructure for engineering, testing and manufacturing, which will enable the Company to innovate for the success of its customers.	NA	Positive
5	Sustainable water supplies	O	The Company continues to remain focused on natural resources like water and is net water neutral for its manufacturing units.	NA	Positive

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place toward adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y*	Y	Y	Y*	Y	Y	Y	Y*
b. Has the policy been approved by the Board? (Yes/No)	Y	N	Y	Y	Y	Y	N	Y	Y
c. Web Link of the Policies, if available	<p><b>P1 – Vigil Mechanism Policy</b> <a href="https://www.cummins.com/sites/default/files/india/Legal/Whistle%20Blower%20Policy%20%26%20Vigil%20Mechanism.pdf">https://www.cummins.com/sites/default/files/india/Legal/Whistle%20Blower%20Policy%20%26%20Vigil%20Mechanism.pdf</a></p> <p><b>Ethics Mechanism</b> <a href="https://secure.ethicspoint.com/domain/media/en/gui/13176/index.html">https://secure.ethicspoint.com/domain/media/en/gui/13176/index.html</a></p> <p><b>Anti-bribery Policy</b> <a href="https://www.cummins.com/en/in/investors/india-corporate-governance">https://www.cummins.com/en/in/investors/india-corporate-governance</a></p> <p><b>P1 and P2 - Code of Business Conduct</b> <a href="https://www.cummins.com/sites/default/files/2020-05/Code%20of%20Business%20Conduct.pdf">https://www.cummins.com/sites/default/files/2020-05/Code%20of%20Business%20Conduct.pdf</a></p> <p><b>P2 – Supplier Code of Conduct</b> <a href="https://supplier.cummins.com/sites/supplier-portal/files/SiteCollectionDocuments/Supplier%20Code%20of%20Conduct/Supplier_Code_of_Conduct.pdf">https://supplier.cummins.com/sites/supplier-portal/files/SiteCollectionDocuments/Supplier%20Code%20of%20Conduct/Supplier_Code_of_Conduct.pdf</a></p> <p><b>P3 and P5 – Human Rights Policy</b> <a href="https://www.cummins.com/en/in/investors/india-corporate-governance">https://www.cummins.com/en/in/investors/india-corporate-governance</a></p> <p><b>P4, P6 and P8 – Corporate Social Responsibility Policy</b> <a href="https://www.cummins.com/sites/default/files/india/Legal/4.%20CIL_Revised%20CSR%20Policy.pdf">https://www.cummins.com/sites/default/files/india/Legal/4.%20CIL_Revised%20CSR%20Policy.pdf</a></p> <p><b>P6 - HSE Policy</b> <a href="https://www.cummins.com/en/in/investors/india-corporate-governance">https://www.cummins.com/en/in/investors/india-corporate-governance</a></p> <p><b>P9 -Data Privacy Policy</b> <a href="https://www.cummins.com/en/in/investors/india-corporate-governance">https://www.cummins.com/en/in/investors/india-corporate-governance</a></p> <p><b>Corporate Product Safety Policy</b> <a href="https://www.cummins.com/en/in/investors/india-corporate-governance">https://www.cummins.com/en/in/investors/india-corporate-governance</a></p>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value-chain partners? (Yes/No)	Y	Y	Y	N	Y	N	N	N	Y

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4. Name of the national and international codes certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 14001:2015 for Environment Management System	ISO 45001:2018 for Occupational Health and Safety	ISO 50001:2018 for Energy Management System	ISO 9001:2015 for Quality Management System					
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.									
6. Performance of the entity against specific commitments, goals and targets along-with reasons in case the same are not met									

**P2 –**

Achieve zero waste growth and minimize single-use plastics in our facilities and operations by 2030 with 2018 as the baseline

**P3 –**

Achieve Gender Diversity of 50% in the permanent employee category by 2040

**P6 –**

1. Achieve zero waste growth and minimize single-use plastics in our facilities and operations by 2030 with 2018 as the baseline
2. Reduce absolute Greenhouse Gas (GHG) emissions from facilities and operations by 50% by 2030

**P8 –**

1. Achieve 50% representation from candidates in aspirational districts through the education assistance program by FY 2025-26
2. Double the coverage of the community outreach program in aspirational districts by FY 2025-26

The Company is at 27% diversity representation in the permanent employee category and is on track to meet it's 2040 target of 50% diversity in this category.

The Company is at 53% in it's educational assistance to students from aspirational districts as against the target of 50%.

The Company has achieved 64% of it's target of doubling it's outreach in the aspirational districts.

The Company has multiple initiatives in progress to reduce waste and GHG emissions from it's facilities and operations and is committed to achieve it's environmental goals.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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### Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):

“At Cummins India Limited (CIL), we are driven by serving our customers in the pursuit of more efficient and cleaner power. That is why, our business and sustainability strategies are intentionally and intricately aligned through Destination Zero – our commitment to sustainability and helping our customers navigate the energy transition.

Our focus is twofold: to drive business growth through cutting-edge innovations and to ensure that progress leaves a positive, lasting impact on the world. This balance defines our strategy, where economic success and environmental stewardship go hand in hand. In addition, we continue to **champion social progress** by fostering a diverse, equitable, and inclusive workplace, and uplifting the communities where we operate. With that, we also **uphold the highest standards of ethics** and integrity, ensuring every business decision is rooted in doing what is right for our stakeholders, our partners, and society at large.

For us, sustainability is an integral part of how we grow. Every innovation we develop, design and deliver is to enable our customers to thrive in a low-carbon economy and power their journeys while safeguarding the planet.

As we continue to advance our core businesses, this holistic view of progress remains central to who we are and how we lead.”

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). Ms. Shveta Arya, Managing Director (MD) and oversighted by the Audit and Compliance Committee

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. Yes, Audit and Compliance Committee

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
Performance against above policies and follow up action	Review undertaken by ‘Any other Committee’ (internal review groups formed by the management)	Need based review or review driven by statutory requirements or amendments depending on the nature of the policy
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Review undertaken by ‘Any other Committee’ (internal review groups formed by the management)	Need based review or quarterly review depending on the nature of the policy

- |   |        |        |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | P<br>1 | P<br>2 | P<br>3 | P<br>4 | P<br>5 | P<br>6 | P<br>7 | P<br>8 | P<br>9 |
|   | N      | N      | N      | N      | N      | Y      | N      | N      | N      |

Yes. The Company's facilities are evaluated by SGS India Private Limited and Bureau Veritas periodically for ISO certification.

\*The policies relate to safe and sustainable products, Human Rights and Customer Relations and are embedded in the Company's Vision, Mission, Values, Strategic Principles, the Cummins Operating System and the Company's Code of Conduct.

Policies specific to CIL, are brought to the CIL Board of Directors and approved, while some others are more procedural in nature and implemented directly.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy reasons to be stated:

Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									Not applicable
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may voluntarily be disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### **PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

Ethical behavior at the Company is driven by the Code of Business Conduct, which guides employees on a wide range of matters, from how to treat colleagues at work to preventing sexual harassment, avoiding conflicts of interest, upholding human rights, anti-bribery, and much more. New employees are introduced to the code during onboarding and are regularly assigned related training courses over the course of their time at the Company.

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	<ul style="list-style-type: none"> <li>• Policy and management processes (Detailed discussions also done at respective committee meetings on a periodic basis)</li> <li>• Update on BRSR Core including reasonable assurance</li> </ul>	100%
Key Managerial Personnel	4	<ul style="list-style-type: none"> <li>• Code of Business Conduct</li> <li>• Treatment of Each Other</li> <li>• Conflicts of Interest</li> <li>• Right Environment Every Time</li> </ul>	100%
Employees other than BODs and KMPs	4	<ul style="list-style-type: none"> <li>• Code of Business Conduct</li> <li>• Treatment of Each Other</li> <li>• Conflicts of Interest</li> <li>• Right Environment Every Time</li> </ul>	100%
Workers	4	<ul style="list-style-type: none"> <li>• Code of Business Conduct</li> <li>• Treatment of Each Other</li> <li>• Conflicts of Interest</li> <li>• Right Environment Every Time</li> </ul>	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format :

In accordance with Regulation 30 of the Listing Regulations read with SEBI Notification No. SEBI/LADNRO/ GN/2023/131 dated June 14, 2023, notifying the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023, SEBI revised the criteria for determining materiality of events. Pursuant to which the Company revised the policy for determining the materiality for disclosure of an event or information ('Policy') effective from August 03, 2023. The policy was last revised in the Board Meeting held on February 05, 2025.

Monetary					
NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR) (Expected financial implication, if any due to compensation, penalty, etc.)	Brief of the Case	Has an Appeal been preferred? (Yes/No)	
Penalty/ Fine					
Settlement		None			
Compounding fee					

Non-Monetary				
NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment				
Punishment		None		

Disclosure is made on the basis of the materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the Company's website.

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/enforcement agencies/ judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

Yes.

The Anti-Bribery and Prohibited Payments Policy adopted by the Company is applicable to all its employees and third-party agents acting on behalf of the Company. The policy focuses on prohibition of all bribery in the course of doing business, compliance with applicable laws etc. The policy is available under <https://www.cummins.com/en/in/investors/india-corporate-governance>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directors		
KMPs		
Employees		None
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of Complaints received in relation to issues of Conflict of Interest of the Directors	None	NA	None	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases and conflicts of interest:

Not applicable

8. Number of days of accounts payables (Accounts payable\*365) / Cost of goods/services procured) in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of accounts payables	75	73

Average Accounts Payable (including capital creditors) are considered for the purpose of this ratio. Cost of goods / services purchased includes all types of procurement including capex procurement as mentioned in the Industry Standards on reporting of BRSR Core released by SEBI.

9. Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances and investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	1%	NA
	b. Number of trading houses where purchases are made from	16	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	98%	NA
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	16%	16%
	b. Number of dealers/distributors to whom sales are made	165	146
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/distributors	72%	75%

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Share of RPTs In	a. Purchases (Purchases with related parties/Total Purchases)	51%	52%
	b. Sales (Sales to related parties/ Total Sales)	18%	19%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)*	0%	0%
	d. Investments (Investments in related parties/Total Investments made)*	3%	3%

\*Basis balances as at year ended March 31, 2025.

Transactions with trading houses have been provided for FY 2024-25 basis the clarification provided in the Industry Standards on reporting of BRSR Core released by SEBI.

### Leadership Indicators

- Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
2 (For Suppliers)	ESG and BRSR awareness	Suppliers covering 82% of total spend of FY 2024-25
1 (For Customers)	ESG and BRSR awareness	Customers covering 4% of total sales of FY 2024-25
5 (For GOEMs*)	ESG and BRSR awareness	Representatives of 100% GOEMs

\*Generator Original Equipment Manufacturer

- Does the entity have processes in place to avoid/manage conflict of interest involving members of the Board? (Yes/ No) If yes, provide details of the same:

Yes.

The Board of Directors of the Company have a separate 'Code of Conduct'. The code, in line with the applicable laws, requires the directors to provide annual declarations about their interest in compliance with applicable regulations in addition to voluntary declarations about interim changes in their interests, if any. These disclosures are noted by the Board in subsequent meeting(s).

## PRINCIPLE 2 Businesses should provide goods and services a manner that is sustainable and safe

The Company is committed to reducing its carbon footprint and implementing various initiatives to use less of the world's natural resources. The three focus areas are: reducing greenhouse gas (GHG) and air emissions; using natural resources in the most sustainable way possible; helping communities address their major environmental challenges.

### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0%	100%	For FY 2023-24, this includes revenue expenditure on developing and testing emission compliant products, on fuel efficiency improvement and alternate material usage and testing facilities etc.
Capex	19%	54%	Capex spend includes investments made in projects for energy efficient processes, enhancing product development facility for current and new technologies, etc.

The Company, through its R&D and capex investments, is focused on moving towards a cleaner, greener planet by reducing its carbon footprint, both through the products it makes and how it makes them.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes.

The Company has procedures in place for sustainable sourcing.

- b. If yes, what percentage of inputs were sourced sustainably?

72% of the total spend is through sustainable sourcing.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:

The Company has a remanufacturing facility at Phaltan, Maharashtra. The complete remanufacturing process has five key steps viz. 1. Disassembly, 2. Cleaning, 3. Inspection, 4. Salvage/ Reuse, 5. Assembly and Test.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:

Yes.

EPR is applicable to the Company in the capacity as "Plastic (Brand Owner and Importer) and Battery (Producer)". The Company procures EPR credits as per defined targets and submits Annual returns as per the relevant provisions of the regulations for relevant EPR categorie.

## Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or its services (for services industry)? If yes, provide details in the following format:

NIC code	Name of Product/ service	% of Total Turnover contributed	Boundary for which the life cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in Public domain (Yes/No). If yes, provide the web-link
281	Engine	20.61%	Cradle to Gate	No	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:

Name of Product / Service	Description of the risk / concern	Action Taken
No significant social or environmental concerns / risks were identified.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry):

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
	-	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste		-			-	
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	-

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

The Company pursues its commitment towards employee well-being by creating a diverse and inclusive work environment; engaging employees and their families in improving wellness; extending the company’s talent management philosophies in performance management, compensation management, competency building and access to development opportunities for all employees through education assistance programs.

Following are some of the initiatives undertaken by the Company to ensure the well-being of its employees:

- Periodic health check-ups and counselling by professional and trained medical team
- Independent trained professionals are available through a confidential service provider to help them deal with mental health and other life challenges
- Life insurance benefits covering employees
- Health insurance benefits covering employees and their family members
- Maternity and paternity benefits
- Various Employee Resource Groups (ERG) focusing on the various dimensions of diversity namely: Gender, Generation, Culture, Person with Disability (PwD), and LGBTQ+
- Creche facilities
- Occupational health and safety management system

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	911	911	100%	911	100%	NA	NA	911	100%	911	100%
Female	343	343	100%	343	100%	343	100%	NA	NA	343	100%
Total	1,254	1,254	100%	1,254	100%	343	27%	911	73%	1,254	100%
<b>Other than Permanent employees</b>											
Male	37	-	0%	37	100%	NA	NA	-	0%	-	0%
Female	8	-	0%	8	100%	8	100%	NA	0%	-	0%
Total	45	-	0%	45	100%	8	18%	-	0%	-	0%

- b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	1,460	1,460	100%	1,460	100%	NA	0%	1,460	100%	1,460	100%
Female	311	311	100%	311	100%	311	100%	NA	0%	311	100%
Total	1,771	1,771	100%	1,771	100%	311	18%	1,460	82%	1,771	100%
<b>Other than Permanent workers</b>											
Male	1,959	1,959	100%	1,959	100%	NA	0%	-	0%	-	0%
Female	200	200	100%	200	100%	200	100%	NA	0%	-	0%
Total	2,159	2,159	100%	2,159	100%	200	9%	-	0%	-	0%

- c. Spending on measures toward well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the Company*	0.23%	0.19%

\*includes spend toward well-being of permanent employees and workers. Spend toward well-being of other than permanent employees and workers are not ascertainable.

2. Details of retirement benefits, for Current FY and Previous Financial Year:

The Company's employees and workers are covered for retiral benefits as per eligibility defined under the applicable laws. The company also creates awareness of schemes such as National Pension Scheme (NPS) which the employees can avail. Superannuation benefit is now provided as a voluntary benefit to employees starting July 2023.

Benefits	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
Superannuation*	100%	100%	Yes	100%	100%	Yes
NPS*	100%	100%	Yes	100%	100%	Yes

\*Superannuation and NPS benefits are offered to 100% employees and workers, employee can voluntarily opt for the same. Corresponding contribution is deducted and deposited in case of 100% employees who have opted for the benefit.

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Yes.

The Company continues to take steps including modernization of its older facilities to improve accessibility to its facilities for differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:

Yes.

The Equal Opportunity policy is available to the internal stakeholders on the intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work Rate	Retention rate
Male	100%	96%	100%	94%
Female	100%	100%	100%	92%
Total	100%	98%	100%	93%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief:

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes.
Other than Permanent Workers	All workers/ employees permanent/ other than permanent of the Company can reach out to their Direct Managers and HR Business Partners as their primary contact to redress their grievances as specified in the policy of the Company.
Permanent Employees	The Company has communication and other infrastructure, and policies through which the employees and workers can voice their concerns. Protected disclosures can be made by a whistle-blower through an email or dedicated telephone line or letter to the Managing Director of the Company or Letter to the Chairperson of Audit and Compliance Committee or via the Ethics helpline/ webpage, details of which are available on the website of the Company.
Other than Permanent Employees	The Company has a 'Whistle Blower Policy and Vigil Mechanism', as per applicable laws, along with the Non-retaliation Policy, which <i>inter-alia</i> provides adequate safeguards to whistle-blowers against retaliation.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total Employees / Workers in Respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total	1,254	-	0%	1,257	-	0%
Permanent Employees						
- Male	911	-	0%	919	-	0%
- Female	343	-	0%	338	-	0%
Total Permanent Workers	1,771	496	28%	1,816	532	29%
- Male	1,460	496	34%	1,507	532	35%
- Female	311	-	0%	309	-	0%

8. Details of training given to employees and workers:

The trainings on health and safety measures and skill upgradation are gender agnostic and available to both male and female employees/workers.

Category	FY 2024-25					FY 2023-24				
	Current Financial Year					Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	911	292	32%	828	91%	919	427	46%	703	76%
Female	343	71	21%	307	90%	338	127	38%	264	78%
Total	1,254	363	29%	1,135	91%	1,257	554	44%	967	77%
<b>Workers</b>										
Male	1,460	653	45%	1,177	81%	1,507	835	55%	672	45%
Female	311	149	48%	235	76%	309	176	57%	204	66%
Total	1,771	802	45%	1,412	80%	1,816	1,011	56%	876	48%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	911	911	100%	919	919	100%
Female	343	343	100%	338	338	100%
Total	1,254	1,254	100%	1,257	1,257	100%
<b>Workers</b>						
Male	1,460	1,460	100%	1,507	1,507	100%
Female	311	311	100%	309	309	100%
Total	1,771	1,771	100%	1,816	1,816	100%

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes.

The Company has implemented an enterprise-wide occupational health and safety management system (HSEMS) that conforms to ISO (International Standards Organization) 45001.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

All the Company's facilities have implemented a systematic process for identifying work related hazards and assessing their risks for routine and non-routine activities through the Hazard Identification and Risk Assessment Process (HIRA) that is in-line with the ISO 45001: 2018 requirements, "Job Safety Assessments", HSE internal audit, "Find it, Fix it", "Active Caring and Visual Literacy" are some of the initiatives that are deployed in the Company. HIRA provides an analytical tool to all facilities to assess their critical and unreasonable risks. The intent is to use these processes proactively to improve Health & Safety for all employees and others who visit the Company's facilities.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes.

The Company's facilities have processes such as Team-Based Work System (TBWS) forum, layered process audits, safety suggestions, ergonomics early reporting program, safety observation tours, etc. through which employees and workers can report work related hazards to remove/reduce the risks. Also, as per requirements of provision of the Factories Act, 1948, safety committees are formed at all applicable manufacturing locations, which take note of all the improvement opportunities coming from the employee representatives.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes.

The Company offers a range of medical and healthcare services at its facilities, including:

1. first aid boxes
2. trained first aid facilitators
3. counselling by independent professionals on mental health and other life challenges
4. medical insurance cover
5. qualified medical doctors at some company facilities

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.40	-
	Workers	0.62	0.36
Total recordable work-related injuries	Employees	1	-
	Workers	11	18
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

\*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace:

The Company has developed an enterprise-wide Health, Safety and Environment (HSE) management system in line with ISO 14001 and ISO 45001 standard requirements. This HSE management system and plan follows plan-do-check-act (PDCA) cycle. Details of each phase are as follows:

- Plan - All facilities have HSE Policies that drive compliance with legal and other requirements. Dedicated tools like Hazard Identification and Risk Assessment Process (HIRA) and Environmental Aspect and Impact Assessment (EAIA) are used to facilitate the same.
- Do - Facility specific operating procedures have been created and enforced.
- Check - Continuous self-assessment enables corrective and preventive actions (CAPA) with the help of IT tools and processes.
- Act - All facilities have a management review procedure to drive improvement plans.

13. Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	2,718	173	-	99	34	-
Health & Safety	341	91	-	1,160	675	-

A formal complaint collection process was established in FY 2023-24 involving multiple channels including individual communication and group forums. Complaints can be raised by an employee or worker through email communication, phone calls, site complaint registers or 1:1 discussions. Some of the group forums to raise complaints are employee committees, safety committee, staff meetings, Team Based Work System (TBWS) forums, focus group discussions by leaders or HR, all employee communication forums etc. These together ensure a comprehensive approach to gathering and addressing concerns. If certain complaints cannot be resolved immediately due to any reason, it is communicated to the concerned and close looped accordingly as and when necessary action is taken.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

The Company routinely assesses its plants and offices on key workplace parameters like working conditions, health and safety practices, prevention of child and involuntary labour, sexual harassment, non discrimination, minimum wages etc, through structured audits and reviews. The Company conducts periodic trainings in these areas to increase awareness and reinforce expectations. Employees and stakeholders are encouraged to report concerns or suspected violations through the Cummins Ethics Help Line, a secure and confidential reporting channel.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions:

No significant risks or concerns were identified during the assessments of health and safety practices and working conditions during the year.

### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N):

Yes.

The Company extends Life Insurance or equivalent compensatory package in the unfortunate event of death of an employee or a worker.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:

The Company emphasizes the importance of compliance through interactions with its value chain partners. Supplier Code of Conduct requires the vendors to know and follow all applicable laws and have awareness of any legal or regulatory changes that may impact their operations. The Company has an annual process of seeking confirmation of compliance with requirements related to statutory dues from its suppliers.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes.

In cases of termination of employment due to business related reasons or Voluntary Retirement Plan (VRP), the Company provides outplacement services support, mental wellness support and monetary compensation to the impacted individuals as per internal policies and plans designed for the respective events.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Suppliers - 64% of total spend
Working conditions	Suppliers - 64% of total spend

These assessments are conducted to cover 100% of suppliers over a period of three years.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners:

Eyes Open Audits are conducted to cover 100% of suppliers over a period of 3 years. No concerns were identified as part of the Eyes Open Audits conducted for suppliers in FY 2024-25.

## PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity:

The key stakeholders are identified based on consultative discussions between the functional and business heads along with the directors of the Company.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement Community Meetings, Notice Board, Website Other)	Frequency of engagement (Annually /Half yearly/ Quarterly / others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors (shareholders / Analysts)	No	<ul style="list-style-type: none"> <li>• Press releases and media interactions</li> <li>• Emails, SMS, newspaper publications</li> <li>• AGM / EGM General meetings, meeting notices</li> <li>• Stock exchange filings</li> <li>• Analyst calls</li> <li>• Updates on the Company's website</li> </ul>	<ul style="list-style-type: none"> <li>• Annually through annual report</li> <li>• Quarterly through financial results, analyst call; exchange notifications;</li> <li>• Continuous engagement: Investors page on website</li> </ul>	<ul style="list-style-type: none"> <li>• To explain the financial results and/or other updates</li> <li>• To answer queries of investors/ analysts on operations of the Company</li> <li>• To understand shareholder expectations</li> </ul>
Employees and Workers (and their families)	No	<ul style="list-style-type: none"> <li>• Emails</li> <li>• Notice boards</li> <li>• 1:1 meetings, plant meetings, townhalls</li> <li>• Project and operations reviews</li> <li>• Family days</li> <li>• Internal website</li> <li>• Social media webpages</li> </ul>	<ul style="list-style-type: none"> <li>• Event based / Continuous engagement</li> </ul>	<ul style="list-style-type: none"> <li>• To provide operational and strategic updates</li> <li>• Career management</li> <li>• Learning opportunities</li> <li>• To build a safety culture and inculcating safe work practices among employees</li> <li>• To improve diversity and inclusion; employee engagement</li> </ul>
Suppliers (including consultants)	No	<ul style="list-style-type: none"> <li>• Individual meetings, conferences</li> <li>• Emails, telephone/ conference calls</li> <li>• Supplier visits</li> </ul>	<ul style="list-style-type: none"> <li>• Event based / Continuous engagement</li> </ul>	<ul style="list-style-type: none"> <li>• To align on values, strategy and operational priorities</li> <li>• To resolve operational issues</li> </ul>

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement Community Meetings, Notice Board, Website Other)	Frequency of engagement (Annually /Half yearly/ Quarterly / others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> <li>• Meetings and conferences</li> <li>• Project related discussions, project management reviews</li> <li>• Customer visits</li> <li>• Sponsored events</li> <li>• Mailers; newsletters; brochures</li> <li>• Social media webpages</li> <li>• Surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Event based / Continuous engagement</li> <li>• Periodic customer satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>• To understand business challenges</li> <li>• To identify improvement opportunities for the Company</li> </ul>
Communities (Identified as part of the CSR initiatives)	Yes	<ul style="list-style-type: none"> <li>• Community Meetings, Field Visits</li> </ul>	<ul style="list-style-type: none"> <li>• Calendarized, ongoing engagement with periodic and pre-determined frequency which is done directly and through implementing organizations</li> </ul>	<ul style="list-style-type: none"> <li>• To identify community needs through participatory consultations with implementing organizations</li> <li>• To review the progress of the program with the communities and address any concerns that the community may have with regards to the program implementation</li> <li>• To address concerns received through the formal grievance redressal mechanism</li> <li>• To educate the communities periodically through review meetings</li> </ul>
Government bodies (Center, State, Local)	No	<ul style="list-style-type: none"> <li>• Request For Information/Request For Proposal/ presentations</li> <li>• Project review meetings</li> <li>• Surveys</li> <li>• Consultative sessions</li> <li>• Field visits</li> <li>• Conferences and seminars</li> </ul>	<ul style="list-style-type: none"> <li>• Event based / Continuous engagement</li> </ul>	<ul style="list-style-type: none"> <li>• To understand areas for sustainable development</li> <li>• To communicate the Company's performance and strategy</li> <li>• To share and contribute to thought leadership and insights into public and business concerns</li> </ul>

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement Community Meetings, Notice Board, Website Other)	Frequency of engagement (Annually /Half yearly/ Quarterly / others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
		<ul style="list-style-type: none"> <li>Press releases and media interactions</li> </ul>		<ul style="list-style-type: none"> <li>To discuss the Company's response to business / community issues as a corporate citizen</li> </ul>
Academia	No	<ul style="list-style-type: none"> <li>Emails</li> <li>Meetings</li> <li>Project Related Discussions</li> </ul>	<ul style="list-style-type: none"> <li>Event based</li> </ul>	<ul style="list-style-type: none"> <li>MOU signed to improve engagement between industry and academia</li> <li>To establish events to support academic institutes</li> <li>To research projects jointly for mutual benefit</li> </ul>

### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:

Engagement and consultation with stakeholders on various topics is delegated by the Board and governed as per the operating policies of the Company. Any material feedback from such consultations is provided to the Board on a periodic basis through Board Meetings or Committee Meetings.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity:

Yes.

Stakeholder engagement covers key material issues driven by strategic objectives through various modes of engagement. For example, circulars/ notifications on emission norms and related product development, Participatory Rural Appraisals for identifying important issues for CSR project selection.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups:

The Company is committed to supporting vulnerable and marginalized groups through various initiatives. These include empowering women with training and livelihood opportunities, providing healthcare access, and forming self-help groups. The Company also supports education for disadvantaged students through scholarships for higher education and vocational training. Additionally, it collaborates with organizations to assist various vulnerable groups and has initiated projects in several aspirational districts to promote holistic development.

## PRINCIPLE 5 Businesses should respect and promote human rights

The Company supports human rights and has a zero-tolerance policy on bonded, child or forced labor. It endeavors to provide equal opportunity to its employees while discouraging discrimination, harassment and retaliation. Online and classroom trainings on relevant topics related to Human Rights are conducted for all employees and workers.

### Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1,254	1,254	100%	1,257	1,257	100%
Other than permanent	45	45	100%	99	99	100%
Total Employees	1,299	1,299	100%	1,356	1,356	100%
<b>Workers</b>						
Permanent	1,771	1,771	100%	1,816	1,816	100%
Other than permanent	2,159	2,159	100%	1,921	1,921	100%
Total Workers	3,930	3,930	100%	3,737	3,737	100%

- Details of minimum wages paid to employees and workers, in the following format:

Category	Total (A)	FY 2024-25 Current Financial Year				Total (D)	FY 2023-24 Previous Financial Year			
		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent	1,254	-	-	1,254	100%	1,257	-	-	1,257	100%
- Male	911	-	-	911	100%	919	-	-	919	100%
- Female	343	-	-	343	100%	338	-	-	338	100%
Other than Permanent	45	-	-	45	100%	99	-	-	99	100%
- Male	37	-	-	37	100%	74	-	-	74	100%
- Female	8	-	-	8	100%	25	-	-	25	100%
<b>Workers</b>										
Permanent	1,771	-	-	1,771	100%	1,816	-	-	1,816	100%
- Male	1,460	-	-	1,460	100%	1,507	-	-	1,507	100%
- Female	311	-	-	311	100%	309	-	-	309	100%
Other than Permanent	2,159	1,713	79%	446	21%	1,921	1,485	77%	436	23%
- Male	1,959	1,566	80%	393	20%	1,779	1,384	78%	395	22%
- Female	200	147	74%	53	27%	142	101	71%	41	29%

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7*	800,000#	6	2,550,000#
Key Managerial Personnel (KMP)	3*	44,171,429#	2	21,670,631#
Employees other than BoD and KMP	910	3,381,395	341	2,423,669
Workers	1,460	936,746	311	729,329

# The median remuneration of BoD and KMP is not an annualized amount.

\*Includes remuneration payable to two (2) directors whose term ended and two (2) KMPs who retired during the year

**Notes:**

- The remuneration of Non-Executive (other than Independent) Directors is Nil.
- Remuneration details of BoD and KMPs are published as part of Annexure 10 of Directors Report.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Gross wages paid to females as % of total wages	20%	20%

For FY 2024-25, gross wages paid to females as % of total wages includes actual wages paid to non-permanent employees / workers, basis the clarification provided in the Industry Standards on reporting of BRSR Core released by SEBI.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues:

Any grievance related to human rights can be filed through a formal grievance redressal mechanism.

At the Company, employees have several options to report ethics or human rights related issues. Besides being able to reach out to direct managers or HR, employees have the option to anonymously report issues through four separate channels:

- Regularly monitored voice mail box
- Online at [ethics.cummins.com](https://ethics.cummins.com)
- Toll-free number
- QR Code

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	-	-	2	-	-
Discrimination at workplace	-	-	-	1	-	-
Child Labor	-	-	-	-	-	-
Forced Labor/Involuntary Labor	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees / workers	0.12%	0%
Complaints on POSH upheld	1	0

Included here are written complaints which are not anonymous, in line with the requirements for investigation per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

The Company has a non-retaliation policy which prohibits all forms of retaliation against employees who raise concerns or who report violations of the Code of Business Conduct, Company policies including Treatment of Each Other at Work or the law.

9. Do human rights requirements form part of your business agreements and contracts?  
(Yes/No)

Yes.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others- please specify	Nil

The Company internally monitors compliance with all the applicable laws and policies pertaining to Human Rights issues.

The Company routinely assesses its plants and offices on key workplace parameters like working conditions, health and safety practices, prevention of child and involuntary labour, sexual harassment, non-discrimination, minimum wages etc, through structured audits and reviews. The Company conducts periodic trainings in these areas to increase awareness and reinforce expectations. Employees and stakeholders are encouraged to report concerns or suspected violations through the Cummins Ethics Help Line, a secure and confidential reporting channel.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above:

No significant risks/concerns were identified through the assessments.

### Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints:

No significant concerns have been identified which necessitated introduction of new processes / modification of existing processes during FY 2024-25.

2. Details of the scope and coverage of any Human rights due diligence conducted:

No separate human rights due diligence was conducted besides the internal assessments during FY 2024-25.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes.

The Company continues to take steps including modernisation of its older facilities to improve accessibility to its facilities for differently abled visitors.

4. Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual harassment	Suppliers – 64% of total Spend
Discrimination at workplace	Suppliers – 64% of total Spend
Child Labor	Suppliers – 64% of total Spend
Forced/involuntary labor	Suppliers – 64% of total Spend
Wages	Nil
Others- please specify	None

These assessments are conducted to cover 100% of suppliers over a period of three years.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above:

No significant risks/concerns were identified for those areas which were assessed during the year through various assessments.

## PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A) GJ	21,235	21,881
Total fuel consumption (B)	-	-
Energy consumption Through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	21,235	21,881
<b>From non-renewable sources</b>		
Total electricity consumption (D) GJ	92,124	86,167
Total fuel consumption (E) GJ	87,453	94,009
Energy consumption Through other sources (F) GJ	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	179,577	180,176
<b>Total energy consumed (A+B+C+D+E+F)</b>	200,812	202,057
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations) (GJ / INR)	0.0000020	0.0000023
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP) (GJ / INR adjusted for PPP)	0.0000408	0.0000524
<b>Energy intensity in terms of physical Output (GJ per unit)</b>	1.4538	1.6137
Energy intensity (optional) – the relevant metric may be selected by the entity		
a. Intensity per manhours worked	0.02	0.02
b. Intensity per Facility Size GJ / [sq.m]	0.36	0.65
c. Intensity GJ per Head count	38.40	65.75

Percentage of energy consumed through renewable sources with respect to the total energy consumed is 10.57% in FY 2024-25 as compared to 10.83% in FY 2023-24.

Intensity in terms of physical output of products is computed by considering number of equivalent units manufactured / assembled by the Company.

The Purchasing Power Parity (PPP) factor considered is 20.66 as per IMF as provided in the Industry Standards on reporting for BRSR Core released by SEBI (FY 2023-24: 22.882 as per OECD).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Yes, reasonable assurance has been carried out by Price Waterhouse & Co Chartered Accountants LLP.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

The PAT scheme of the Government of India is not applicable to the Company.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	2,203	-
(ii) Groundwater	55,688	61,055
(iii) Third party water	120,026	111,080
(iv) Seawater / desalinated water	-	-
(v) Others	-	0.062
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	177,917	172,135
<b>Total volume of water consumption (in kilolitres)</b>	176,041	170,013
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations) (KL / INR)	0.0000017	0.0000019
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP) (KL / INR adjusted for PPP)	0.0000358	0.0000441
<b>Water intensity in terms of physical Output (KL per unit)</b>	1.2745	1.3578
<b>Water intensity</b> (optional) – the relevant metric may be selected by the Entity		
a. Intensity KL per manhours worked	0.02	0.02
b. Intensity KL per Facility Size / [sq.m]	0.32	0.49
c. Intensity KL per Head count	33.67	55.32

Surface water reported in the table includes harvested rainwater.

Water withdrawal from third party and water consumption for previous year have been updated to include 24,526 KL pertaining to one of the sites within the reporting boundary to make the same comparable with current year. The related impact is also carried out in water intensity.

Intensity in terms of physical output of products is computed by considering number of equivalent units manufactured / assembled by the Company.

The Purchasing Power Parity (PPP) factor considered is 20.66 as per IMF as provided in the Industry Standards on reporting of BRSR Core released by SEBI (FY 2023-24: 22.882 as per OECD).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Yes, reasonable assurance has been carried out by Price Waterhouse & Co Chartered Accountants LLP.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(ii) To Groundwater	-	-
- No treatment	103	-
- With treatment – please specify level of Treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	1,773	2,123
- With treatment – please specify level of Treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>1,876</b>	<b>2,123</b>

Domestic water discharge for sites where actual data is not available has been estimated as 80% of the water withdrawal based on CPCB report dated December 24, 2009. (Source: CPCB report on waste water discharge for domestic use -

<https://cpcb.nic.in/openpdffile.php?id=UmVwb3J0RmlsZXMvTmV3SXRIbV8xNTNfRm9yZXdvcmQucGRm>)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Yes, reasonable assurance has been carried out by Price Waterhouse & Co Chartered Accountants LLP.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

Yes.

The Company has installed effluent treatment plants (ETP) at multiple manufacturing sites. 100% treated water is recycled at plants having Zero Liquid Discharge treatment setups for industrial ETP. All sewage generated in the Company's facilities is treated in the in-house sewage treatment plants and the recycled water is used for garden irrigation, Heating Ventilation and Air Conditioning (HVAC) and toilet flushing purposes, etc.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx	Kg	152,111	181,240
Sox	Kg	3,477	4,145
Particulate matter (PM)	Kg	10,676	12,724
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	Kg	18,599	23,401
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

No.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , CO <sub>2</sub> equivalent if available)	Metric tonnes of	7,541	8,270
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	18,548	17,099
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) (MT CO <sub>2</sub> e / INR)		0.00000026	0.00000029
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) (MT CO <sub>2</sub> e / INR adjusted for PPP)		0.00000053	0.00000066
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output (MT CO<sub>2</sub>e per unit)</b>		0.1889	0.2026
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity			
a. Intensity per manhours worked		0.0025	0.0023
b. Intensity per Facility Size / [sq.m]		0.05	0.08
c. Intensity per Head count		4.99	5.56

The Company has reported GHG emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

Scope 1 emissions emission factors are as per Intergovernmental Panel on Climate Change (IPCC) sixth Assessment Report.

Scope 2 emissions (location-based) are reported with grid emission factor from Version 20 of the Central Electrical Authority's (CEA) CO<sub>2</sub> database.

Intensity in terms of physical output of products is computed by considering number of equivalent units manufactured / assembled by the Company.

The Purchasing Power Parity (PPP) factor considered is 20.66 as per IMF as provided in the Industry Standards on reporting of BRSR Core released by SEBI. (FY 2023-24: 22.882 as per OECD).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Yes, reasonable assurance has been carried out by Price Waterhouse & Co Chartered Accountants LLP.

8. Does the entity have any project related to reducing Greenhouse Gas emission? If yes, then provide details:

Yes.

Greenhouse Gas reduction initiatives undertaken by the Company include:

- Develop energy monitoring and dashboard strategy through digitization of energy management
- Replacement of legacy manufacturing equipment with energy efficient equipment
- Use solar power for respective sites' power requirement
- Design for HSE

The key initiatives include energy-efficient Heating Ventilation and Air Conditioning (HVAC) and lighting, waste reduction/recycling/reuse and water consumption reduction. The Company creates awareness amongst its employees to identify projects related to reducing Green House Gas emission.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	131.48	120.42
E-waste (B)	34.03	5.51
Bio-medical waste (C)	0.03	0.04
Construction and demolition waste (D)	723.10	1,476.83
Battery waste (E)	6.34	16.63
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	421.77	405.53
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	5,399.67	5,001.49
<b>Total (A + B + C + D + E + F + G + H)</b>	6,716.42	7,026.45
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations) (MT / INR)	0.0000001	0.0000001
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP) (MT / INR adjusted for PPP)	0.0000014	0.0000018
<b>Waste intensity in terms of physical output</b> (MT per unit)	0.0486	0.0561
<b>Waste intensity</b> (optional) - the relevant metric may be selected by the entity		
Manhours	0.0006	0.0006
Facility size / [sq.m]	0.0121	0.0226
Headcount	1.28	2.29

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
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**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Category of waste		
(i) Recycled	6,564.31	7,005.17
(ii) Re-used	-	-
(iii) Other recovery operations	-	21.28
<b>Total</b>	<b>6,564.31</b>	<b>7,026.45</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Category of waste		
(i) Incineration	118.50	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	<b>118.50</b>	<b>-</b>

Intensity in terms of physical output of products is computed by considering number of equivalent units manufactured / assembled by the Company.

The Purchasing Power Parity (PPP) factor considered is 20.66 as per IMF as provided in the Industry Standards on reporting of BRSR Core released by SEBI. (FY 2023-24: 22.882 as per OECD).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Yes, reasonable assurance has been carried out by Price Waterhouse & Co Chartered Accountants LLP.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

The Company follows the principles of the waste management hierarchy of reduce, reuse, recycle and recovery. Through it's 'Design for HSE' initiative, the Company aims to eliminate waste at source. For reducing the Company's waste, it emphasizes having a cross-functional approach through manufacturing process redesign, improved waste segregation, increased employee engagement and proactive supplier partnerships. The Company also continues to make capital investments in equipment that facilitate waste reduction and increases its ability to recycle. Also, product substitutions have had a significant impact on the company's reduction of hazardous waste generation.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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The Company has no facilities in ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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No EIA required for any of the Company's facilities.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N)? If not, provide details of all such non-compliances, in the following format: Yes.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
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### Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

The Company does not have any of its facilities located in areas of water stress.

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres)</b>		Not Applicable
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>		
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		Not Applicable
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

The Company does not have any of its facilities located in areas of water stress and hence independent assessments are not carried out.

2. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent		
<b>Total Scope 3 emissions per rupee of turnover</b>			-
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities:

The Company has no facilities in ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
The company continues to take initiatives to create products with better fuel efficiency, etc.		-

5. Does the entity have a business continuity and disaster management plan? Give details in words / web link:

Yes. The Company has a holistic business governance structure and Business Continuity Management (BCM) derived basis global standards of business resilience and ISO 22301:2012 Societal Security - Business Continuity Management Systems. BCM is focused on continually improving the resilience of the Company ensuring seamless continuity of business. BCM identifies potential risks to the Company as well as the impacts to business operations. This provides a framework for building organizational resilience with the capability to provide effective response and recovery plans which safeguard the interests of the Company, its stakeholders, reputation, brand and value-creating activities. The Company continuously works on embedding business resilience in the Company's practices and increasing site preparedness to establish efficacy of responses and achieve effective recovery.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaption measures have been taken by the entity in this regard?

Not available.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not available.

8 a. Green credits generated or procured by the entity: Not available.

8 b. Green credits generated or procured by top ten value chain partners (in terms of value of purchases and sales respectively): Not available.

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations:

The Company is a member of 7 trade and industry chamber/ associations.

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

S.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State/National)
1.	Confederation of Indian Industry (CII)	National
2.	Society of Indian Automobile Manufacturers (SIAM)	National
3.	US-India Strategic Partnership Forum (USISPF)	National
4.	Automotive Research Association of India (ARAI)	National
5.	Indo American Chamber of Commerce	National
6.	Indian Construction Equipment Manufacturers Association	National
7.	Indian Foundation for Quality Management	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
No adverse order has been received by the Company.		

**Leadership Indicators**

1. Details of public positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
-					

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

The Company has not acquired any land during the year that requires Social Impact Assessment under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, and its subsequent amendments.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Not applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
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Not applicable

3. Describe the mechanisms to receive and redress grievances of the community:

At each of the Company's facilities, community members can reach out to designated persons to register their grievances or submit their grievances on a designated email ID.

Corporate Social Responsibility (CSR) team (through Cummins India Foundation - implementing agency) and its NGO partners work together on various community projects and act as the focal point for the community to submit and redress grievances related to such projects. Key concerns, if any, are reviewed with the CSR Committee and the Board and guidance/ feedback provided by them is actioned.

The Company also has an ethics helpline, providing a reporting platform for internal and external stakeholders including communities where issues related to ethics and compliance, or any other kind can be reported anonymously.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Directly sourced from MSMEs/ small producers	18%	21%
Directly from within India	88%	87%

For FY 2024-25, cost of goods / services purchased includes all types of procurement including capex procurement as provided in the Industry Standards on reporting of BRSR Core released by SEBI.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Rural	-	-
Semi-urban	9.1%	8.1%
Urban	4.5%	4.1%
Metropolitan	86.4%	87.9%

Place of employment is categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan.

As per the clarification provided in the Industry Standards on reporting of BRSR Core released by SEBI, in addition to the permanent employees, gross wages paid to other than permanent employees/workers have also been considered for FY 2024-25. Hence, the figures are not comparable to last year's figures to that extent.

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative impact identified	Corrective action taken
-	-

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No	State	Aspirational District	Amount spent (in INR)
1	Jharkhand	Ranchi	1,035,000
2	Madhya Pradesh	Vidisha	2,958,100
3	Madhya Pradesh	Guna	4,048,892
4	Maharashtra	Nandurbar	24,500,000
5	Maharashtra	Dharashiv	28,545,183

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No).  
No.  
The Company is impartial in its supplier selection and procurement processes.
- (b) From which marginalized /vulnerable groups do you procure?  
The Company is impartial in its supplier selection and procurement processes.
- (c) The Company is impartial in its supplier selection and procurement processes.  
Not available.
- (d) What percentage of total procurement (by value) does it constitute?  
Not available.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
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5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

Name of authority	Brief of the Case	Corrective action taken
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No adverse orders received by the Company during the year.

6. Details of beneficiaries of CSR Projects:

The Company carries out its CSR activities through Cummins India Foundation. The Company focuses on three priority areas: Higher Education, Energy and Environment and Equality of Opportunity while also undertaking other strategic projects. Following table depicts the proportion of beneficiaries from various CSR projects and belonging to the vulnerable and marginalized groups.

S.No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
<b>A Higher Education</b>			
1	Nurturing Brilliance	380	41%
2	Technical Education for Communities	385	8%
3	Cummins College of Engineering for Women	2,258	100%
<b>B Energy and Environment</b>			
1	Monsoon Resilient Maharashtra	33,321	72%
2	Water Neutrality Projects	10,462	0%
3	Solid Waste Management	201,671	0%
4	Cleaner Air Better Life	6,500	0%
<b>C Equality of Opportunity</b>			
1	Cummins Model village program under Rural Development	50,067	84%
2	Cummins Support to NGOs under Local Community Care	300	100%
3	Phaltan Model Town	29,283	74%
4	Women's Initiatives in India	71,975	77%

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

The Company has multiple mechanisms for customers to raise complaints or provide feedback, which include a Customer Relationship Management mobile application, 24x7 toll free number, emails, and periodic meetings with customers. Issues are resolved systematically with the objective of ensuring customer satisfaction. Customers can also provide real-time feedback on the quality of resolution.

Meetings between dealers, sales and service heads, and regular touchpoints with Generator Original Equipment Manufacturer (GOEM) teams, are conducted to assess concerns on a monthly basis, where customer complaints are discussed and plan of action is prepared for resolution of such complaints.

Net Promoter Survey (NPS) is a metric used in customer experience programs. Surveys are conducted randomly with the end user customer (engine or equipment owners) and actions are undertaken to improve customer satisfaction.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%. The manuals accompanying the products include necessary disclosures like safety guidelines, warnings while operating the engine/ generator, emission certification, etc. It includes the process for recycling/ disassembly and the need to comply with all applicable regulatory requirements.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2024-25 (Current Financial Year)		Remarks	FY 2023-24 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	Not applicable	-	-	Not applicable
Advertising	-	-		-	-	
Cyber-security	-	-		-	-	
Delivery of essential Services	-	-		-	-	
Restrictive Trade Practices	-	-		-	-	
Unfair Trade Practices	-	-		-	-	
Other	1,325	94		1,560	288	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	-	No instances of product recall.
Forced recalls	-	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No). If available, provide a web-link of the policy:

Yes. Policy can be accessed at <https://www.cummins.com/en/in/investors/india-corporate-governance>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:

The Company has not identified any incidents leading to regulatory issues / penalties from a cyber security and data privacy of customers during the year.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches
- Percentage of data breaches involving personally identifiable information of customers
- Impact, if any, of the data breaches

There were no incidents of data breach for the Company during FY 2024-25.

### Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available):

The information related to the products sold and services rendered by the Company are available on the Company website at - <https://www.cummins.com/en/in/investors/india-investors-overview>.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:

All requisite information and/ or instructions on safe and responsible usage of products and/or services are contained in Operations and Maintenance manual. In addition, trainings/ sessions are conducted periodically for customers for educating them on the safe usage of products.

3. Mechanism in place to inform consumers of any risk of disruption/ discontinuation of essential services:

The Company has not been classified as an essential service provider under the Essential Services Act.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No. The Company does not display product information on the product over and above what is mandated as per local laws.

Yes. The Company conducts periodic customer satisfaction surveys for major products and services.

# **Independent Practitioner’s Reasonable Assurance Report on Identified Sustainability Information in Cummins India Limited’s Business Responsibility and Sustainability Report pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

## **To the Board of Directors of Cummins India Limited**

We have undertaken to perform a reasonable assurance engagement for Cummins India Limited (the “Company”) vide our Engagement Letter dated February 11, 2025, in respect of the agreed Sustainability Information referred in “Identified Sustainability Information” paragraph below (the “Identified Sustainability Information”) in accordance with the Criteria stated in the “Criteria” paragraph below. The Identified Sustainability Information is included in the Business Responsibility and Sustainability Report (“BRSR”) section in the Annual Report of the Company for the financial year ended March 31, 2025, (the “Annual Report”) pursuant to the requirement of Regulation 34(2)(f) of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the “LODR Regulations”). This engagement was conducted by a team comprising assurance practitioners and engineer/ environment expert.

## **Identified Sustainability Information**

The Identified Sustainability Information for the financial year ended March 31, 2025, is summarised in Appendix 1 to this report.

Our reasonable assurance engagement was only with respect to the Identified Sustainability Information included in the BRSR of the Company for the financial year ended March 31, 2025.

## **Criteria**

The criteria used by the Company to prepare the Identified Sustainability Information is the “BRSR Core”, which is a subset of the BRSR, consisting of a set of Key Performance Indicators (“KPIs”)/ metrics under nine Environmental, Social and Governance (“ESG”) attributes, as per the format of BRSR Core specified in Annexure 17A read with the format of BRSR and the Guidance Note given in Annexure 16 and 17, respectively, of the SEBI ‘Master Circular for compliance with the provisions of the SEBI LODR Regulations, 2015 by listed entities’ dated November 11, 2024, and the SEBI Circular on the ‘Industry Standards on Reporting of BRSR Core’ dated December 20, 2024 (collectively referred to as the “SEBI Circulars”).

## **Management’s Responsibilities**

The Company’s Management is responsible for determining the Reporting Boundary of the BRSR, and for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations including the SEBI Circulars related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, and content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation, and maintenance of internal control relevant to the preparation of the BRSR, and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error. The Management and the Board of Directors of the Company are also responsible for overseeing the Company’s compliance with the requirements of LODR Regulations and the SEBI Circulars in relation to the BRSR Core.

## **Inherent Limitations in preparing the Identified Sustainability Information**

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse Gas (“GHG”) quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

## Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) and the International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Price Waterhouse & Co Chartered Accountants LLP (the “Firm”) applies Standard on Quality Control 1, “Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements”, the International Standard on Quality Management (“ISQM”) 1 “Quality Management for Firms that perform Audits or Reviews of Financials Statements, or Other Assurance or Related Services Engagements” and ISQM 2 “Engagement Quality reviews”, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## Practitioner’s Responsibilities

Our responsibility is to express a reasonable assurance opinion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained.

We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements (“SSAE”) 3000, “Assurance Engagements on Sustainability Information” and the Standard on Assurance Engagements (“SAE”) 3410, “Assurance Engagements on Greenhouse Gas Statements”, both issued by the Sustainability Reporting Standards Board of the ICAI, and the International Standard on Assurance Engagement (“ISAE”) 3000 (Revised), “Assurance Engagements other than Audits or Reviews of Historical Financial Information” and the ISAE 3410 “Assurance Engagements on Greenhouse Gas Statements”, both issued by the International Auditing and Assurance Standards Board (collectively referred to as “the Standards”).

These Standards require that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Criteria. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error and responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Sustainability Information.

The procedures we performed were based on our professional judgement, and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and / or measurements of the Identified Sustainability Information.
- Made enquiries of the Company’s Management, including those responsible for Sustainability, Environmental Social Governance (‘ESG’), Corporate Social Responsibility (‘CSR’), Human Resources (‘HR’), etc., and those with responsibility for managing the Company’s BRSR.
- Obtained an understanding and performed an evaluation of the design of the processes, and controls for managing, recording and reporting on the Identified Sustainability Information including at the sites and corporate office visited. This did not include testing the operating effectiveness of management systems and controls.

- Based on above understanding and the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing and extent of further procedures.
- Checked the consolidation for various sites and corporate office within the standalone Reporting Boundary (as mentioned in the BRSR) for ensuring the completeness of data being reported.
- Performed substantive testing on a sample basis of the Identified Sustainability Information for various sites and corporate office within the standalone Reporting Boundary (as mentioned in the BRSR) to verify that data had been appropriately measured with underlying documents recorded, collated and reported. This included assessing records and performing testing including recalculation of sample data to establish an assurance trail.
- Assessed the level of adherence to the BRSR Core format issued by SEBI and followed by the Company in preparing the BRSR.
- Assessed the BRSR, for detecting, on a test basis, any major anomalies between the information reported in the BRSR on performance with respect to Identified Sustainability Information and relevant source data/ information.
- Where applicable for the Identified Sustainability Information in the BRSR, we have relied on the information in the audited standalone financial statements of the Company for the year ended March 31, 2025 and the underlying books and records.
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the Management in the preparation of the Identified Sustainable Information.
- Obtained written representations from the Company's Management.

## Exclusions

Our reasonable assurance scope excludes the following and, therefore, we do not express an opinion on the same:

- Operations of the Company other than the Identified Sustainability Information listed in Appendix 1 to this report.
- Aspects of the BRSR and data/ information (qualitative or quantitative) included in the BRSR other than the Identified Sustainability Information.
- Data and information outside the defined reporting period, i.e., the financial year ended March 31, 2025.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/ or data.

## Opinion

Based on the procedures performed and the evidence obtained, the Company's Identified Sustainability Information summarised in Appendix 1 to this report and included in the BRSR, for the financial year ended March 31, 2025, are prepared, in all material respects, in accordance with the Criteria specified in the "Criteria" section of our report.

## Restriction on Use

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.

This report has been issued at the request of the Board of Directors of the Company to whom it is addressed, solely to enable them to comply with the requirements of the SEBI Circulars and LODR Regulations, on reporting Company's sustainability performance and activities, and for publishing the same as part of the BRSR forming part of the Company's Annual Report which will be published on the Company's website. Our report should not be used for any other purpose or by any person other than the addressees of our report. Price Waterhouse & Co Chartered Accountants LLP does not accept or assume any liability or any duty of care for any other purpose or to any person other than the Company.

**For Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E300009

**Jeetendra Mirchandani**

Partner

Membership Number: 048125

UDIN: 25048125BMRKBU1676

Place: Mumbai

Date: May 28, 2025

## Appendix 1

### Identified Sustainability Information (BRSR Core Indicators)

S. No.	Principle/ Indicator Reference*	Attribute	Parameters (KPIs) Assured
1.	Principle 6 – E7	Green-house gas (GHG) footprint	<ol style="list-style-type: none"> <li>Total Scope 1 emissions (Break-up of the GHG into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, if available)</li> <li>Total Scope 2 emissions (Break-up of the GHG (CO<sub>2</sub>e) into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, if available)</li> <li>GHG Emission Intensity (Scope 1+2)               <ol style="list-style-type: none"> <li>Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP</li> <li>Total Scope 1 and Scope 2 emissions (MT) / Total Output of Product or Services</li> </ol> </li> </ol>
2.	Principle 6 – E3 Principle 6 – E4	Water footprint	<ol style="list-style-type: none"> <li>Total water consumption</li> <li>Water consumption intensity               <ol style="list-style-type: none"> <li>Water Intensity per rupee of turnover adjusted for PPP</li> <li>Water Intensity in terms of physical output</li> </ol> </li> <li>Water Discharge by destination and levels of treatment</li> </ol>
3.	Principle 6 – E1	Energy Footprint	<ol style="list-style-type: none"> <li>Total Energy Consumed</li> <li>% of energy consumed from renewable sources</li> <li>Energy intensity               <ol style="list-style-type: none"> <li>Energy Intensity per rupee of turnover adjusted for PPP</li> <li>Energy Intensity in terms of physical output</li> </ol> </li> </ol>
4.	Principle 6 – E9	Embracing circularity- details related to waste management by the entity	<ol style="list-style-type: none"> <li>Plastic waste (A)</li> <li>E-waste (B)</li> <li>Bio-medical waste (C)</li> <li>Construction and demolition waste (D)</li> <li>Battery waste (E)</li> <li>Radioactive waste (F)</li> <li>Other Hazardous waste (G)</li> <li>Other Non-hazardous waste generated (H)</li> <li>Total waste generated (A + B + C + D + E + F + G + H)</li> <li>Waste intensity               <ol style="list-style-type: none"> <li>Waste Intensity per rupee of turnover adjusted for PPP</li> <li>Waste Intensity in terms of physical output</li> </ol> </li> <li>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations</li> <li>For each category of waste generated, total waste disposed by nature of disposal method</li> </ol>

S. No.	Principle/ Indicator Reference*	Attribute	Parameters (KPIs) Assured
5.	Principle 3 – E1 (c) Principle 3 – E11	Enhancing employee wellbeing and Safety	<ol style="list-style-type: none"> <li>1. Spending on measures towards well-being of employees and workers- cost incurred as a % of total revenue of the company.</li> <li>2. Details of safety related incidents for employees and workers (including contract-workforce) <ol style="list-style-type: none"> <li>(a) Number of Permanent Disabilities</li> <li>(b) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)</li> <li>(c) No. of fatalities</li> </ol> </li> </ol>
6.	Principle 5 – E3 (b) Principle 5 – E7	Enabling Gender Diversity in Business	<ol style="list-style-type: none"> <li>1. Gross wages paid to females as a % of wages paid</li> <li>2. Complaints on POSH <ol style="list-style-type: none"> <li>(a) Total Complaints on Sexual Harassment (POSH) reported</li> <li>(b) Complaints on POSH as a % of female employees / workers</li> <li>(c) Complaints on POSH upheld</li> </ol> </li> </ol>
7.	Principle 8 – E4 Principle 8 – E5	Enabling Inclusive Development	<ol style="list-style-type: none"> <li>1. Input material sourced from following sources as % of total purchases –Directly sourced from MSMEs/ small producers and from within India</li> <li>2. Job creation in smaller towns- wages paid to people employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost</li> </ol>
8.	Principle 9 – E7 Principle 1 – E8	Fairness in Engaging with Customers and Suppliers	<ol style="list-style-type: none"> <li>1. Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events</li> <li>2. Number of days of accounts payable</li> </ol>
9.	Principle 1 – E9	Open-ness of business	<ol style="list-style-type: none"> <li>1. Concentration of purchases &amp; sales done with trading houses, dealers, and related parties <ol style="list-style-type: none"> <li>(a) Purchases from trading houses as % of total purchases</li> <li>(b) Number of trading houses where purchases are made from</li> <li>(c) Purchases from top 10 trading houses as % of total purchases from trading houses</li> <li>(d) Sales to dealers / distributors as % of total sales</li> <li>(e) Number of dealers / distributors to whom sales are made</li> <li>(f) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors</li> </ol> </li> <li>2. Loans and advances &amp; investments with related parties Share of RPTs (as respective %age) in- <ol style="list-style-type: none"> <li>(a) Purchases</li> <li>(b) Sales</li> <li>(c) Loans &amp; advances</li> <li>(d) Investments</li> </ol> </li> </ol>

Notes:

\*'E' denotes Essential Indicator

# **Standalone Financial Statements**

**along with Audit Report for FY 2024-2025**

# Independent Auditor's Report

To the Members of Cummins India Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of Cummins India Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<b>Revenue Recognition</b> (Refer note 26 and 35 to the standalone financial statements). Revenue from operations for the year ended March 31, 2025, amounted to INR 10,339 crores. Revenue is recognised in accordance with the revenue recognition policy described in Note 1A to the standalone financial statements.	We have performed following procedures: <ul style="list-style-type: none"><li>● Obtained an understanding of the business process, evaluated the design and tested the operating effectiveness of key controls, specific to such customer contracts, including determination of contract price, performance obligations, estimation of contract costs, including management reviews and approvals thereof.</li></ul>

# Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p>Revenue is recognised when (or as) control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The timing of such revenue recognition in the case of sale of goods is when the control over the same is transferred to the customer and in the case of services it is based on satisfaction of performance obligations in case of sale of services.</p> <p>The determination of the timing of revenue recognition, whether over time or at a point in time includes management judgment, particularly in determining when control is transferred to the customer. The Company uses a variety of shipment terms with customers, and this has an impact on the timing of revenue recognition. Further, transaction price is generally fixed at inception, and it often includes elements of variable consideration such as discounts and incentives which further impacts revenue recognition.</p> <p>Due to the significance of revenue and the management estimates and judgements involved in determination of the timing of revenue and variable consideration, this is considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>● Assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 "Revenue from Contracts with Customers"</li> <li>● On a sample basis, tested the revenue transactions recorded during the year by verifying the underlying documents to assess whether revenue is recognised appropriately.</li> <li>● Tested, on a sample basis, revenue transactions recorded around the financial year-end date to assess whether revenue is recognised in the correct financial period in which control is transferred.</li> <li>● Tested the contract revenue, determination of performance obligations and determination of transaction price including variable consideration and allocation of transaction price with underlying documents and evaluated management's assessment by reviewing the contractual terms as considered necessary.</li> <li>● Assessed the appropriateness of management's judgements and estimates involved in determination of the timing of revenue recognition and recognition of variable considerations such as discounts and incentives, and verified on a sample basis credits notes issued to the customers.</li> <li>● Examined the journal entries related to revenue recognised during the year based upon specified risk-based criteria.</li> </ul>

## Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Independent Auditor's Report

## Responsibilities of Management and those charged with governance for the Standalone Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the audit of the Standalone Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions

## Independent Auditor's Report

that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2020 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of audit trail (edit log) maintained in electronic mode has not been maintained on servers physically located in India during the year and the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

## Independent Auditor's Report

- (e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above on reporting under Section 143(3)(b) and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36 to the standalone financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
  - iv.
    - (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The dividend declared and paid by the Company during the year is in compliance with Section 123 of the Act.

## Independent Auditor's Report

- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the audit trail feature did not operate throughout the year but was enabled from March 24, 2025 to March 31, 2025. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail was not maintained in the prior year and hence the question of our commenting on whether the audit trail was preserved by the Company as per the statutory requirements for record retention does not arise.
16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

### **For Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

### **Jeetendra Mirchandani**

Partner

Membership Number: 48125

UDIN: 25048125BMRKBQ2743

Place: Mumbai

Date: May 28, 2025

## Annexure A to Independent Auditor's Report

**Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the Members of Cummins India Limited on the Standalone Financial Statements as of and for the year ended March 31, 2025.**

**Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

1. We have audited the internal financial controls with reference to the standalone financial statements of Cummins India Limited (the "Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

6. A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone

## Annexure A to Independent Auditor's Report

financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

### For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

### Jeetendra Mirchandani

Partner

Membership Number: 48125

UDIN: 25048125BMRKBQ2743

Place: Mumbai

Date: May 28, 2025

## Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the Members of Cummins India Limited on the Standalone Financial Statements as of and for the year ended March 31, 2025.

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.  
  
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 2.1 and 3 to the standalone financial statements, are held in the name of the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or Intangible Assets does not arise.
- (e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise.
- ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account.
- iii. (a) The Company has made investments in twenty one mutual funds, twelve bond schemes and one non-convertible debenture scheme (Also refer Note 9 to the standalone financial statements).

## Annexure B to Independent Auditor's Report

- (b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.

The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clauses 3(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its certain products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, labour welfare, cess, and other statutory dues, as applicable, with the appropriate authorities. Also, refer Note 36 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) There are no statutory dues of provident fund, profession tax, labour welfare fund and employees' state insurance which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2025 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹) #	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Demand on account of corporate tax disallowances	6.81	AY 2006-07	High Court, Mumbai
Income Tax Act, 1961	Demand on account of corporate tax disallowances	0.13	AY 2016-17	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Demand on account of transfer pricing adjustments and other corporate tax disallowances	1.70	AY 2018-19	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand on account of transfer pricing adjustments and other corporate tax disallowances	3.96	AY 2020-21	Income Tax Appellate Tribunal

## Annexure B to Independent Auditor's Report

Name of the statute	Nature of dues	Amount (₹) #	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Demand on account of corporate tax disallowances	0.42	AY 2021-22	Income Tax Appellate Tribunal
	Demand on account of transfer pricing adjustments	5.55		Commissioner of Income-tax (Appeals)
The Maharashtra Sales Tax on Transfer of property in goods involved in the execution of works Contract (Re-enacted) Act, 1989	Demand on account of Purchase Tax/ Works contract Tax and surcharge thereon	1.83	FY 1999-00	High Court, Mumbai
The Central Sales Tax Act, 1956 / Bombay Sales Tax Act, 1959 (B.S.T.) / Maharashtra Value Added Tax Act, 2002	Disallowances of sales tax declaration forms, disallowances of set off and interest thereon, taxation of sales turnover under B.S.T. Act, disallowance of claim of VAT set-off and inter-state sale u/s 3(a) of C.S.T. Act, 1956.	5.02 (Net of amount paid under protest of Rs. 0.50)	FY 2006-07 to FY 2008-09	Maharashtra Sales Tax Tribunal, Pune
The West Bengal VAT Act, 2003	Levy of VAT under certain transactions.	0.05	FY 2005-06	Joint Commissioner (Appeals) at Asansol
Jharkhand Value Added Tax Act, 2005	Demand on account of sales suppression and difference between road permit value and actual stock transfer value	0.11	FY 2010-11	Joint Commissioner (Appeals) at Ranchi
The Madhya Pradesh VAT Act, 2002	Demand on account of disallowance	2.21	FY 2015-16	Assistant Commercial Tax Officer at Singrauli
The Central Sales Tax Act, 1956	Demand on account of disallowances	0.13	FY 2015-16	Assistant Commercial Tax Officer at Singrauli
The Entry Tax Act, 1976	Demand on account of disallowances	0.35	FY 2015-16	Assistant Commercial Tax Officer at Singrauli
Tamil Nadu Value Added Tax Act, 2006	Disallowance of input tax credit on clearance to SEZ unit	Nil (Net of amount paid under protest of Rs. 1.60)	FY 2009-10 to FY 2014-15	Sales Tax Appellate Tribunal, Chennai

## Annexure B to Independent Auditor's Report

Name of the statute	Nature of dues	Amount (₹) #	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956/Bombay Sales Tax Act, 1959 (B.S.T.)/Maharashtra Value Added Tax Act, 2002	Disallowances of sales tax declaration forms, disallowances of set off and interest thereon, taxation of sales turnover under B.S.T. Act, disallowance of claim of VAT set-off and inter-state sale u/s 3(a) of C.S.T. Act, 1956	Nil (Net of amount paid under protest of Rs. 0.50)	FY 2004-05	Joint Commissioner of Sales Tax, Appeal - 1, Pune
		4.35	FY 2017-18	
Finance Act, 1994	Disallowance of CENVAT credit on input services	1.12	FY 2010-11 to FY 2015-16	CESTAT
		1.28	FY 2014-15	
Finance Act, 1994	Disallowance of CENVAT credit on input services	0.88	FY 2011-12 to FY 2015-16	Commissioner (Appeals)
Finance Act, 1994	Rejection of duty drawback claim.	12.96	FY 2005-06 to FY 2009-10	Commissioner Appeals
Customs Act, 1962	Incorrect availment of concessional customs duty benefits	4.20	FY 2017-18 to FY 2021-22	CESTAT
Central Goods and Service Tax Act, 2017	Availment of excess ITC	1.67	FY 2020-21	Superintendent Commissioner
Central Goods and Service Tax Act, 2017	Demand on zero-rated supply	0.02	FY 2019-20 to FY 2020-21	Appellate Authority

# Excluding interest and penalty

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, associate or joint venture.

## Annexure B to Independent Auditor's Report

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary, joint venture or associate.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.  
(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.  
(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.  
(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Also refer Note 41 to the standalone financial statements.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.  
(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

## Annexure B to Independent Auditor's Report

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also, refer Note 42 to the standalone financial statements)
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

### For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

#### Jeetendra Mirchandani

Partner

Membership Number: 48125

UDIN: 25048125BMRKBQ2743

Mumbai

May 28, 2025

## Balance Sheet as at March 31, 2025

(₹ Crore)

Particulars	Notes	As at March 31	
		2025	2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.1	1,252.51	1,157.56
Capital work-in-progress (including investment property in progress)	2.3	78.16	94.65
Right-of-use assets	37	39.80	30.56
Investment properties	3	935.15	977.31
Intangible assets	2.2	136.20	129.68
Intangible assets under development	2.3	6.71	2.16
Investments in a subsidiary, joint venture and an associate	4	25.24	37.24
Financial assets			
Other non-current financial assets	5	14.55	13.36
Income tax assets (net)	6	43.83	57.84
Other non-current assets	7	102.92	93.97
		<b>2,635.07</b>	<b>2,594.33</b>
<b>Current assets</b>			
Inventories	8	1,022.24	936.88
Financial assets			
Investments	9	932.12	1,178.19
Trade receivables	10	2,292.48	2,077.60
Cash and cash equivalents	11	234.99	291.77
Other bank balances	12	2,275.30	1,212.89
Other current financial assets	13	66.67	37.13
Other current assets	14	129.92	166.99
Assets classified as held for sale	15	16.93	2.69
		<b>6,970.65</b>	<b>5,904.14</b>
	<b>TOTAL</b>	<b>9,605.72</b>	<b>8,498.47</b>

# Balance Sheet as at March 31, 2025

(₹ Crore)

Particulars	Notes	As at March 31	
		2025	2024
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	55.44	55.44
Other equity			
Retained earnings	17	5,774.33	4,934.62
Other reserves	17	1,188.26	1,173.03
		<b>7,018.03</b>	<b>6,163.09</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	37	20.42	14.37
Other non-current financial liabilities	18	53.47	61.28
Provisions	19	162.92	117.96
Deferred tax liabilities (net)	20	91.26	94.10
Other non-current liabilities	21	25.60	11.96
		<b>353.67</b>	<b>299.67</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	-	100.00
Trade payables			
Total outstanding dues of micro and small enterprises	23	62.79	71.25
Total outstanding dues of creditors other than micro and small enterprises	23	1,505.45	1,331.10
Lease liabilities	37	9.24	6.13
Other current financial liabilities	24	217.19	147.30
Other current liabilities	25	270.20	216.85
Provisions	19	169.15	163.08
		<b>2,234.02</b>	<b>2,035.71</b>
	<b>TOTAL</b>	<b>9,605.72</b>	<b>8,498.47</b>

The accompanying notes are an integral part of these financial statements

As per our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP**

ICAI Firm Registration Number: 304026E/E-300009

**For and on behalf of the Board**

**Shveta Arya**  
Managing Director  
DIN: 08540723

**Farokh Subedar**  
Director  
DIN: 00028428  
Place: Mumbai

**Jeetendra Mirchandani**  
Partner  
Membership Number: 48125

**Vinaya Joshi**  
Company Secretary  
PAN: AMQPJ5216P

**Prasad S Kulkarni**  
Interim Chief Financial Officer  
PAN: AKPPK6578A

Place: **Mumbai**  
Date: **May 28, 2025**

Place: **Pune**  
Date: **May 28, 2025**

## Statement of Profit and Loss for the year ended March 31, 2025

₹ Crore

Particulars	Notes	Year end March 31	
		2025	2024
Revenue from operations	26	10,339.40	8,958.60
Other income	27	626.13	567.79
<b>Total income</b>		<b>10,965.53</b>	<b>9,526.39</b>
<b>Expenses:</b>			
Cost of materials consumed	28.1	5,952.23	4,849.51
Purchases of traded goods		656.53	906.91
Change in inventories of finished goods, work-in-progress and traded goods	28.2	(17.19)	13.63
Employee benefits expense	29	774.00	779.30
Finance costs	30	15.12	26.78
Depreciation and amortisation expense	2, 3, 37	182.90	157.64
Other expenses	31	905.80	647.87
<b>Total expenses</b>		<b>8,469.39</b>	<b>7,381.64</b>
<b>Profit before exceptional items and tax</b>		<b>2,496.14</b>	<b>2,144.75</b>
Exceptional items (expense)/income	47	-	(1.70)
<b>Profit before tax</b>		<b>2,496.14</b>	<b>2,143.05</b>
<b>Tax expense</b>			
Current tax	20	594.34	507.08
Deferred tax	20	(2.84)	(8.92)
Tax for earlier years		(1.14)	(15.73)
<b>Total tax expense</b>		<b>590.36</b>	<b>482.43</b>
<b>Profit after tax</b>		<b>1,905.78</b>	<b>1,660.62</b>

# Statement of Profit and Loss for the year ended March 31, 2025

₹ Crore

Particulars	Notes	Year end March 31	
		2025	2024
<b>Other Comprehensive Income (OCI)</b>			
Items not to be reclassified to profit or loss in subsequent periods			
Remeasurement (loss)/gain on defined benefit plans		(19.26)	(21.67)
Income tax effect		4.85	5.45
Net other comprehensive (expense)/income not to be reclassified to profit or loss in subsequent periods		(14.41)	(16.22)
Items to be reclassified to profit or loss in subsequent periods			
Changes in the fair value of financial instruments		2.27	(0.62)
Income tax effect		(0.57)	0.16
Net other comprehensive (expense)/income to be reclassified to profit or loss in subsequent periods		1.70	(0.46)
<b>Other comprehensive (expense)/income for the year, net of tax</b>		<b>(12.71)</b>	<b>(16.68)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>1,893.07</b>	<b>1,643.94</b>
<b>Earnings per equity share:</b>			
Basic and diluted earnings per share (₹)	32	68.75	59.91
(Nominal value per share ₹ 2)			

The accompanying notes are an integral part of these financial statements.  
As per our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP**      **For and on behalf of the Board**  
ICAI Firm Registration Number: 304026E/E-300009

**Shveta Arya**  
Managing Director  
DIN: 08540723

**Farokh Subedar**  
Director  
DIN: 00028428  
Place: Mumbai

**Jeetendra Mirchandani**  
Partner  
Membership Number: 48125

**Vinaya Joshi**  
Company Secretary  
PAN: AMQPJ5216P

**Prasad S Kulkarni**  
Interim Chief Financial Officer  
PAN: AKPPK6578A

Place: **Mumbai**  
Date: **May 28, 2025**

Place: **Pune**  
Date: **May 28, 2025**

## Statement of Cash Flows for the year ended March 31, 2025

(₹ Crore)

Particulars	Year ended March 31	
	2025	2024
<b>I. Cash generated from operating activities</b>		
Profit before tax	2,496.14	2,143.05
<b>a) Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	182.90	157.64
Finance costs	15.12	26.78
Interest income	(169.16)	(120.62)
Dividend income	(179.95)	(189.95)
Loss/(gain) on assets sold, discarded, etc.	(5.79)	(1.57)
(Gain)/loss on redemption/sale of investments (net)	(45.91)	(52.20)
Equity contribution from Holding company	15.23	10.49
Unrealised foreign exchange fluctuation (net)	5.41	(14.16)
Mark to market ('MTM') of financial instruments	(2.24)	0.31
Provision for doubtful debts (net)	4.08	0.26
Exceptional items (Note 47)	-	1.70
	<b>(180.31)</b>	<b>(181.32)</b>
<b>b) Working capital adjustments</b>		
Trade receivables	(222.09)	(484.40)
Inventories	(85.36)	(50.73)
Current and non-current financial assets	(28.49)	(1.12)
Other current and non-current assets	19.92	(48.82)
Trade payables	161.94	249.47
Current and non-current financial liabilities	67.39	65.10
Other current and non-current liabilities	(3.04)	75.45
Current and non-current provisions	24.05	10.59
	<b>(65.68)</b>	<b>(184.46)</b>
<b>Total adjustments (a+b)</b>	<b>(245.99)</b>	<b>(365.78)</b>
<b>Cash generated from operating activities</b>	<b>2,250.15</b>	<b>1,777.27</b>
Tax paid (net of refunds)	(561.38)	(497.20)
<b>Net cash generated from operating activities</b>	<b>1,688.77</b>	<b>1,280.07</b>
<b>II. Cash flows (used in)/from investing activities</b>		
Purchase of property, plant and equipment, intangible assets and investment property	(237.54)	(287.22)
Proceeds from sale of property, plant and equipment	8.11	6.02
Interest received	169.16	120.62
Dividend received on investments in associate and joint venture	179.95	189.95
Advance received for sale of investment in subsidiary	56.50	-
Sale/(Purchase) of short term investments (net)	303.98	(78.07)
Investment in Term Deposits including interest	(2,296.78)	(1,228.77)
Withdrawal of Term Deposits including interest	1,235.28	1,010.15
<b>Net cash (used in)/from investing activities</b>	<b>(581.34)</b>	<b>(267.32)</b>

## Statement of Cash Flows for the year ended March 31, 2025

(₹ Crore)

Particulars	Year ended March 31	
	2025	2024
<b>III. Cash flows (used in)/from financing activities</b>		
Proceeds from borrowings/repayment of borrowings (net)	(100.00)	(250.04)
Finance costs	(5.13)	(17.26)
Payment of principal portion of lease liabilities	(7.40)	(5.97)
Dividend paid	(1,053.36)	(859.32)
<b>Net cash (used in)/from financing activities</b>	<b>(1,165.89)</b>	<b>(1,132.59)</b>
<b>IV. Net change in cash and cash equivalents (I+II+III)</b>	<b>(58.46)</b>	<b>(119.84)</b>
<b>V. Net foreign exchange difference</b>	<b>1.68</b>	<b>20.34</b>
<b>VI. Cash and cash equivalents at the beginning of the year</b>	<b>291.77</b>	<b>391.27</b>
<b>VII. Cash and cash equivalents at the end of the year (IV+V+VI)</b>	<b>234.99</b>	<b>291.77</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	-	-
Bank Balances		
In current accounts	91.95	116.20
Deposits with banks (original maturity less than 3 months)	143.04	175.57
<b>Total cash and cash equivalents (Refer note 11)</b>	<b>234.99</b>	<b>291.77</b>

The accompanying notes are an integral part of these financial statements.

As per our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP**  
ICAI Firm Registration Number: 304026E/E-300009

**For and on behalf of the Board**

**Shveta Arya**  
Managing Director  
DIN: 08540723

**Farokh Subedar**  
Director  
DIN: 00028428  
Place: Mumbai

**Jeetendra Mirchandani**  
Partner  
Membership Number: 48125

**Vinaya Joshi**  
Company Secretary  
PAN: AMQPJ5216P

**Prasad S Kulkarni**  
Interim Chief Financial Officer  
PAN: AKPPK6578A

Place: **Mumbai**  
Date: **May 28, 2025**

Place: **Pune**  
Date: **May 28, 2025**

## Statement of Changes in Equity for the year ended March 31, 2025

### A) Equity share capital

Particulars	(₹ Crore)
As at April 1, 2023	55.44
Changes in equity share capital during the year ended March 31, 2024	-
As at March 31, 2024	55.44
Changes in equity share capital during the year ended March 31, 2025	-
As at March 31, 2025	55.44

## B) Other equity

(₹ Crore)

Particulars	Retained earnings (Refer note 17)		Other reserves (Refer note 17)			Total
	Statement of profit and loss	Other comprehensive income (OCI)	General reserve	Capital redemption reserve	Equity contribution from Cummins Inc. share based payments*	
<b>Balance as at April 1, 2023</b>	<b>4,186.08</b>	<b>(36.08)</b>	<b>1,142.02</b>	<b>0.70</b>	<b>19.82</b>	<b>5,312.54</b>
Add: Profit for the year	1,660.62	-	-	-	-	1,660.62
Add/(Less): Other comprehensive income						
- Items not to be reclassified to profit or loss in subsequent periods	-	(16.22)	-	-	-	(16.22)
- Items to be reclassified to profit or loss in subsequent periods	-	(0.46)	-	-	-	(0.46)
<b>Total comprehensive income for the year</b>	<b>1,660.62</b>	<b>(16.68)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,643.94</b>
Add: Equity contribution during the year	-	-	-	-	10.49	10.49
Less: Dividends paid						
- Interim dividend	498.96	-	-	-	-	498.96
- Final dividend for FY 2022-2023	360.36	-	-	-	-	360.36
<b>Balance as at March 31, 2024</b>	<b>4,987.38</b>	<b>(52.76)</b>	<b>1,142.02</b>	<b>0.70</b>	<b>30.31</b>	<b>6,107.65</b>
Add: Profit for the year	1,905.78	-	-	-	-	1,905.78
Add/(Less): Other comprehensive income						
- Items not to be reclassified to profit or loss in subsequent periods	-	(14.41)	-	-	-	(14.41)
- Items to be reclassified to profit or loss in subsequent periods	-	1.70	-	-	-	1.70
<b>Total comprehensive income for the year</b>	<b>1,905.78</b>	<b>(12.71)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,893.07</b>
Add: Equity contribution during the year	-	-	-	-	15.23	15.23
Less: Dividends paid						
- Interim dividend	498.96	-	-	-	-	498.96
- Final dividend for FY 2023-2024	554.40	-	-	-	-	554.40
<b>Balance as at March 31, 2025</b>	<b>5,839.80</b>	<b>(65.47)</b>	<b>1,142.02</b>	<b>0.70</b>	<b>45.54</b>	<b>6,962.59</b>

\* Scheme managed and administered by the Holding Company.

The accompanying notes are an integral part of these financial statements.  
As per our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP**  
ICAI Firm Registration Number: 304026E/E-300009

**For and on behalf of the Board**

**Shveta Arya**  
Managing Director  
DIN: 08540723

**Farokh Subedar**  
Director  
DIN: 00028428  
Place: Mumbai

**Jeetendra Mirchandani**  
Partner  
Membership Number: 48125

**Vinaya Joshi**  
Company Secretary  
PAN: AMQPJ5216P

**Prasad S Kulkarni**  
Interim Chief Financial Officer  
PAN: AKPPK6578A

Place: **Mumbai**  
Date: **May 28, 2025**

Place: **Pune**  
Date: **May 28, 2025**

# Notes to standalone financial statements for the year ended March 31, 2025

## 1A Material accounting policy information

### a) Corporate information:

Cummins India Limited ('CIL' or 'the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Cummins India Office Campus, Balewadi, Pune. The Company is engaged in the business of manufacturing, trading and selling of engines and allied activities. (CIN: L29112PN1962PLC012276)

The standalone financial statements for the year ended March 31, 2025 were authorised for issue in accordance with the resolution of the directors on May 28, 2025.

### b) Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of division II of schedule III to the Companies Act, 2013 (Ind AS compliant schedule III).

The financial statements are prepared on a historical cost basis, except for the following assets and liabilities:

- certain financial assets and financial liabilities (including derivative instruments) which have been measured at fair value,
- assets held for sale are measured at lower of carrying amount or fair value less cost to sell
- defined benefit plans - Plan assets are measured at fair value

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### c) Fair value measurements

The Company measures financial instruments at fair value on initial recognition and at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability,

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

## Notes to standalone financial statements for the year ended March 31, 2025

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Other fair value related disclosures are given in the relevant notes:

Disclosures for valuation methods, significant estimates and assumptions (Refer note 35 and 44)

Financial instruments (including those carried at amortised cost) (Refer note 4, 5, 9 to 13)

Investment properties (Refer note 3)

### **d) Property, plant and equipment and investment properties**

Property plant and equipment, capital work in progress and investment properties are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All costs relating to the acquisition and installation of property plant and equipment/investment properties are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial year in which they are incurred. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciate them separately based on their specific useful lives.

## Notes to standalone financial statements for the year ended March 31, 2025

Depreciation is computed on straight line method to allocate the costs of assets, net of their residual values on their estimated useful lives, determined based on internal technical evaluation as follows:

Assets	Useful life
Roads	10 years
Office building and investment properties	Upto 60 years
Factory building	30 years
Plant and machinery	3 to 15 years
Furniture and fittings	5 to 10 years
Vehicles	8 to 9 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Freehold land is carried at cost. Losses arising from the retirement of, and gains and losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

Leasehold improvements are depreciated on straight line basis over the period of lease or their useful life, whichever is less.

Transfers are made to investment properties only when there is a change in use. Transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

### e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful life are amortised on straight line basis over their respective useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Softwares are amortised over a period of useful lives from the date available for use (3-5 years), being the estimated useful life as per the management estimate or license term whichever is less. The amortisation period for an intangible asset with finite useful life is reviewed atleast at the end of each reporting period.

Losses arising from the retirement of, and gains and losses arising from disposal of intangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

### f) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

## Notes to standalone financial statements for the year ended March 31, 2025

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Material cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Material in transit is valued at cost incurred till date.

### **g) Foreign currency transactions**

The Company's financial statements are presented in INR (₹), which is also the functional currency of the Company.

Transactions in foreign currencies are accounted at the functional currency spot rates prevailing on the date of transactions. Monetary foreign currency financial assets and liabilities are translated at functional currency spot rates of exchange at the reporting date. The resulting exchange differences are appropriately recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non - monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non- monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in the fair value of the item.

### **h) Revenue recognition**

#### **i) Revenue from sale of products**

Revenue from contracts with customers for sale of products is recognised, generally at a point in time, when control of the goods is transferred to the customer at an amount that reflects the transaction price which is the consideration that the Company expects to be entitled in exchange for those goods, excluding taxes or duties collected on behalf of the government e.g. goods and service tax (GST). The Company has generally concluded that it is the principal in its revenue arrangements.

#### **ii) Volume rebates**

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased by them during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer and are reduced from revenue. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

#### **iii) Warranty obligations**

The Company typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

# Notes to standalone financial statements for the year ended March 31, 2025

## iv) Sale of services - installation services

The Company provides installation services that can be either sold separately or bundled together with the sale of products to a customer. The installation services can be obtained from other providers and do not significantly customise or modify the product sold.

Contracts for bundled sales of products and installation services are comprised of two performance obligations because the promises to transfer products and provide installation services are capable of being distinct and separately identifiable. Accordingly, the Company allocates the transaction price based on the relative standalone selling prices of the products and installation services.

The Company recognises revenue from installation services over time, using an output method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from sale of products is recognised at a point in time, generally upon delivery of the products.

## v) Sale of services - service contracts

The Company has long-term service contracts with customers. Revenue from service contracts is recognised over time i.e based on the proportionate completion method. Completion is determined as a proportion of costs incurred till date to the total estimated contract costs. Provision is made for any loss in the period in which it is foreseen. The Company considers that this method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

In case of other service contracts, revenue is recognized over time, using input/output method, when services are rendered and on receipt of confirmation from customers, as the case may be.

## vi) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays the consideration or before payment is due, a contract asset is recognised for the earned consideration.

## vii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due when billing has been done) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

## viii) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

- ix) Interest income is recognised using effective interest rate method ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument

## Notes to standalone financial statements for the year ended March 31, 2025

or a shorter period, where appropriate, to the gross amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but doesn't consider the expected credit losses. Interest income is included in Other Income in the Statement of Profit and Loss.

- x) Rental income is recognised on straight-line basis over the lease term, other than escalations on account of inflation.
- xi) Dividend income from investments is recognised when the right to receive payment is established.

### i) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section "n" impairment of non-financial assets.

#### Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future

# Notes to standalone financial statements for the year ended March 31, 2025

payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of offices and warehouses. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## **Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising on such leases is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## **j) Employee benefits**

The Company operates following post-employment schemes, including both defined benefit and defined contribution plans.

### **A) Post-employment benefits**

#### **i) Defined contribution plans:**

A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company has defined contribution plans for post employment benefits in the form of superannuation fund for management employees and provident fund for non management employees which is administered by Life Insurance Corporation of India/regional provident fund commissioner. In case of superannuation fund for management employees and provident fund for non management employees, the Company has no further obligation beyond making the contributions. The contributions are accounted for as employee benefit expense when they are due. Prepaid contribution is recognised as an asset to the extent cash refund or reduction in future contribution is available.

#### **ii) Defined benefit plans:**

**Funded Plan:** The Company has defined benefit plans for post-employment benefits in the form of gratuity for all employees, pension for non management employees and provident fund for management employees which are administered through Company managed trust/Life Insurance Corporation of India.

**Unfunded Plan:** The Company has unfunded defined benefit plans in the form of post retirement medical benefits (PRMB) and ex-gratia benefits as per the policy of the Company.

## Notes to standalone financial statements for the year ended March 31, 2025

Liability for above defined benefit plans is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is Projected Unit Credit method. In case of provident fund for management employees, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's contributions and such shortfall are charged to the Statement of Profit and Loss as and when incurred.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current Service costs, past-Service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

### **B) Other employee benefit (unfunded)**

Liability for compensated absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used for measuring the liability is Projected Unit Credit method. Under this method, projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for active members of the plan. The "projected accrued benefit" is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active members.

Termination benefits are recognized as an expense as and when incurred.

The present value of defined benefit obligation denominated in INR (₹) is determined by discounting the estimated future cash flows by reference to the market yield at the end of the reporting period on the government bonds that have terms approximately equal to the terms of the related obligation.

### **k) Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits

## Notes to standalone financial statements for the year ended March 31, 2025

- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

### **l) Income tax**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, as the case may be.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing and applicable for the relevant assessment year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income taxes are recognised for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases in the financial statements. The effect on deferred tax assets and liabilities of a change in the tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

### **m) Provisions and contingent liabilities**

A provision is recognised when there is a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

# Notes to standalone financial statements for the year ended March 31, 2025

## n) Impairment of non financial assets

The Company tests non financial assets for impairment at the close of the accounting period if and only if there are indications that suggest a possible reduction in the recoverable value of an asset. If the recoverable value of an asset, i.e. the net realizable value or the economic value in use of a cash generating unit, is lower than the carrying amount of the asset, the difference is provided for as impairment. However, if subsequently the position reverses and the recoverable amount becomes higher than the then carrying value the provision to the extent of the then difference is reversed, but not higher than the amount provided for.

## o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

## p) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, it is either recorded as deferred income and is recognised as income on a systematic and rational basis over the useful life of the asset, or adjusted against the cost of the asset.

When the Company receives non-monetary grants, the asset and the grant are recorded at fair value and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are measured at transaction price. For all subsequent measurements financial assets are classified in following categories:

# Notes to standalone financial statements for the year ended March 31, 2025

## A) Debt instruments

- i) Debt instruments at amortised cost: Debt instrument is measured at amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees for cost that are an integral part of the EIR. EIR amortisation is included in other income in the Statement of Profit and Loss. This category generally applies to loans and trade and other receivables.

- ii) Debt instruments fair value through OCI (FVTOCI): Debt instrument is classified as FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses).
- iii) Debt instruments at fair value through profit and loss (FVTPL): Debt instruments not classified as amortised cost or FVTOCI are classified as FVTPL. The Company has not classified any debt under this category.

## B) Equity instruments

Equity instruments held for trading are classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI the subsequent changes in fair value. The Company makes such election on an instrument by instrument basis. If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends are recognized in OCI. There is no recycling of the amount from OCI to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity.

The Company has elected to present all equity instruments, other than those in subsidiary, joint ventures and associate, through FVTPL and all subsequent changes are recognized in Statement of Profit and Loss.

## C) Derecognition

A financial asset (or wherever applicable, a part of the financial asset or part of a group of similar financial assets) is primarily derecognized when the rights to receive cash flow from the assets have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flow in full to a third party under a pass through arrangement and either a) the Company has transferred substantially all risks and rewards of the asset or b) has transferred control of the asset.

# Notes to standalone financial statements for the year ended March 31, 2025

## **D) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortised costs e.g. loans, deposits, trade receivables, lease receivable and bank balances.

The Company follows simplified approach for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather it recognizes impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period the credit risk reduces since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

As a practical expedient, the Company uses a provision matrix, based on the age of the receivables classified into various age buckets, to determine impairment loss allowance on portfolio of its trade receivables. The matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. The Company has presumed that default doesn't occur later than when a financial asset is 90 days past due.

Impairment loss allowance including ECL or reversal recognized during the period is recognized as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'Other Expenses' in Statement of Profit and Loss. The impairment loss is presented as an allowance in the Balance Sheet as a reduction from the net carrying amount of the trade receivable, loan, deposits and lease receivable respectively.

## **Financial Liabilities**

All financial liabilities are initially recognised at fair value. The Company's financial liabilities include trade and other payables, other financial liabilities, loans and borrowings and derivative financial instruments.

Subsequent measurement of financial liabilities depends on their classification as FVTPL or at amortised cost.

All changes in fair value of financial liabilities classified as FVTPL is recognized in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of EIR. EIR amortisation is included as finance cost in the Statement of Profit and Loss.

# Notes to standalone financial statements for the year ended March 31, 2025

## **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

## **Derivatives**

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss.

Embedded derivatives: An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments.

## **Reclassification of financial instruments**

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model.

# Notes to standalone financial statements for the year ended March 31, 2025

## **Offsetting financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **r) Dividend distribution**

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company.

## **1B Other accounting policies**

### **a) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

### **b) Earning per Share (EPS)**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## Notes to standalone financial statements for the year ended March 31, 2025

### 2.1 Property, Plant and Equipment (PPE)

(₹ Crore)

Particulars	Gross block			Accumulated Depreciation and Amortisation				Net block			
	As at April 1, 2024	Additions	Adjustment**	Deductions/Write-off	As at March 31, 2025	As at April 1, 2024	For the year	Adjustment**	Deductions/Write-off	As at March 31, 2025	As at March 31, 2025
Freehold land @	29.69	-	-	-	29.69	-	-	-	-	-	29.69
Leasehold Improvements	11.44	0.19	(0.02)	-	11.61	0.86	0.17	0.02	-	1.05	10.56
Roads	32.02	2.86	-	-	34.88	23.84	0.73	-	-	24.57	10.31
Buildings #	807.82	33.41	(4.61)	0.27	836.35	182.08	18.95	0.20	0.16	201.07	635.28
Plant and machinery #	1,182.25	166.20	(12.10)	55.41	1,280.94	711.75	84.29	(14.61)	53.39	728.04	552.90
Furniture and fittings #	50.19	3.15	(2.20)	0.16	50.98	38.46	2.76	(2.19)	0.15	38.88	12.10
Vehicles	4.53	0.91	0.25	0.63	5.06	3.39	0.25	0.22	0.47	3.39	1.67
	<b>2,117.94</b>	<b>206.72</b>	<b>(18.68)</b>	<b>56.47</b>	<b>2,249.51</b>	<b>960.38</b>	<b>107.15</b>	<b>(16.36)</b>	<b>54.17</b>	<b>997.00</b>	<b>1,252.51</b>

### 2.2 Intangible assets

(₹ Crore)

Particulars	Gross block				Accumulated Depreciation and Amortisation				Net block		
	As at April 1, 2024	Additions	Adjustment**	Deductions/Write-off	As at March 31, 2025	As at April 1, 2023	For the year	Adjustment**	Deductions/Write-off	As at March 31, 2025	As at March 31, 2025
Software	17.04	5.80	-	0.02	22.82	9.24	2.71	-	-	11.95	10.87
Technical know-how	121.60	28.34	-	-	149.94	29.00	18.00	-	-	47.00	102.94
Development cost	48.25	-	-	-	48.25	18.97	6.89	-	-	25.86	22.39
	<b>186.89</b>	<b>34.14</b>	<b>-</b>	<b>0.02</b>	<b>221.01</b>	<b>57.21</b>	<b>27.60</b>	<b>-</b>	<b>-</b>	<b>84.81</b>	<b>136.20</b>

## Notes to standalone financial statements for the year ended March 31, 2025

### 2.3 Capital work-in-progress (including investment property in progress) and intangible assets under development

Particulars	As at April 1, 2024		Additions		Total Additions		Capitalisation			Total Capitalisation	As at March 31, 2025
	PPE	Intangible assets	Intangible assets	Investment properties	PPE	Intangible assets	Investment properties	Investment properties			
Capital work-in-progress	94.65	190.34	-	-	190.34	206.72	-	0.11		206.83	78.16
Intangible assets under development	2.16	-	38.69	-	38.69	-	34.14	-		34.14	6.71
	<b>96.81</b>	<b>190.34</b>	<b>38.69</b>	<b>-</b>	<b>229.03</b>	<b>206.72</b>	<b>34.14</b>	<b>0.11</b>		<b>240.97</b>	<b>84.87</b>

### 2.4 Capital work-in-progress (including investment property in progress) and intangible assets under development aging schedule\*

Projects in progress	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital work-in-progress	70.79	6.30	0.17	0.90	78.16
Intangible assets under development	6.71	-	-	-	6.71
	<b>77.50</b>	<b>6.30</b>	<b>0.17</b>	<b>0.90</b>	<b>84.87</b>

\* Capital work-in-progress includes projects amounting to ₹ 0.90 Crore whose completion is overdue on account of procedural delays and will be completed in the next 1 year.

#### NOTES:

@ 1) Includes reservations by Pune Municipal Corporation for Economically Weaker Section (EWS) and Road.

2) Includes undivided share of land, on purchase of office premises.

\*\* Includes reclassification from/to assets held for sale

# Includes certain assets given on cancellable/non-cancellable operating lease

## Notes to standalone financial statements for the year ended March 31, 2025

### 2.1 Property, Plant and Equipment (PPE)

(₹ Crore)

Particulars	Gross block			Accumulated Depreciation and Amortisation				Net block			
	As at April 1, 2023	Additions	Adjustment**	Deductions/Write-off	As at March 31, 2024	As at April 1, 2023	For the year	Adjustment**	Deductions/Write-off	As at March 31, 2024	As at March 31, 2024
Freehold land @	29.72	-	(0.03)	-	29.69	-	-	-	-	-	29.69
Leasehold Improvements	10.99	0.42	0.03	-	11.44	0.71	0.15	-	-	0.86	10.58
Roads	31.72	0.30	-	-	32.02	23.03	0.81	-	-	23.84	8.18
Buildings #	788.27	24.11	(4.07)	0.49	807.82	167.18	18.63	(3.36)	0.37	182.08	625.74
Plant and machinery #	1,139.96	98.04	(8.63)	47.12	1,182.25	694.06	68.28	(7.82)	42.77	711.75	470.50
Furniture and fittings #	49.66	0.57	0.48	0.52	50.19	34.35	4.15	0.50	0.54	38.46	11.73
Vehicles	4.54	0.49	(0.42)	0.08	4.53	3.49	0.36	(0.38)	0.08	3.39	1.14
	<b>2,054.86</b>	<b>123.93</b>	<b>(12.64)</b>	<b>48.21</b>	<b>2,117.94</b>	<b>922.82</b>	<b>92.38</b>	<b>(11.06)</b>	<b>43.76</b>	<b>960.38</b>	<b>1,157.56</b>

### 2.2 Intangible assets

(₹ Crore)

Particulars	Gross block			Accumulated Depreciation and Amortisation				Net block			
	As at April 1, 2023	Additions	Adjustment**	Deductions/Write-off	As at March 31, 2024	As at April 1, 2023	For the year	Adjustment**	Deductions/Write-off	As at March 31, 2024	As at March 31, 2024
Software	10.15	6.89	-	-	17.04	8.55	0.69	-	-	9.24	7.80
Technical know-how	20.60	101.00	-	-	121.60	20.60	8.40	-	-	29.00	92.60
Development cost	48.25	-	-	-	48.25	12.08	6.89	-	-	18.97	29.28
	<b>79.00</b>	<b>107.89</b>	<b>-</b>	<b>-</b>	<b>186.89</b>	<b>41.23</b>	<b>15.98</b>	<b>-</b>	<b>-</b>	<b>57.21</b>	<b>129.68</b>

## Notes to standalone financial statements for the year ended March 31, 2025

### 2.3 Capital work-in-progress (including investment property in progress) and intangible assets under development

(₹ Crore)

Particulars	As at April 1, 2023		Additions		Total Additions		Capitalisation			Total Capitalisation	As at March 31, 2024
	PPE	Intangible assets	Intangible assets	Investment properties	Total	PPE	Intangible assets	Investment properties			
Capital work-in-progress	41.29	178.33	-	-	178.33	123.93	-	1.04	124.97	94.65	
Intangible assets under development	-	-	110.05	-	110.05	-	107.89	-	107.89	2.16	
	<b>41.29</b>	<b>178.33</b>	<b>110.05</b>	<b>-</b>	<b>288.38</b>	<b>123.93</b>	<b>107.89</b>	<b>1.04</b>	<b>232.86</b>	<b>96.81</b>	

### 2.4 Capital work-in-progress (including investment property in progress) and intangible assets under development aging schedule\*

(₹ Crore)

Projects in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital work-in-progress	93.10	0.63	0.02	0.90	94.65
Intangible assets under development	2.16	-	-	-	2.16
	<b>95.26</b>	<b>0.63</b>	<b>0.02</b>	<b>0.90</b>	<b>96.81</b>

\* Capital work-in-progress includes projects amounting to ₹ 0.90 Crore whose completion is overdue on account of procedural delays and will be completed in the next 1 year.

#### NOTES:

@ 1) Includes reservations by Pune Municipal Corporation for Economically Weaker Section (EWS) and Road.

2) Includes undivided share of land, on purchase of office premises.

\*\* includes reclassification from/to assets held for sale

# Includes certain assets given on cancellable/non-cancellable operating lease

## Notes to standalone financial statements for the year ended March 31, 2025

### 3 Investment properties

(₹ Crore)

	Year ended March 31	
	2025	2024
<b>Gross block</b>		
Opening balance	1,261.23	1,260.19
Additions	0.11	1.04
Deductions	–	–
<b>Closing balance</b>	<b>1,261.34</b>	<b>1,261.23</b>
<b>Accumulated Depreciation</b>		
Opening balance	283.92	241.15
Depreciation	42.27	42.77
Deductions	–	–
<b>Closing balance</b>	<b>326.19</b>	<b>283.92</b>
<b>Net block</b>	<b>935.15</b>	<b>977.31</b>

### Information regarding income and expenditure of investment properties

(₹ Crore)

	Year ended March 31	
	2025	2024
Rental income derived from investment properties	145.57	142.71
Direct operating expenses (including repairs and maintenance) generating rental income	11.48	11.78
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>134.09</b>	<b>130.93</b>
Less: Depreciation	42.27	42.77
<b>Profit arising from investment properties before indirect expenses</b>	<b>91.82</b>	<b>88.16</b>

The investment properties consist of office premises and plants. As at March 31, 2025 the fair value of the properties is ₹ 1,451.55 Crore (As at March 31, 2024: ₹ 1,416.71 Crore). These fair values are based on valuations performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. A valuation model as recommended by International Valuation Standards Committee has been applied. The Company considers factors like management intention, terms of rental agreements, area leased out, life of the assets etc. to determine classification of assets as investment properties. The rental income considered in the table above is from the date of rental agreement or date of re-classification from property, plant and equipment as applicable.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

## Notes to standalone financial statements for the year ended March 31, 2025

### Description of valuation techniques used and key inputs to valuation on investment properties

Valuation technique	Significant unobservable inputs	Range (weighted average)	
		March 31, 2025	March 31, 2024
Income approach (Discounted Cash flow (DCF) method)	Estimated rental value per sq ft per month	₹ 32.45 - ₹ 131.46	₹ 31.50 - ₹ 131.46
	Rent growth p.a.	3% - 15% every 3 years or based on market assessment	3% - 15% every 3 years or based on market assessment
	Discount rate	13.85%	12.05%

As per the DCF method, fair value is defined as the present value of future cash flows that can be generated from the Company. To estimate the cash flows available, projected cash flows of the Company are considered for certain future years (explicit forecast period). Based on the projected cash flows, the free cash flows from subject properties are estimated. The Company has discounted the net cash flows to arrive at the present value of free cash flows. After the explicit period, the subject properties will continue to generate cash. In DCF method, therefore, perpetuity value/ capitalized value/terminal value is also considered to arrive at the value of the subject properties.

#### 4 Non-current investments

As at March 31 (Units)			As at March 31 (₹ Crore)	
2025	2024		2025	2024
		<b>Investments in subsidiary, joint- venture and associate</b>		
		<b>Unquoted equity instruments (at cost)</b>		
		<b>Investment in subsidiary (fully paid up) *</b>		
-	12,000,000	Cummins Sales & Service Private Limited (% Holding: 100%) (Incorporated in India)	-	12.00
		<b>Investment in joint venture (fully paid up)</b>		
9,500,000	9,500,000	Valvoline Cummins Private Limited (% Holding: 50%) (Incorporated in India)	8.04	8.04
		<b>Investment in associate (fully paid up) (Refer note 46)</b>		
779,997	779,997	Cummins Generator Technologies India Private Limited [% Holding: 48.74%, (March 31, 2024: 48.54%)] (Incorporated in India)	17.20	17.20
		<b>Total</b>	<b>25.24</b>	<b>37.24</b>

\* The Board of Directors of the Company at its meeting held on February 7, 2025 had approved the sale of 100% stake in its wholly owned subsidiary, namely, Cummins Sales & Service Private Limited ("CSSPL"). Upon transfer of 100% shares to the buyer, CSSPL ceased to be a wholly owned subsidiary of the Company effective April 1, 2025.

## Notes to standalone financial statements for the year ended March 31, 2025

### 5 Other non-current financial assets (carried at amortised cost)

(₹ Crore)

	As at March 31	
	2025	2024
<b>Unsecured, considered good</b>		
Security deposits	14.55	13.36
<b>Total</b>	<b>14.55</b>	<b>13.36</b>

### 6 Income tax assets (net)

(₹ Crore)

	As at March 31	
	2025	2024
Advance income tax (net of provision for taxation)	43.83	57.84
<b>Total</b>	<b>43.83</b>	<b>57.84</b>

### 7 Other non-current assets

(₹ Crore)

	As at March 31	
	2025	2024
<b>Unsecured, considered good</b>		
Capital advances	41.40	49.60
Balances with statutory/government authorities	60.99	43.48
Others *	0.53	0.89
<b>Total</b>	<b>102.92</b>	<b>93.97</b>

\* Others include prepaid expenses

### 8 Inventories

(₹ Crore)

	As at March 31	
	2025	2024
Raw materials and components (includes goods in transit)	586.64	518.55
Work-in-progress (includes goods lying with third parties)	170.90	197.34
Finished goods (includes goods in transit and lying with third parties) *	240.32	196.74
Traded goods (includes goods in transit)	10.23	10.18
Stores and spares	4.59	4.58
Loose tools	9.56	9.49
<b>Total</b>	<b>1,022.24</b>	<b>936.88</b>

\* During the year ended March 31, 2025 ₹ 1.42 Crore (March 31, 2024: ₹ 2.37 Crore) was recognised as an expense/(reversal) for inventories carried at net realisable value.

## Notes to standalone financial statements for the year ended March 31, 2025

### 9 Current investments

As at March 31 (Units)			As at March 31 (₹ Crore)	
2025	2024		2025	2024
		<b>Current investments</b>		
		<b>Unquoted mutual funds valued at fair value through profit and loss</b>		
479,972	10,28,653	Aditya Birla Sun Life Liquid Fund - Growth-Direct Plan	20.10	40.08
-	39,388	Axis Liquid Fund - Regular Growth	-	10.49
139,815	1,12,015	Axis Liquid Fund - Direct Growth	40.32	30.06
59,464	31,737	HDFC Liquid Fund - Direct Plan - Growth Option	30.28	15.06
20,004	-	HDFC Liquid Fund - Regular Plan - Growth	10.08	-
43,501	43,501	HDFC Money Market Fund - Direct Plan - Growth Option	24.87	23.06
38,758	1,45,726	HSBC Liquid Fund - Direct Growth	10.02	35.06
665,554	6,65,554	ICICI Prudential Money Market Fund - Growth	24.77	23.00
522,270	8,41,074	ICICI Prudential Liquid Fund - Direct Plan - Growth	20.05	30.06
114,797	61,611	Kotak Liquid Fund Direct Plan Growth	60.15	30.06
77,663	77,663	Kotak Money Market Fund - Growth (Regular Plan)	34.22	31.77
23,686	34,135	Nippon India Liquid Fund - Direct Plan Growth Plan Growth Option	15.03	20.17
70,084	70,084	Nippon India Money Market Fund - Growth Plan Growth Option	28.53	26.49
98,857	53,017	SBI Liquid Fund Direct Growth	40.09	20.04
-	78,59,615	SBI Savings Fund - Direct Plan - Growth	-	31.79
24,473	89,370	Tata Liquid Fund Direct Plan - Growth	10.02	34.05
23,562	1,01,238	UTI Liquid Fund - Direct Plan Growth	10.02	40.07
58,055	-	TATA Money Market Fund - Growth-Regular Plan	26.89	-
88,713	-	UTI Money Market Fund - Regular Growth Plan	26.83	-
24,796	-	TATA Liquid Fund - Regular Plan - Growth	10.03	-
883,545	-	Aditya Birla Sun Life Floating Rate Fund - Growth - Regular Plan	30.09	-
41,510,993	-	SBI CPSE BOND PLUS SDL SEP 2026 50:50 INDEX FUND - DIRECT PLAN - GROWTH	50.02	-
41,183,763	-	Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund Direct Growth	50.02	-
		<b>Value of unquoted mutual funds</b>	<b>572.43</b>	<b>441.31</b>

## Notes to standalone financial statements for the year ended March 31, 2025

### 9 Current investments

As at March 31 (Units)			As at March 31 (₹ Crore)	
2025	2024		2025	2024
		<b>Unquoted Certificate of Deposit valued at fair value through OCI</b>		
-	7,000	7.50% HDFC Bank Limited	-	336.18
-	4,000	7.55% HDFC Bank Limited	-	192.10
-	2,000	7.84% HDFC Bank Limited	-	95.06
		<b>Value of unquoted certificate of deposit</b>	<b>-</b>	<b>623.34</b>
		<b>Aggregate value of unquoted investments</b>	<b>572.43</b>	<b>1,064.65</b>
		<b>Other investments</b>		
		<b>Quoted Bonds/NCD valued at fair value through OCI</b>		
300,000	300,000	Non Convertible Debentures - 7.45% PFC	31.52	31.33
-	200	5.27% NABARD 23/07/2024	-	20.57
2,000	2,000	REC/Bonds/227-A Series	20.73	20.65
2,000	2,000	7.79% SIDBI 2027-Series VI of FY 2023-24	20.46	20.45
2,000	2,000	REC/Bonds/229 A Series	20.72	20.54
400	-	5.78% HDFC Bank Limited 2025	40.35	-
350	-	6.43% HDFC Bank Limited 2025	35.92	-
350	-	6.00% HDFC Bank 2026	36.20	-
25	-	8.35% HDFC Bank 2026	27.07	-
750	-	7.4% National Bank for Agriculture and Rural Development 2026	75.88	-
5,000	-	7.59% Small Industrial Development Bank of India 2026	50.84	-
		<b>Value of quoted Bonds/NCD</b>	<b>359.69</b>	<b>113.54</b>
		<b>Aggregate value of quoted investments</b>	<b>359.69</b>	<b>113.54</b>
		<b>Total</b>	<b>932.12</b>	<b>1,178.19</b>

# Notes to standalone financial statements for the year ended March 31, 2025

## 10 Trade receivables (carried at amortised cost)

(₹ Crore)

	As at March 31	
	2025	2024
Trade receivables	1,830.11	1,732.90
Receivables from related parties (Refer note 41)	462.37	344.70
<b>Total</b>	<b>2,292.48</b>	<b>2,077.60</b>
<b>Break up for security details</b>		
Secured, considered good	371.86	291.70
Unsecured, considered good	1,920.62	1,785.90
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	9.77	6.08
	<b>2,302.25</b>	<b>2,083.68</b>
<b>Impairment loss allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Provision for impairment	-	-
Trade receivable - credit impaired	(9.77)	(6.08)
	<b>(9.77)</b>	<b>(6.08)</b>
<b>Total</b>	<b>2,292.48</b>	<b>2,077.60</b>

No trade receivable or advances are due from directors or other officers of the Company either severally or jointly with any other person. Trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member amounts to ₹ 19.99 Crore (March 31, 2024: ₹ 13.16 Crore). Trade receivables are non interest bearing and are generally on terms of 30 to 90 days.

Weighted average ECL provision works out to be 0.43%

For terms and conditions and transactions with related parties refer note 41.

### Trade receivables aging schedule

(₹ Crore)

Particulars	As at	Outstanding for following periods from due date of payment							Total
		Unbilled	Not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	March 31, 2025	29.03	1,988.25	191.20	68.46	12.30	2.46	0.78	2,292.48
	March 31, 2024	26.50	1,960.39	75.17	4.77	3.15	3.02	4.60	2,077.60
(ii) Undisputed trade receivables - which have significant increase in credit risk	March 31, 2025	-	-	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivable - credit impaired	March 31, 2025	-	-	1.39	2.71	0.11	0.26	5.30	9.77
	March 31, 2024	-	0.13	-	-	0.60	2.35	3.00	6.08
<b>Total</b>	<b>March 31, 2025</b>	<b>29.03</b>	<b>1,988.25</b>	<b>192.59</b>	<b>71.17</b>	<b>12.41</b>	<b>2.72</b>	<b>6.08</b>	<b>2,302.25</b>
	<b>March 31, 2024</b>	<b>26.50</b>	<b>1,960.52</b>	<b>75.17</b>	<b>4.77</b>	<b>3.75</b>	<b>5.37</b>	<b>7.60</b>	<b>2,083.68</b>

## Notes to standalone financial statements for the year ended March 31, 2025

### 11 Cash and Cash Equivalents (carried at amortised cost)

(₹ Crore)

	As at March 31	
	2025	2024
Cash on hand	–	–
Bank balances		
In current accounts	91.95	116.20
Deposits with banks (original maturity less than 3 months)	143.04	175.57
<b>Total</b>	<b>234.99</b>	<b>291.77</b>

### 12 Other bank balances (carried at amortised cost)

(₹ Crore)

	As at March 31	
	2025	2024
Unpaid dividend account (restricted)	14.18	13.26
Deposits with banks (original maturity more than 3 months but less than 1 year)	2,261.12	1,199.63
<b>Total</b>	<b>2,275.30</b>	<b>1,212.89</b>

### 13 Other current financial assets (carried at amortised cost, other than foreign exchange forward contracts)

(₹ Crore)

	As at March 31	
	2025	2024
<b>Unsecured, considered good:</b>		
Security deposits	25.80	19.26
Contract assets ^	8.85	2.14
Foreign exchange forward contracts #	2.26	–
Others *	29.76	15.73
<b>Total</b>	<b>66.67</b>	<b>37.13</b>

^ Contract assets mainly include right to consideration against future obligation.

# Foreign exchange forward contracts at fair value through profit and loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationship, but are nevertheless, intended to reduce the level of foreign currency risk exposure.

\* Others primarily include warranty receivable, cross charge etc.

Other current financial assets receivable from firms or private companies in which any director is a partner, a director or a member amounts to ₹ 4.55 Crore (March 31, 2024: ₹ 2.65 Crore). Refer note 41 for related party transactions.

# Notes to standalone financial statements for the year ended March 31, 2025

## 14 Other current assets

(₹ Crore)

	As at March 31	
	2025	2024
<b>Unsecured, considered good:</b>		
Balances with statutory/government authorities	68.28	81.22
Others *	61.64	85.77
<b>Total</b>	<b>129.92</b>	<b>166.99</b>

\* Others include prepaid expenses, supplier advances, service contracts in progress, etc.

## 15 Assets classified as held for sale (at lower of cost or fair value less cost to sell)

(₹ Crore)

	As at March 31	
	2025	2024
Assets held for sale	4.93	2.69
Investment in subsidiary	12.00	-
<b>Total</b>	<b>16.93</b>	<b>2.69</b>

## 16 Equity share capital

(₹ Crore)

	As at March 31	
	2025	2024
<b>Authorised</b>		
400,000,000 equity shares of ₹ 2 each	80.00	80.00
<b>Issued, subscribed and fully paid-up shares:</b>		
277,200,000 equity shares of ₹ 2 each	55.44	55.44
<b>Total</b>	<b>55.44</b>	<b>55.44</b>

### a) Reconciliation of number of shares

Equity shares	As at March 31, 2025		As at March 31, 2024	
	Nos. of Shares	₹ Crore	Nos. of shares	₹ Crore
Balance as at the beginning and end of the year	277,200,000	55.44	277,200,000	55.44

### b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in the proportion to their shareholding.

## Notes to standalone financial statements for the year ended March 31, 2025

### c) Details of shareholding of promoter

Particulars	As at March 31, 2025			As at March 31, 2024		
	Nos. of Shares	% of total number of shares	% of change during the year	Nos. of Shares	% of total number of shares	% of change during the year
Cummins Inc. USA - Holding Company	141,372,000	51.00%	-	141,372,000	51.00%	-

### d) Details of shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2025		As at March 31, 2024	
	Nos.	%	Nos.	%
Equity shares of ₹ 2 each fully paid Cummins Inc. USA - Holding Company	141,372,000	51.00%	141,372,000	51.00%

## 17 Other equity

(₹ Crore)

	As at March 31	
	2025	2024
Retained earnings	5,774.33	4,934.62
	<b>5,774.33</b>	<b>4,934.62</b>
<b>Other reserves</b>		
Capital redemption reserve	0.70	0.70
General reserve	1,142.02	1,142.02
Equity contribution from Holding Company	45.54	30.31
<b>Total</b>	<b>1,188.26</b>	<b>1,173.03</b>

## Notes to standalone financial statements for the year ended March 31, 2025

### a) Retained earnings

(₹ Crore)

	Year ended March 31	
	2025	2024
Opening balance as at April 1	4,934.62	4,150.00
Add: Profit for the year	1,905.78	1,660.62
Add: Other comprehensive income		
– Items not to be reclassified to profit or loss in subsequent periods Remeasurement (loss)/gain on defined benefit plans, net of tax	(14.41)	(16.22)
– Items to be reclassified to profit or loss in subsequent periods Changes in the fair value of financial instruments (net), net of tax	1.70	(0.46)
	<b>6,827.69</b>	<b>5,793.94</b>
Less:		
Interim dividend paid for the financial years ended March 31, 2025 (₹ 18 per share) and March 31, 2024 (₹ 18 per share)	498.96	498.96
Final dividend paid for the financial years ended March 31, 2024 (₹ 20 per share) and March 31, 2023 (₹ 13 per share)	554.40	360.36
	<b>1,053.36</b>	<b>859.32</b>
<b>Closing balance as at March 31</b>	<b>5,774.33</b>	<b>4,934.62</b>

### Dividend not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended payment of final dividend of ₹ 928.62 crore for the year ended March 31, 2025 (March 31, 2024: ₹ 554.40 crore) which is ₹ 33.50 per fully paid up share (March 31, 2024: ₹ 20.00 per fully paid up share). This proposed dividend is subject to approval of shareholders in the ensuing Annual General Meeting.

### b) Capital redemption reserve

(₹ Crore)

	Year ended March 31	
	2025	2024
Opening balance as at April 1	0.70	0.70
Add: Movement during the year	–	–
<b>Closing balance as at March 31</b>	<b>0.70</b>	<b>0.70</b>

### c) General reserve

General reserve denotes the amounts transferred from retained earnings on declaration of dividends as per the requirements of erstwhile Companies Act, 1956.

(₹ Crore)

	Year ended March 31	
	2025	2024
Opening balance as at April 1	1,142.02	1,142.02
Add: Movement during the year	–	–
<b>Closing balance as at March 31</b>	<b>1,142.02</b>	<b>1,142.02</b>

## Notes to standalone financial statements for the year ended March 31, 2025

### d) Equity contribution from the holding company

Certain employees are directly paid by the holding company through stock options.

(₹ Crore)

	Year ended March 31	
	2025	2024
Opening balance as at April 1	30.31	19.82
Add: Movement during the year	15.23	10.49
<b>Closing balance as at March 31</b>	<b>45.54</b>	<b>30.31</b>

### 18 Other non-current financial liabilities (carried at amortised cost)

(₹ Crore)

	As at March 31	
	2025	2024
Deposits	33.90	27.45
Retention money	8.44	3.75
Capital creditors	0.87	18.44
Others *	10.26	11.64
<b>Total</b>	<b>53.47</b>	<b>61.28</b>

\* Others primarily include liability on account of Voluntary Retirement Scheme (refer note 47)

### 19 Provisions

(₹ Crore)

	As at March 31	
	2025	2024
Provision for employee benefit obligations (Refer note 40)	154.09	143.94
Warranties (Refer note 39 (i))	114.27	78.86
Statutory matters (Refer note 39 (ii))	16.19	17.66
New Engine Performance Inspection (NEPI) (Refer note 39 (iii))	47.52	40.58
	<b>332.07</b>	<b>281.04</b>
Current provisions	169.15	163.08
Non-current provisions	162.92	117.96
<b>Total</b>	<b>332.07</b>	<b>281.04</b>

# Notes to standalone financial statements for the year ended March 31, 2025

## 20 Income taxes

### a) Deferred tax liabilities (net)

(₹ Crore)

	Balance Sheet		Statement of profit and loss	
	As at March 31		Year ended March 31	
	2025	2024	2025	2024
<b>Deferred tax assets</b>				
Provision for employee benefits recognised in Statement of profit and loss	28.02	26.60	1.42	1.98
Other timing differences	25.41	15.75	9.66	2.99
<b>Total deferred tax assets</b>	<b>53.43</b>	<b>42.35</b>	<b>11.08</b>	<b>4.97</b>
<b>Deferred tax liabilities</b>				
Depreciation	142.74	138.42	4.32	3.00
Other timing differences	1.95	(1.97)	3.92	(6.95)
<b>Total deferred tax liabilities</b>	<b>144.69</b>	<b>136.45</b>	<b>8.24</b>	<b>(3.95)</b>
<b>Deferred tax (expense)/income</b>			<b>2.84</b>	<b>8.92</b>
<b>Net deferred tax liabilities</b>	<b>91.26</b>	<b>94.10</b>		

### b) The major components of income tax expenses for the years ended March 31, 2025 and March 31, 2024 are:

#### Statement of Profit and Loss

(₹ Crore)

	Year ended March 31	
	2025	2024
<b>Profit and loss section</b>		
<b>Current income tax:</b>		
Current income tax charge	594.34	507.08
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(2.84)	(8.92)
Adjustments in respect of current income tax of previous year	(1.14)	(15.73)
<b>Income tax expenses reported in the Statement of Profit and Loss</b>	<b>590.36</b>	<b>482.43</b>
<b>OCI section</b>		
Tax related to items recognised in OCI during the year	(4.28)	(5.61)
Net (gain)/loss on remeasurements of defined benefit plans and others	<b>(4.28)</b>	<b>(5.61)</b>

## Notes to standalone financial statements for the year ended March 31, 2025

### c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2025 and March 31, 2024

(₹ Crore)

	Year ended March 31	
	2025	2024
Accounting profit before tax	2,496.14	2,143.05
India's statutory income tax rate	25.17%	25.17%
Tax at full rate	628.23	539.36
Adjustments:		
Dividend income (not subject to tax)	(45.29)	(47.81)
Others (deductible, non-deductible items, net)	7.42	(9.12)
<b>Total</b>	<b>(37.87)</b>	<b>(56.93)</b>
Income tax expenses reported in the Statement of Profit and Loss for the current year	<b>590.36</b>	<b>482.43</b>

### d) Deferred tax

Reconciliation of deferred tax liabilities (net):

(₹ Crore)

	Year ended March 31	
	2025	2024
Opening balances as at April 1	94.10	105.70
Tax expense/(income) during the year recognised in Statement of Profit and Loss	(2.84)	(8.92)
Adjustments in respect of previous years	-	(2.68)
<b>Closing balance as at March 31</b>	<b>91.26</b>	<b>94.10</b>

## 21 Other non-current liabilities

(₹ Crore)

	As at March 31	
	2025	2024
Contract liabilities	25.60	11.96
<b>Total</b>	<b>25.60</b>	<b>11.96</b>

The Company expects the revenue on account of this to be recognised over the next 2 to 5 years

# Notes to standalone financial statements for the year ended March 31, 2025

## 22 Borrowings

(₹ Crore)

	As at March 31	
	2025	2024
Working capital loan from bank	-	100.00
<b>Total</b>	<b>-</b>	<b>100.00</b>

The loan was unsecured and repayable within one year. Interest was payable @ 6.75% - 7.31% (T-Bill/MIBOR) adjusted by a reasonable spread p.a. The Company had availed the benefit of interest equalisation scheme of the Reserve Bank of India. Interest on borrowings under interest equalisation scheme is accounted for on net basis.

The changes in liabilities arising from financing activities is on account of cash flow changes only and there are no non-cash changes.

## 23 Trade payables

(₹ Crore)

	As at March 31	
	2025	2024
Trade payables to micro and small enterprises (MSME) (Refer note 34)	62.79	71.25
Trade payables other than related parties, micro and small enterprises	616.95	562.48
Trade payables to related parties (Refer note 41)	888.50	768.62
	<b>1,505.45</b>	<b>1,331.10</b>
<b>Total</b>	<b>1,568.24</b>	<b>1,402.35</b>

Trade payables are non interest bearing and are normally settled in 30 to 90 days.

For terms and conditions and transactions with related parties refer note 41.

### Trade payables aging schedule

(₹ Crore)

Particulars	As at	Outstanding for following periods from due date of payment						Total
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed MSME	March 31, 2025	-	62.60	0.19	-	-	-	62.79
	March 31, 2024	-	70.10	1.15	-	-	-	71.25
(ii) Undisputed- Others	March 31, 2025	319.55	1,087.53	87.89	1.94	2.07	6.47	1,505.45
	March 31, 2024	156.62	983.04	174.45	9.91	0.17	6.91	1,331.10
<b>Total</b>	<b>March 31, 2025</b>	<b>319.55</b>	<b>1,150.13</b>	<b>88.08</b>	<b>1.94</b>	<b>2.07</b>	<b>6.47</b>	<b>1,568.24</b>
	<b>March 31, 2024</b>	<b>156.62</b>	<b>1,053.14</b>	<b>175.60</b>	<b>9.91</b>	<b>0.17</b>	<b>6.91</b>	<b>1,402.35</b>

## Notes to standalone financial statements for the year ended March 31, 2025

### 24 Other current financial liabilities

(₹ Crore)

	As at March 31	
	2025	2024
Unpaid dividend	14.18	13.26
Royalty (Refer note 41)	62.79	24.26
Support services payable (Refer note 41)	35.76	4.81
Retention money	2.43	7.06
Capital creditors	63.99	52.65
Others including salaries, wages, bonus payable	38.04	45.26
<b>Total</b>	<b>217.19</b>	<b>147.30</b>

### 25 Other current liabilities

(₹ Crore)

	As at March 31	
	2025	2024
Statutory dues and other payables	134.07	153.22
Advance for sale of investment in subsidiary	56.50	–
Contract liabilities ^	79.63	63.63
<b>Total</b>	<b>270.20</b>	<b>216.85</b>

^ Contract liabilities include advances received from customer as well as consideration received before the Company has transferred goods or services to the customer.

### 26 Revenue from operations

(₹ Crore)

	Year ended March 31	
	2025	2024
Sale of products	9,688.22	8,438.50
Sale of services	477.99	377.88
	<b>10,166.21</b>	<b>8,816.38</b>
<b>Other operating revenue</b>		
Scrap sales	9.29	7.65
Export incentives	44.73	34.01
Others *	119.17	100.56
	<b>173.19</b>	<b>142.22</b>
<b>Revenue from operations</b>	<b>10,339.40</b>	<b>8,958.60</b>

\* Others primarily includes testing income, engineering income, royalty income from dealers, etc.

# Notes to standalone financial statements for the year ended March 31, 2025

## Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers

(₹ Crore)

	Year ended March 31	
	2025	2024
<b>Location</b>		
India	8,523.39	7,371.65
Outside India	1,771.28	1,552.94
<b>Total revenue from contracts with customers *</b>	<b>10,294.67</b>	<b>8,924.59</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	9,697.51	8,446.15
Services transferred over time	597.16	478.44
<b>Revenue from contracts with customers *</b>	<b>10,294.67</b>	<b>8,924.59</b>
<b>Set out below is the amount of revenue recognised from</b>		
Amounts included in contract liabilities at the beginning of the year	47.95	31.48
Performance obligations satisfied in previous years	-	5.08
<b>Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contracted price	10,532.92	9,098.26
<b>Adjustments</b>		
Sales return	(47.70)	(32.74)
Discounts	(164.28)	(108.23)
Liquidated damages	(12.14)	(9.35)
Others	(14.13)	(23.35)
<b>Revenue from contracts with customers *</b>	<b>10,294.67</b>	<b>8,924.59</b>

\* Excludes export incentives

## Notes to standalone financial statements for the year ended March 31, 2025

### 27 Other income

(₹ Crore)

	Year ended March 31	
	2025	2024
Dividend income		
– On investments in associate and joint venture carried at cost	179.95	189.95
	<b>179.95</b>	<b>189.95</b>
Gain on sale/redemption of investments		
– On current investments designated at fair value through profit and loss	45.91	52.20
	<b>45.91</b>	<b>52.20</b>
Interest on term deposits and others	169.16	120.62
Rent (Refer note 3 for rent on investment properties)	175.71	171.00
Exchange gain (net)	2.13	0.79
Gain on assets sold, discarded, etc.	5.79	1.57
Miscellaneous income	47.48	31.66
	<b>400.27</b>	<b>325.64</b>
<b>Total</b>	<b>626.13</b>	<b>567.79</b>

### 28.1 Cost of materials consumed

(₹ Crore)

	Year ended March 31	
	2025	2024
Inventory at the beginning of the year	518.55	454.31
Add: Purchases	6,020.32	4,913.75
Less: Inventory at the end of the year	586.64	518.55
<b>Total</b>	<b>5,952.23</b>	<b>4,849.51</b>

## Notes to standalone financial statements for the year ended March 31, 2025

### 28.2 Changes in inventories of finished goods, work-in-progress and traded goods

(₹ Crore)

	Year ended March 31	
	2025	2024
<b>Inventories at the end of the year (Refer note 8)</b>		
Work-in-progress	170.90	197.34
Finished goods	240.32	196.74
Traded goods	10.23	10.18
<b>Subtotal (A)</b>	<b>421.45</b>	<b>404.26</b>
<b>Inventories at the beginning of the year (Refer note 8)</b>		
Work-in-progress	197.34	206.64
Finished goods	196.74	202.99
Traded goods	10.18	8.26
<b>Subtotal (B)</b>	<b>404.26</b>	<b>417.89</b>
<b>(Increase)/Decrease (B-A)</b>	<b>(17.19)</b>	<b>13.63</b>

### 29 Employee benefits expense

(₹ Crore)

	Year ended March 31	
	2025	2024
Salaries, wages and bonus	649.07	667.64
Contribution to provident and other funds (Refer note 40)	80.46	73.71
Staff welfare expenses	44.47	37.95
<b>Total</b>	<b>774.00</b>	<b>779.30</b>

### 30 Finance costs

(₹ Crore)

	Year ended March 31	
	2025	2024
Interest on borrowings and others	3.26	15.20
Interest cost on lease liabilities (Refer note 37)	1.87	2.06
<b>Total interest expense</b>	<b>5.13</b>	<b>17.26</b>
Unwinding of discount and effect of changes in discount rate on provisions (Refer note 39)	9.99	9.52
<b>Total</b>	<b>15.12</b>	<b>26.78</b>

## Notes to standalone financial statements for the year ended March 31, 2025

### 31 Other Expenses

(₹ Crore)

	Year ended March 31	
	2025	2024
Commission on sales	20.98	18.46
Consumption of stores and spare parts	79.29	84.60
Warranty expenses (Refer note 39)	97.55	58.54
Consumption of tools and gauges	9.17	8.00
Repairs to buildings	35.17	36.69
Repairs to machinery	9.57	11.19
Other repairs	5.50	2.08
Power and fuel	31.84	27.48
Rates and taxes	10.30	25.08
Insurance	22.28	19.62
Outside processing charges	34.34	38.44
Donations (including expenditure towards corporate social responsibility activities (Refer note 41 and 42))	27.95	20.01
Royalties (Refer note 41)	70.65	28.26
Support services (Net of credits) (Refer note 41)	110.58	66.61
Computer and other services	114.01	96.60
Payment to auditors (Refer details below)	1.85	1.89
Bad Debts		
Bad debts written off	0.39	0.87
Provision for bad and doubtful debts	4.08	0.26
Amount withdrawn from provisions	(0.39)	(0.87)
	4.08	0.26
Other expenses (net of expenses recovered) (Refer note 41)	220.69	104.06
<b>Total</b>	<b>905.80</b>	<b>647.87</b>

### Payment to auditors:

(₹ Crore)

	Year ended March 31	
	2025	2024
On account of Audit Fees	1.80	1.80
On account of Reimbursement of expenses	0.05	0.09
<b>Total</b>	<b>1.85</b>	<b>1.89</b>

# Notes to standalone financial statements for the year ended March 31, 2025

## 32 Earning per share (EPS)

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below:

	Year ended March 31	
	2025	2024
(a) Profit for the year after taxation (₹ Crore)	1,905.78	1,660.62
(b) Weighted average number of shares outstanding during the year	277,200,000	277,200,000
(c) Earnings per share (Basic and Diluted) (₹)	68.75	59.91
(d) Face value per share (₹)	2	2

## 33 Capital and other commitments

(₹ Crore)

	As at March 31	
	2025	2024
Estimated amount of contracts in capital account remaining to be executed (net of capital advances)		
Property, plant and equipment	159.25	142.75
Intangible assets	0.39	0.90
<b>Total</b>	<b>159.64</b>	<b>143.65</b>

For other commitments also refer Note 37

## 34 Trade payables include dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 as under:

(₹ Crore)

	As at March 31	
	2025	2024
Total outstanding dues of micro and small enterprises	62.79	71.25
1. Principal Amount	62.79	71.25
2. Interest accrued	-	-
3. Payment made to suppliers (other than interest) beyond the appointed day, during the year	481.64	3.80
4. Interest paid to suppliers under MSMED Act, 2006 (other than section 16)	-	-
5. Interest paid to suppliers under MSMED Act, 2006 (Section 16)	0.57	0.07
6. Interest due and payable to suppliers under MSMED Act, 2006 for the payments already made	-	-
7. Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-

The Company has compiled this information based on intimations received from the suppliers of their status as Micro or Small Enterprises and/or their registration with the appropriate authority under MSMED Act, 2006.

# Notes to standalone financial statements for the year ended March 31, 2025

## 35 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in an outcome that requires a material adjustment to the carrying amount of assets or liabilities effected in future periods.

### **Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

#### **Revenue from contracts with customers**

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

##### **- Identifying performance obligations in a bundled sale of equipment and installation services**

The Company provides installation services that can either be sold separately or bundled together with the sale of equipment to a customer. The installation services are a promise to transfer services in the future and are part of the negotiated exchange between the Company and the customer. The Company determined that both the equipment and installation are capable of being distinct.

##### **- Determining method to estimate variable consideration and assessing the constraint**

Certain contracts for the sale of services include volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company applies either the most likely amount method or the expected value method. The most likely amount method is applied for contracts with a single-volume threshold and the expected value method is applied for contracts with more than one volume threshold.

The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimation on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

# Notes to standalone financial statements for the year ended March 31, 2025

## **Defined benefit plans:**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The discount rate is the parameter most subject to change. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables for India. Mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 40.

## **Fair value measurements of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets if available, otherwise, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instrument. Refer note 44 for further disclosures.

## **Warranty, statutory matters and New Engine Performance Inspection (NEPI)**

For estimates relating to warranty, statutory matters and NEPI (refer note 39)

# Notes to standalone financial statements for the year ended March 31, 2025

## 36 Contingent liabilities

(₹ Crore)

	As at March 31	
	2025	2024
a. Income tax matters*	17.21	17.04
b. Central excise duty/service tax matters*	6.23	6.23
c. Duty drawback & custom matters	34.93	26.04
d. Sales Tax matters*	34.61	34.61
e. Civil liability/secondary civil liability in respect of suits filed against the Company*	1.49	1.55
f. Goods and service tax matters	4.33	2.33
<b>Total</b>	<b>98.80</b>	<b>87.80</b>

\* Excludes interest and penalties if any. The above matters pertain to certain disallowances/demand raised by respective authorities.

The Company is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appeal process.

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. The Company has implemented the SC decision prospectively.

The Company has various on-going litigations by/or against the Company with respect to tax and other legal matters, other than those disclosed above. The Company believes that it has sufficient and strong arguments on facts as well as on point of law and accordingly no provision/disclosure in this regard has been considered in the financial statements.

## 37 Leases

### Lease commitments as a Lessee

The Company has entered into leases for office premises. These lease arrangements range for a period between 12 and 108 months with lock in period between 36 and 108 months, which include both renewable and non-renewable leases.

Following are the changes in the carrying value of right of use assets during the year ended

(₹ Crore)

Particulars	March 31, 2025 Category of ROU				March 31, 2024 Category of ROU			
	Building	Land	Vehicles	Total	Building	Land	Vehicles	Total
Balance as at the beginning of the year	16.99	13.57	–	30.56	19.42	13.73	–	33.15
Additions	14.41	2.34	5.01	21.76	4.32	–	–	4.32
Adjustment	(2.76)	(3.01)	(0.09)	(5.86)	(0.40)	–	–	(0.40)
Depreciation	(5.67)	(0.21)	(0.78)	(6.66)	(6.35)	(0.16)	–	(6.51)
<b>Balance as at the end of the year</b>	<b>22.97</b>	<b>12.69</b>	<b>4.14</b>	<b>39.80</b>	<b>16.99</b>	<b>13.57</b>	<b>–</b>	<b>30.56</b>

## Notes to standalone financial statements for the year ended March 31, 2025

Following are the changes in carrying value of lease liabilities during the year ended

(₹ Crore)

Particulars	March 31, 2025	March 31, 2024
Balance as at the beginning of the year	20.50	22.57
Additions	19.42	4.32
Adjustment	(3.81)	(0.42)
Interest cost accrued during the period	1.87	2.06
Payments	(8.32)	(8.03)
<b>Balance as at the end of the year</b>	<b>29.66</b>	<b>20.50</b>
Current portion	9.24	6.13
Non-current portion	20.42	14.37

The maturity analysis of lease liabilities is disclosed in note 43(c). Lease liability has been discounted using the lessee's incremental borrowing rate. There are no variable lease payments.

The following are the amounts recognised in statement of profit and loss during the year ended

(₹ Crore)

Particulars	March 31, 2025	March 31, 2024
Depreciation expense of right-of-use assets	6.66	6.51
Interest expense on lease liabilities	1.87	2.06
<b>Total amount recognised in statement of profit and loss</b>	<b>8.53</b>	<b>8.57</b>

### Operating lease as a lessor

The Company has entered into operating leases on its investment properties consisting of buildings and other related assets. These leases have terms between 36 and 120 months.

Future minimum lease rentals receivable under non-cancellable operating leases are as follows:

(₹ Crore)

	As at March 31	
	2025	2024
Within 1 year	52.21	64.69
Between 1-2 years	22.31	41.52
Between 2-3 years	9.41	18.91
Between 3-4 years	3.45	9.41
Between 4-5 years	–	3.45
More than 5 years	–	–
<b>Total</b>	<b>87.38</b>	<b>137.98</b>

The Company has not entered into any sub-leases during the year.

## Notes to standalone financial statements for the year ended March 31, 2025

### 38 The total research and development expenses incurred by the Company are as under:

(₹ Crore)

	Year ended March 31	
	2025	2024
On capital account	7.23	6.69
On revenue account	3.28	3.21
<b>Total</b>	<b>10.51</b>	<b>9.90</b>

### 39 Disclosure on provisions made, utilised and reversed during the year

#### i) Provision for warranty

Provision for warranty is on account of warranties given on products sold by the Company. The amount of provision is based on historical information of the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence. The timing and amount of cash flows that will arise from these matters will be determined at the time of receipt of claims. Amount expected to be paid in next 12 months is classified as current.

(₹ Crore)

	As at March 31	
	2025	2024
Balance as at the beginning of the year	78.86	75.75
Additions/reversal	97.55	58.54
Utilisation	67.75	62.87
Unwinding of discount and changes in the discount rate	5.61	7.44
<b>Balance as at the end of the year</b>	<b>114.27</b>	<b>78.86</b>
Classified as non-current	84.36	47.20
Classified as current	<b>29.91</b>	<b>31.66</b>

## Notes to standalone financial statements for the year ended March 31, 2025

### ii) Provision for statutory matters

Provisions for statutory matters are on account of legal matters where the Company anticipates probable outflow. The amount of provision is based on estimates made by the Company considering the facts and circumstances of each case. The timing and amount of cash flows that will arise from these matters will be determined by the relevant authorities only on settlement of these cases.

(₹ Crore)

	As at March 31	
	2025	2024
Balance as at the beginning of the year	17.66	17.45
Additions	–	0.22
Utilisation	1.47	0.01
Unwinding of discount and changes in the discount rate	–	–
<b>Balance as at the end of the year</b>	<b>16.19</b>	<b>17.66</b>
Classified as non-current	–	–
Classified as current	<b>16.19</b>	<b>17.66</b>

### iii) Provision for New Engine Performance Inspection (NEPI)

Provision for New Engine Performance Inspection (NEPI) is on account of checks to be carried out by the Company at specified intervals. The amount of provision is based on historical information of the nature, frequency and average cost of claims and management estimates regarding possible future incidence. The timing and amount of the cash flows that will arise from these matters will be determined at the time of receipt of claims. Amount expected to be paid in next 12 months is classified as current.

(₹ Crore)

	As at March 31	
	2025	2024
Balance as at the beginning of the year	40.58	39.59
Additions	19.84	8.24
Utilisation	15.02	9.33
Unwinding of discount and changes in the discount rate	2.12	2.08
<b>Balance as at the end of the year</b>	<b>47.52</b>	<b>40.58</b>
Classified as non-current	26.19	22.62
Classified as current	<b>21.33</b>	<b>17.96</b>

# Notes to standalone financial statements for the year ended March 31, 2025

## 40 Employee benefit plans

1. **Defined contribution plans - The Company has recognised the following amounts in statement of profit and loss for the year:**

	(₹ Crore)
	<b>Total</b>
Contribution to employees provident fund	11.51
	11.96
Contribution to management superannuation fund	20.68
	22.57

2. **Defined benefit plans -**

The following figures are as per actuarial valuation, as at the balance sheet date, carried out by an independent actuary.

- a. **Net Balance Sheet position**

	(₹ Crore)					
Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
i) Defined benefit obligation	March 31, 2025	277.51	32.27	2.59	2.33	454.33
	March 31, 2024	243.74	29.08	2.52	2.22	402.93
ii) Fair value of Plan assets	March 31, 2025	241.13	27.97	-	-	454.70
	March 31, 2024	206.88	28.82	-	-	403.79
iii) Funded status surplus/(deficit)	March 31, 2025	(36.38)	(4.30)	(2.59)	(2.33)	0.37
	March 31, 2024	(36.86)	(0.26)	(2.52)	(2.22)	0.86
iv) Effect of asset ceiling	March 31, 2025	-	-	-	-	(0.37)
	March 31, 2024	-	-	-	-	(0.86)
<b>Net defined benefit asset/(liability)</b>	March 31, 2025	(36.38)	(4.30)	(2.59)	(2.33)	-
	March 31, 2024	(36.86)	(0.26)	(2.52)	(2.22)	-

- b. **Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation (DBO)**

	(₹ Crore)					
Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
Opening defined benefit obligation	March 31, 2025	243.74	29.08	2.52	2.22	402.93
	March 31, 2024	208.41	28.51	2.46	2.22	354.99
i) Current service cost	March 31, 2025	17.01	0.92	0.09	0.07	18.51
	March 31, 2024	15.20	0.90	0.09	0.08	16.79
ii) Interest cost	March 31, 2025	16.67	1.99	0.16	0.15	29.73
	March 31, 2024	14.90	2.05	0.17	0.16	27.15
iii) Settlement/Curtailment (credit)/cost	March 31, 2025	-	-	-	-	-
	March 31, 2024	-	-	-	-	-
iv) Actuarial (gains)/losses - experience changes	March 31, 2025	13.52	0.97	0.12	(0.02)	2.10
	March 31, 2024	17.33	(0.73)	0.08	(0.13)	2.65

## Notes to standalone financial statements for the year ended March 31, 2025

(₹ Crore)

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
v) Actuarial (gains)/losses - demographic changes	March 31, 2025	(2.61)	0*	-	-	-
	March 31, 2024	(0.88)	0*	(0.04)	(0.03)	-
vi) Actuarial (gains)/losses - financial assumptions	March 31, 2025	9.62	0.55	0.04	0.05	(0.48)
	March 31, 2024	6.44	0.40	0.03	0.04	4.25
vii) Benefits paid	March 31, 2025	(20.79)	(3.30)	(0.34)	(0.14)	(19.63)
	March 31, 2024	(15.10)	(2.05)	(0.27)	(0.12)	(44.12)
viii) Past service cost - plan amendments	March 31, 2025	-	2.06	-	-	-
	March 31, 2024	-	-	-	-	-
ix) Other Adjustments	March 31, 2025	-	-	-	-	-
	March 31, 2024	-	-	-	-	-
x) Acquisitions (credit)/cost	March 31, 2025	0.35	-	-	-	(5.81)
	March 31, 2024	(2.56)	-	-	-	15.73
xi) Contributions by employees	March 31, 2025	-	-	-	-	26.98
	March 31, 2024	-	-	-	-	25.49
<b>Closing defined benefit obligation</b>	<b>March 31, 2025</b>	<b>277.51</b>	<b>32.27</b>	<b>2.59</b>	<b>2.33</b>	<b>454.33</b>
	March 31, 2024	243.74	29.08	2.52	2.22	402.93

\* Amount is below the rounding off norm adopted by the Company.

### c. Reconciliation of opening and closing balances of the fair value of plan assets

(₹ Crore)

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
Opening fair value of plan assets	March 31, 2025	206.88	28.82	-	-	403.79
	March 31, 2024	197.63	28.69	-	-	349.47
i) Interest income on plan assets	March 31, 2025	14.37	1.98	-	-	29.79
	March 31, 2024	14.47	2.06	-	-	26.73
ii) Return on plan asset greater/ (lesser) than discount rate	March 31, 2025	2.78	0.22	-	-	1.07
	March 31, 2024	0.55	0.12	-	-	13.70
iii) Actuarial gains/(losses)	March 31, 2025	-	-	-	-	-
	March 31, 2024	-	-	-	-	-
iv) Contribution by the employer	March 31, 2025	37.54	0.25	-	-	18.51
	March 31, 2024	11.89	-	-	-	16.79
v) Benefits paid	March 31, 2025	(20.79)	(3.30)	-	-	(19.63)
	March 31, 2024	(15.10)	(2.05)	-	-	(44.12)
vi) Acquisition adjustment	March 31, 2025	0.35	-	-	-	(5.81)
	March 31, 2024	(2.56)	-	-	-	15.73
vii) Contribution by employee	March 31, 2025	-	-	-	-	26.98
	March 31, 2024	-	-	-	-	25.49

## Notes to standalone financial statements for the year ended March 31, 2025

(₹ Crore)

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
viii) Other adjustments	March 31, 2025	-	-	-	-	-
	March 31, 2024	-	-	-	-	-
<b>Closing fair value of plan assets</b>	March 31, 2025	241.13	27.97	-	-	454.70
	March 31, 2024	206.88	28.82	-	-	403.79

### d. Total defined benefit cost

(₹ Crore)

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
i) Current and past service cost	March 31, 2025	17.01	2.98	0.09	0.07	18.51
	March 31, 2024	15.20	0.90	0.09	0.08	16.79
ii) Net interest cost	March 31, 2025	2.30	0.01	0.16	0.15	-
	March 31, 2024	0.43	(0.01)	0.17	0.16	0.42
iii) Actuarial (gains)/losses recognised in OCI	March 31, 2025	17.75	1.30	0.16	0.03	-
	March 31, 2024	22.34	(0.45)	0.07	(0.12)	(5.94)
<b>Total defined benefit cost</b>	March 31, 2025	37.06	4.29	0.41	0.25	18.51
	March 31, 2024	37.97	0.44	0.33	0.12	11.27

### e. Statement of profit and loss

(₹ Crore)

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
i) Current and past service cost	March 31, 2025	17.01	2.98	0.09	0.07	18.51
	March 31, 2024	15.20	0.90	0.09	0.08	16.79
ii) Settlement/Curtailment cost/(credit)	March 31, 2025	-	-	-	-	-
	March 31, 2024	-	-	-	-	-
iii) Net interest cost	March 31, 2025	2.30	0.01	0.16	0.15	-
	March 31, 2024	0.43	(0.01)	0.17	0.16	0.42
<b>Cost recognised in profit and loss</b>	March 31, 2025	19.31	2.99	0.25	0.22	18.51
	March 31, 2024	15.63	0.89	0.26	0.24	17.21

All of the above have been included in the line 'Company's contribution to provident and other funds', in note 29 of the statement of profit and loss.

### f. Other comprehensive income

(₹ Crore)

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
i) Actuarial (gain)/loss due to DBO experience changes	March 31, 2025	13.52	0.97	0.12	(0.02)	2.10
	March 31, 2024	17.33	(0.73)	0.08	(0.13)	2.65
ii) Actuarial (gain)/loss due to assumption change	March 31, 2025	7.01	0.55	0.04	0.05	(0.48)
	March 31, 2024	5.56	0.40	(0.01)	0.01	4.25

## Notes to standalone financial statements for the year ended March 31, 2025

(₹ Crore)

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
iii) Return on plan assets (greater)/less than discount rate	March 31, 2025	(2.78)	(0.22)	–	–	(1.07)
	March 31, 2024	(0.55)	(0.12)	–	–	(13.70)
iv) Adjustment to recognize the effect of asset ceiling	March 31, 2025	–	–	–	–	(0.55)
	March 31, 2024	–	–	–	–	0.86
<b>Actuarial-gain/loss recognised in OCI</b>	March 31, 2025	17.75	1.30	0.16	0.03	–
	March 31, 2024	22.34	(0.45)	0.07	(0.12)	(5.94)

- g. For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the total plan assets

Particulars	Gratuity		Pension		PF	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
i) Government of India securities	0.00%	0.00%	0.00%	0.00%	43.39%	44.54%
ii) Debt instruments and related investments/corporate bonds	0.00%	0.00%	0.00%	0.00%	41.70%	41.98%
iii) Special deposit scheme	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
iv) Insurer managed funds	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%
v) Mutual Funds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
vi) Equities and related investments	0.00%	0.00%	0.00%	0.00%	14.91%	13.48%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

The overall expected rate of return on assets is based on the expectations of the average long term rate of return expected on investments of the fund during the estimated term of obligations.

### h. Supplementary information as per Ind AS 19

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
i) Expected employer contribution for next year (₹ Crore)	March 31, 2025	36.40	4.30	NA	NA	20.36
	March 31, 2024	10.00	–	NA	NA	18.47
ii) Weighted average duration of DBO (Years)	March 31, 2025	8.92	4.00	4.48	6.26	12.55
	March 31, 2024	9.00	4.27	4.86	6.53	13.96

- i. Following are the principal actuarial assumptions used as at the balance sheet date

## Notes to standalone financial statements for the year ended March 31, 2025

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
Discount rate	March 31, 2025	6.8%	6.8%	6.8%	6.8%	6.8%
	March 31, 2024	7.2%	7.2%	7.2%	7.2%	7.2%
Expected rate of return on plan assets	March 31, 2025	6.8%	6.8%	NA	NA	NA
	March 31, 2024	7.2%	7.2%	NA	NA	NA
Salary escalation rate - management staff	March 31, 2025	10%	NA	NA	NA	NA
	March 31, 2024	10%	NA	NA	NA	NA
Salary escalation rate - non-management staff	March 31, 2025	8%	NA	NA	NA	NA
	March 31, 2024	8%	NA	NA	NA	NA
Annual increase in healthcare costs - upto 2025	March 31, 2025	NA	NA	NA	8%	NA
	March 31, 2024	NA	NA	NA	8%	NA
Annual increase in healthcare costs - 2026 onwards	March 31, 2025	NA	NA	NA	6%	NA
	March 31, 2024	NA	NA	NA	6%	NA
Guaranteed Rate of Return as declared by EPFO	March 31, 2025	NA	NA	NA	NA	8.25%
	March 31, 2024	NA	NA	NA	NA	8.25%
Mortality rate (in service)	March 31, 2025	Indian Assured Lives Mortality (2012-14) Ult table				
	March 31, 2024	Indian Assured Lives Mortality (2012-14) Ult table				

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

### j. Expected benefit payment for the next years

(₹ Crore)

Particulars	As at	March 31, 2026	March 31, 2027	March 31, 2028	March 31, 2029	March 31, 2030	2031- 2035
		March 31, 2025	March 31, 2026	March 31, 2027	March 31, 2028	March 31, 2029	2030- 2034
Gratuity	March 31, 2025	28.26	21.08	21.87	19.11	20.34	138.93
	March 31, 2024	24.50	18.75	18.47	18.82	19.28	114.28
Pension	March 31, 2025	3.89	5.09	5.12	4.17	3.54	15.27
	March 31, 2024	2.76	4.10	4.51	4.47	3.63	13.68
Ex-gratia	March 31, 2025	0.73	0.44	0.36	0.32	0.30	1.53
	March 31, 2024	0.57	0.43	0.43	0.35	0.31	1.52
PRMB	March 31, 2025	0.34	0.24	0.27	0.29	0.29	1.52
	March 31, 2024	0.31	0.20	0.26	0.29	0.28	1.46
PF	March 31, 2025	0.51	0.51	0.51	0.51	0.51	1.67
	March 31, 2024	0.54	0.54	0.54	0.54	0.54	1.97

### k. A quantitative sensitivity analysis for significant assumption is as shown below:

(₹ Crore)

## Notes to standalone financial statements for the year ended March 31, 2025

Assumptions	Discount Rate		Future salary increase		Withdrawal Rate	
	Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	5% increase
<b>Gratuity</b>						
March 31, 2025	(11.94)	12.83	12.43	(11.70)	(16.70)	16.29
March 31, 2024	(10.58)	11.38	11.07	(10.40)	(12.99)	11.53
<b>Pension</b>						
March 31, 2025	(0.63)	0.66	NA	NA	0.06	(0.03)
March 31, 2024	(0.61)	0.63	NA	NA	0.06	(0.41)
<b>Ex-gratia</b>						
March 31, 2025	(0.05)	0.05	NA	NA	(0.49)	0.25
March 31, 2024	(0.05)	0.06	NA	NA	(0.51)	0.26
<b>PF</b>						
March 31, 2025	(4.22)	6.50	-	-	-	-
March 31, 2024	(4.70)	6.04	-	-	-	-

Assumptions	Discount Rate		Medical Inflation		Withdrawal Rate	
	Sensitivity level	0.5% increase	0.5% decrease	1% increase	1% decrease	5% increase
<b>PRMB</b>						
March 31, 2025	(0.07)	0.07	0.14	(0.13)	(0.44)	0.23
March 31, 2024	(0.07)	0.07	0.14	(0.13)	(0.44)	0.19

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

# Notes to standalone financial statements for the year ended March 31, 2025

## 41 Related party disclosures

### a) Name of the related party and nature of the relationship where control exists

Name of related party	Nature of relationship
Cummins Inc.	Holding Company
Cummins Sales and Service Private Limited	Subsidiary

### b) Transactions with related parties as per the books of accounts during the year ended March 31, 2025

(₹ Crore)

Transaction	Name of related party		Total
<b>Purchase of Goods</b>	Tata Cummins Private Limited	March 31, 2025	1,379.94
		March 31, 2024	1,357.54
	Cummins Technologies India Private Limited	March 31, 2025	1,065.28
		March 31, 2024	877.83
	Others	March 31, 2025	1,043.78
		March 31, 2024	861.32
<b>Sale of goods</b>	Cummins Limited	March 31, 2025	841.68
		March 31, 2024	691.93
	Cummins Technologies India Private Limited	March 31, 2025	411.08
		March 31, 2024	361.91
	Others	March 31, 2025	616.76
		March 31, 2024	584.17
<b>Purchase of assets</b>	Cummins Inc.	March 31, 2025	29.83
		March 31, 2024	105.64
	Cummins Limited	March 31, 2025	4.19
		March 31, 2024	-
	Cummins Technologies India Private Limited	March 31, 2025	3.95
		March 31, 2024	0.02
	Others	March 31, 2025	0.00
		March 31, 2024	1.50
<b>Sale of assets</b>	Cummins Technologies India Private Limited	March 31, 2025	8.11
		March 31, 2024	2.97
<b>Services rendered (Refer note v)</b>	Cummins Technologies India Private Limited	March 31, 2025	203.66
		March 31, 2024	182.15
	Valvoline Cummins Private Limited	March 31, 2025	66.91
		March 31, 2024	64.63
	Others	March 31, 2025	62.50
		March 31, 2024	61.12
<b>Services received (Refer note vi)</b>	Cummins Sales and Service Private Limited	March 31, 2025	28.25
		March 31, 2024	26.51

## Notes to standalone financial statements for the year ended March 31, 2025

(₹ Crore)

Transaction	Name of related party		Total
	Cummins Technologies India Private Limited	March 31, 2025	27.66
		March 31, 2024	25.66
	Others	March 31, 2025	6.42
		March 31, 2024	3.30
<b>Royalty</b>	Cummins Inc.	March 31, 2025	70.65
		March 31, 2024	28.26
<b>Support services</b>	Cummins Inc.	March 31, 2025	102.93
		March 31, 2024	62.51
	Cummins Africa Middle East (Pty) Ltd.	March 31, 2025	7.66
		March 31, 2024	4.80
<b>Reimbursements paid</b>	Cummins Technologies India Private Limited	March 31, 2025	137.74
		March 31, 2024	122.54
	Cummins Inc.	March 31, 2025	18.57
		March 31, 2024	13.52
	Others	March 31, 2025	19.13
		March 31, 2024	16.77
<b>Reimbursements received (Refer note vii)</b>	Cummins Technologies India Private Limited	March 31, 2025	111.12
		March 31, 2024	108.37
	Cummins Generator Technologies India Private Limited	March 31, 2025	20.32
		March 31, 2024	18.45
	Cummins Inc.	March 31, 2025	17.78
		March 31, 2024	21.68
	Others	March 31, 2025	22.12
		March 31, 2024	19.92
<b>Remuneration paid (Refer note i &amp; iii)</b>	Key management personnel	March 31, 2025	16.21
		March 31, 2024	10.74
<b>Interest on delayed payment</b>	Cummins Sales and Service Private Limited	March 31, 2025	-
		March 31, 2024	0*
<b>Dividend received</b>	Cummins Generator Technologies India Private Limited	March 31, 2025	89.70
		March 31, 2024	109.20
	Valvoline Cummins Private Limited	March 31, 2025	90.25
		March 31, 2024	80.75
<b>Dividend paid</b>	Cummins Inc.	March 31, 2025	537.21
		March 31, 2024	438.25
<b>Donations paid</b>	Cummins India Foundation	March 31, 2025	27.95
		March 31, 2024	20.01
<b>Contributions paid</b>	Cummins India Limited Officers Provident Fund	March 31, 2025	18.51
		March 31, 2024	16.79

## Notes to standalone financial statements for the year ended March 31, 2025

(₹ Crore)

Transaction	Name of related party		Total
	Cummins Group Employees Superannuation Scheme	March 31, 2025	20.68
		March 31, 2024	22.57
	Cummins Group Officers Gratuity Scheme	March 31, 2025	37.54
		March 31, 2024	11.89
<b>Sitting fees and commission (Refer note i)</b>	Independent Directors	March 31, 2025	1.48
		March 31, 2024	1.13
<b>Equity contribution - share based payments</b>	Cummins Inc.	March 31, 2025	15.23
		March 31, 2024	10.49
		March 31, 2024	0.03

### Amounts outstanding as at March 31, 2025

(₹ Crore)

Transaction	Name of related party		Total
<b>Trade payables</b>	Cummins Technologies India Private Limited	March 31, 2025	314.39
		March 31, 2024	283.07
	Tata Cummins Private Limited	March 31, 2025	151.38
		March 31, 2024	149.09
	Cummins Inc.	March 31, 2025	195.55
		March 31, 2024	119.65
	Others	March 31, 2025	227.18
		March 31, 2024	216.81
<b>Other current financial/ non-financial liabilities</b>	Cummins Inc.	March 31, 2025	110.61
		March 31, 2024	83.69
	Others	March 31, 2025	6.48
		March 31, 2024	4.81
<b>Trade receivables</b>	Cummins Technologies India Private Limited	March 31, 2025	134.25
		March 31, 2024	136.37
	Cummins Limited	March 31, 2025	130.82
		March 31, 2024	82.46
	Others	March 31, 2025	197.30
		March 31, 2024	125.87
<b>Other current financial assets</b>	Cummins Inc.	March 31, 2025	8.42
		March 31, 2024	4.81
	Tata Cummins Private Limited	March 31, 2025	4.55
		March 31, 2024	2.65
	Cummins Power Solutions India Private Limited	March 31, 2025	5.16
		March 31, 2024	-
	Others	March 31, 2025	0.10
		March 31, 2024	0.03

## Notes to standalone financial statements for the year ended March 31, 2025

- i) The names of the related parties under the appropriate relationship included in notes 41(b) and (c) above are as follows:

Nature of relationship	Name of the party
<b>Fellow subsidiaries</b>	AxleTech India Private Limited
<b>(with which there are transactions)</b>	Chongqing Cummins Engine Co Ltd
	CMI Group Holdings Cooperatief U.A.
	CMI TR Mtr Guc Sistemleri Satis Servis Ltd Sirketi
	Consolidated Diesel Company
	Cummins (China) Investment Co. Ltd.
	Cummins (Xiangyang) Eng Remanfg Co. Ltd.
	Cummins Africa Middle East (Pty) Ltd.
	Cummins Arabia FZCO
	Cummins Asia Pacific Pte. Ltd.
	Cummins Belgium NV
	Cummins Brasil Ltda
	Cummins C&G Holding Limited
	Cummins C&G Limited
	Cummins Commercializadora S. de R.L. de C.V.
	Cummins Czech Republic S.R.O.
	Cummins Deutschland GmbH
	Cummins Diesel Botswana (Pty.) Ltd.
	Cummins Dksh (Singapore) Pte Ltd
	Cummins DKSH (Thailand) Limited
	Cummins DKSH (Vietnam) LLC
	Cummins East Asia Research and Development Company Ltd.
	Cummins Emission Solutions Inc.
	Cummins Engine (Shanghai) Trading & Services Co., Ltd.
	Cummins France SA
	Cummins Fuel System (Wuhan) Co. Ltd.
	Cummins Generator Technologies Limited
	Cummins Ghana Limited
	Cummins Inc.
	Cummins Italia SPA
	Cummins Japan Limited
	Cummins Kuwait Electrical Tools and Equipment Trading and Cont.

## Notes to standalone financial statements for the year ended March 31, 2025

Nature of relationship	Name of the party
	Cummins Limited
	Cummins Maroc SARL
	Cummins Middle East FZE
	Cummins Natural Gas Engines, Inc.
	Cummins Norway AS
	Cummins NV
	Cummins Power Generation (China) Co., Ltd.
	Cummins Power Generation Inc.
	Cummins Power Generation Limited
	Cummins Power Generation Limited UK
	Cummins Power Solutions India Private Limited
	Cummins PowerTech India Private Limited
	Cummins Qatar LLC
	Cummins Romania SRL
	Cummins Sales and Service Korea Co. Ltd.
	Cummins Sales and Service Philippines Inc.
	Cummins Sales and Service Private Limited
	Cummins Sales and Service Sdn. Bhd.
	Cummins Sales and Service Singapore Pte. Ltd.
	Cummins Saudi Arabia L.L.C
	Cummins South Africa (Pty.) Ltd.
	Cummins South Pacific Pty Ltd
	Cummins Southern Plains LLC
	Cummins Spain SL
	Cummins Technologies India Private Limited
	Cummins Vendas e Servicos de Motores e Geradores Ltda.
	Cummins West Africa Limited
	Cummins Westport Inc.
	Cummins Zambia Ltd.
	Distribuidora Cummins Centroamerica Costa Rica S. De R.L.
	Distribuidora Cummins Centroamerica Guatemala Ltda.
	Distribuidora Cummins Centroamerica Honduras, S.de R.L.
	Distribuidora Cummins de Panama S. de R.L.
	Distribuidora Cummins S.A.
	Distribuidora Cummins Sucursal Paraguay SRL

## Notes to standalone financial statements for the year ended March 31, 2025

Nature of relationship	Name of the party
	Hydrogenics Europe N.V.
	Komatsu Cummins Chile Ltda.
	Meritor Commercial Vehicle Systems India Private Limited
	Meritor HVS (India) Limited
	OOO Cummins
	Shanghai Cummins Trading Co. Ltd.
	Taiwan Cummins Sales & Services Co. Ltd.
	TCPL Green Energy Solutions Private Limited
<b>Key management personnel</b>	Ashwath Ram - Managing Director (upto August 31, 2024)
	Shveta Arya - Managing Director (w.e.f. September 1, 2024)
	Ajay Patil - Chief Financial Officer (upto January 9, 2025)
	Prasad S Kulkarni - Interim Chief Financial Officer (w.e.f. January 10, 2025)
	Vinaya Joshi - Company Secretary
	Jennifer Mary Bush - Chairman of the Board
	Steven Chapman - Chairman of the Board (upto September 30, 2023)
	Donald Jackson
	Bonnie Jean Fetch
	Cornelius O'Sullivan (w.e.f. November 8, 2024)
	Independent Directors
	- Nasser Munjee (upto July 31, 2024)
	- Lira Goswami
	- Priya Dasgupta (upto May 24, 2023)
	- Rajeev Bakshi (upto July 31, 2024)
	- Rama Bijapurkar
	- Rekha
	- Sekhar Natarajan (w.e.f. May 29, 2024)
	- Farokh N Subedar (w.e.f. May 29, 2024)
<b>Associate and Enterprise with common key management personnel</b>	Cummins Generator Technologies India Private Limited
<b>Joint venture</b>	Valvoline Cummins Private Limited

## Notes to standalone financial statements for the year ended March 31, 2025

Nature of relationship	Name of the party
<b>Enterprise with common key management personnel</b>	Tata Cummins Private Limited
	Cummins India Foundation
	New Delhi Law Offices Private Limited (upto May 24, 2023)
	Caltherm Thermostats Private Limited (upto August 31, 2024)
<b>Employees benefit plans where there is significant influence</b>	Cummins India Limited Officers Provident Fund
	Cummins Group Employees Superannuation Scheme
	Cummins Group Officers Gratuity Scheme

### Terms and conditions of transactions with related parties:

- ii) The sales to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transaction. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2024: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- iii) Liability for post employment benefits, other long term benefits, termination benefits and certain short term benefits such as compensated absences is provided on an actuarial basis for the Company as a whole. Accordingly the amount for above pertaining to key management personnel is not ascertainable and, therefore, not included above.
- iv) Related party transaction, the amount of which is in excess of 10% of the total related party transactions of the same type are disclosed separately.
- v) Services rendered include renting services, testing services, business support services, etc.
- vi) Services received include testing services, solution contract support services, license fees, etc.
- vii) Includes recoveries on account of employee cost, travel costs, training, IT services, etc.

## Notes to standalone financial statements for the year ended March 31, 2025

**42** As set out in section 135 of the Companies Act, 2013, the Company is required to contribute ₹ 27.95 Crores (March 31, 2024: ₹ 20.01 Crores) towards Corporate Social Responsibility activities, as calculated basis 2% of its average net profits of the last three financial years. Accordingly, during the current year, the Board has approved and the Company has contributed ₹ 27.95 Crores (March 31, 2024: ₹ 20.01 Crores) to Cummins India Foundation towards eligible projects as mentioned in Schedule VII (including amendments thereto) of the Companies Act, 2013. Apart from the above contribution to Cummins India Foundation, the Company has not made any direct expenditure/ contributions of capital nature. Unspent contribution amounting to ₹ 1.62 Crores (March 31, 2024: ₹ 3.67 Crores) has been transferred by the Company to a separate bank account as per the requirement.

### 43 Financial risk management objectives and policies

#### Financial risk factors:

The Company has well written policies covering specific areas, such as foreign exchange risk and investments which seek to minimise potential adverse effects on the Company's financial performance due to external factors. The Company uses derivatives to hedge foreign exchange risk exposures. The Company's senior management oversees the management of these risks. All derivatives and investment activities for risk management purposes are carried out by specialist team that has appropriate skills, experience and supervision. As per the Company's policy no trading in derivatives for speculation purpose may be undertaken. The Board of Directors reviews and approves policies for managing each of these risks.

The Company's activities are exposed to variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

#### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks as follows:

##### i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Euro. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities denominated in a currency that is not the entity's functional currency.

Management has set up a policy to manage their foreign exchange risk against their functional currency. To manage the foreign exchange risk arising from recognised assets and liabilities, the Company uses forward contracts.

The following table demonstrates the sensitivity relating to possible change in foreign currencies with all other variables held constant:

Currency	% change	Effect on profit before tax and pre-tax equity	
		March 31, 2025	March 31, 2024
USD	1%	0.52	0.21
Euro	1%	0.20	0.05
Others	1%	0.18	0.02
<b>Total</b>		<b>0.90</b>	<b>0.28</b>

(₹ Crore)

## Notes to standalone financial statements for the year ended March 31, 2025

The movement in the pre-tax effect is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and financial assets and liabilities denominated in various currencies. Although the derivatives have not been designated in a hedge relationship, they act as economic hedge and offset the underlying transactions when they occur.

### ii) Interest rate risk

Interest rate risk is the fair value of future cash flows of a financial instrument which fluctuates because of changes in the market interest rates. In order to optimise the Company's position with regards to interest income and interest expense, treasury team manages the interest rate risk by balancing the portion of fixed rate and floating rate in its total portfolio.

Borrowings of ₹ NIL Crores outstanding as at March 31, 2025 (As at March 31, 2024: ₹ 100 Crores) were at floating rate linked to T-Bill/MIBOR + applicable spread.

The following table demonstrates the sensitivity of interest payable:

		(₹ Crore)	
		<b>Effect on profit before tax and pre-tax equity</b>	
		<b>March 31, 2025</b>	<b>March 31, 2024</b>
Working Capital Loan	0.5%	–	0.01

### iii) Price risk

The Company invests its surplus funds in mutual funds which are linked to debt markets. The Company is exposed to price risk for investments in mutual funds that are classified as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with the limits approved by the Board of Directors.

The following table demonstrates the sensitivity relating to possible change in investment value with all other variables held constant:

		(₹ Crore)	
		<b>Effect on profit before tax and pre-tax equity</b>	
		<b>March 31, 2025</b>	<b>March 31, 2024</b>
Mutual funds	0.5%	2.86	2.21

Profit after tax for the year would increase/decrease as a result of gains/losses on mutual funds classified as at fair value through profit or loss.

### b) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily from trade receivables, contract assets, other receivables, deposits with banks and loans given.

## Notes to standalone financial statements for the year ended March 31, 2025

### Trade receivable and contract assets

Senior management is responsible for managing and analysing the credit risk for each new customer before standard payment, delivery terms and conditions are offered. The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment. The utilisation of credit limits is regularly monitored.

An impairment analysis is performed at each reporting date for all customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 10 and 13.

### Other receivables, deposits with banks and loans given

Credit risk from balances with banks is managed by the Company's treasury department in accordance with Company's policy approved by the Risk Management Committee. Investments of surplus funds are made within the credit limits and as per the policy approved by the Board of Directors.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance of the above assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 5, 9, 11, 12 and 13.

### c) Liquidity risk

Cash flow forecasting is performed by Treasury function. Treasury team monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet the operational needs. Such forecasting takes into consideration the compliance with internal cash management policy.

As per the Company's policy, treasury team invests surplus cash in marketable securities and time deposits with appropriate maturities or sufficient liquidity to provide headroom to meet the operational needs. At the reporting date, the Company held mutual funds of ₹ 572.43 Crore (March 31, 2024: ₹ 441.31 Crore) and other liquid assets of ₹ 232.86 Crore (March 31, 2024: ₹ 291.77 Crore) that are expected to readily generate cash inflows for managing liquidity risk.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ Crore)

As at March 31, 2025	On Demand	Less than 12 months	1-5 years	More than 5 years
Borrowings	–	–	–	–
Lease liabilities including interest	–	10.41	21.26	5.85
Trade payables	–	1,568.24	–	–
Royalty and support services	–	98.55	–	–
Unpaid dividend	14.18	–	–	–
Retention money	–	2.43	8.44	–
Deposits	–	–	33.90	–
Capital Creditors	–	63.99	0.87	–
Others	–	38.04	10.26	–

## Notes to standalone financial statements for the year ended March 31, 2025

(₹ Crore)

As at March 31, 2024	On Demand	Less than 12 months	1-5 years	More than 5 years
Borrowings	-	100.00	-	-
Lease liabilities including interest	-	7.75	15.97	0.45
Trade payables	-	1,402.35	-	-
Royalty and support services	-	29.07	-	-
Unpaid dividend	13.26	-	-	-
Retention money	-	7.06	3.75	-
Deposits	-	-	27.45	-
Capital Creditors	-	52.65	18.44	-
Others	-	45.26	11.64	-

### d) Capital management

The Company's objectives when managing capital is to provide maximum returns to shareholders, benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes adjustments in light of changes in economic conditions.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus all other reserves attributable to equity shareholders of the Company.

(₹ Crore)

	March 31, 2025	March 31, 2024
Borrowings	-	100.00
Less: Cash and cash equivalents	234.99	291.77
<b>Net debt</b>	<b>(234.99)</b>	<b>(191.77)</b>
Equity	7,018.03	6,163.09
<b>Gearing Ratio (times)</b>	<b>-*</b>	<b>-*</b>

\* Gearing ratio is not calculated as the amount of cash and cash equivalents is higher than borrowings

## Notes to standalone financial statements for the year ended March 31, 2025

### 44 Fair values

The following table provides a comparison by class of the carrying amounts and fair value of the Company's financial instruments other than those with carrying amounts that are reasonable approximations of fair values.

(₹ Crore)

	Carrying value		Fair value	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
<b>Financial assets</b>				
FVTPL of investments in mutual funds & bonds	572.43	441.31	572.43	441.31
FVTPL of Foreign exchange forward contracts	2.24	–	2.24	–
FVTOCI of investments in certificate of deposit (CD)	–	623.34	–	623.34
FVTOCI of investments in quoted Bonds/NCD	359.69	113.54	359.69	113.54
<b>Financial liabilities</b>				
FVTPL of Foreign exchange forward contracts	–	0.31	–	0.31

The Management assessed that the fair values of cash and cash equivalents, other bank balances, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of investments in mutual funds is based on the price quotation at the reporting date obtained from the asset management companies. The Company enters into derivative financial instruments with various counterparties, principally financial institutions. Foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations.

## Notes to standalone financial statements for the year ended March 31, 2025

### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method as defined in accounting policy 1c.

(₹ Crore)

	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
<b>Financial assets at FVTPL</b>				
<b>Investments in mutual funds &amp; bond</b>				
March 31, 2025	–	572.43	–	572.43
March 31, 2024	–	441.31	–	441.31
<b>Forward contracts assets</b>				
March 31, 2025	–	2.24	–	2.24
March 31, 2024	–	–	–	–
<b>Financial assets at FVTOCI</b>				
<b>Investments in certificate of deposit</b>				
March 31, 2025	–	–	–	–
March 31, 2024	–	623.34	–	623.34
<b>Investments in quoted Bonds/NCD</b>				
March 31, 2025	359.69	–	–	359.69
March 31, 2024	113.54	–	–	113.54
<b>Financial liabilities at FVTPL</b>				
<b>Forward contracts liability</b>				
March 31, 2025	–	–	–	–
March 31, 2024	–	0.31	–	0.31

There has been no transfer between Level 1 and Level 2 during the year.

## Notes to standalone financial statements for the year ended March 31, 2025

### 45 Financial Ratio

No.	Name of the Ratio	Numerator	Denominator	March 31		Variance %	Rationale for Variance > 25%
				2025	2024		
1	Current Ratio	Current assets	Current liabilities	3.12	2.90	7.58%	
2	Debt Equity Ratio	Short term debt + Long term debt	Shareholders' funds	-	0.02	-100.00%	During the year the Company has fully repaid its borrowings
3	Debt Service Coverage Ratio	Net profit after taxes + Depreciation + Interest	Interest + Lease payments + Principal repayments	180.81	79.09	128.62%	During the year the Company has fully repaid its borrowings
4	Return on Equity Ratio *	Net profits after taxes	Average shareholders funds	29%	29%	0.29%	
5	Inventory Turnover Ratio	Cost of goods sold	Average inventory	6.73	6.33	6.30%	
6	Trade Receivable Turnover Ratio	Revenue from operations (gross)	Average trade receivable	4.73	4.88	-3.07%	
7	Trade Payable Turnover Ratio	Net credit purchases	Average trade payable	4.95	4.99	-0.78%	
8	Net Capital Turnover Ratio	Revenue from operations (gross)	Current assets - Current liabilities	2.18	2.32	-5.74%	
9	Net Profit Ratio *	Net profits after taxes	Revenue from operations (gross)	18%	19%	-0.66%	
10	Return on Capital Employed *	Earning before interest and taxes	Total tangible assets - (Current liabilities + Non-current liabilities)	37%	36%	2.38%	
11	Return on Investment *	Earning before interest and taxes	Total assets	26%	25%	2.36%	

\* Exceptional items have been excluded for computation of financial ratios

## Notes to standalone financial statements for the year ended March 31, 2025

- 46** The Shareholders of the Cummins Generator Technologies India Private Limited (CGT) at their Extra-ordinary General Meeting held on March 17, 2022, approved a scheme of reduction of the issued, subscribed and paid-up share capital of the CGT (the 'Scheme'), cancelling and extinguishing, in aggregate, 7,433 equity shares of CGT ('Capital Reduction') as recommended by the Board of Directors in their meeting held on February 11, 2022. CGT had filed a petition with Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench seeking approval on the said Scheme of Capital Reduction on April 7, 2022. The NCLT has approved the reduction in share capital corresponding to 6,532 equity shares of ₹ 10 each with effect from December 18, 2024. Consequent to the reduction, the shareholding % of the Company in CGT has increased to 48.74%.
- 47** Exceptional items during the year ended March 31, 2024 pertain to expenses on account of voluntary retirement (VRP) and voluntary separation (VSP) programs announced on November 3, 2023 for eligible employees aggregating to ₹ 1.70 Cr.

### 48 Segment Information

In accordance with paragraph 4 of Ind AS 108 "Operating segments", the Company has disclosed segment information only on the basis of the consolidated financial statements.

### 49 Relationship with struck off companies

During the year ended March 31, 2025, the Company has not entered into any transactions with the companies whose names were struck off under applicable regulations.

As per our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP**  
ICAI Firm Registration Number: 304026E/E-300009

**For and on behalf of the Board**

**Shveta Arya**  
**Managing Director**  
DIN: 08540723

**Farokh Subedar**  
**Director**  
DIN: 00028428  
**Place: Mumbai**

**Jeetendra Mirchandani**  
**Partner**  
Membership Number: 48125

**Vinaya Joshi**  
**Company Secretary**  
PAN: AMQPJ5216P

**Prasad S Kulkarni**  
**Interim Chief Financial Officer**  
PAN: AKPPK6578A

Place: **Mumbai**  
Date: **May 28, 2025**

Place: **Pune**  
Date: **May 28, 2025**

# **Consolidated Financial Statements**

**along with Audit Report for FY 2024-2025**



# Independent Auditor's Report

## To the Members of Cummins India Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of Cummins India Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as the "Group"), its associate and joint venture (refer Note 43 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2025, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2025, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associate and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b></p> <p>(Refer note 26 and 35 to the consolidated financial statements).</p> <p>Revenue from operations for the year ended March 31, 2025 amounted to ₹ 10,391 crore.</p> <p>Revenue is recognised in accordance with the revenue recognition policy described in Note 1A to the consolidated financial statements.</p> <p>Revenue is recognised when (or as) control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The timing of such revenue recognition in the case of sale of goods is when the control over the same is transferred to the customer and in the case of services it is based on satisfaction of performance obligations in case of sale of services.</p> <p>The determination of the timing of revenue recognition, whether over time or at a point in time includes management judgment, particularly in determining when control is transferred to the customer. The Company uses a variety of shipment terms with customers, and this has an impact on the timing of revenue recognition. Further, transaction price is generally fixed at inception, and it often includes elements of variable consideration such as discounts and incentives which further impacts revenue recognition.</p> <p>Due to the significance of revenue and the management estimates and judgements involved in determination of the timing of revenue and variable consideration, this is considered as a key audit matter.</p>	<p>We have performed following procedures:</p> <ul style="list-style-type: none"> <li>● Obtained an understanding of the business process, evaluated the design and tested the operating effectiveness of key controls, specific to such customer contracts, including determination of contract price, performance obligations, estimation of contract costs, including management reviews and approvals thereof.</li> <li>● Assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 "Revenue from Contracts with Customers"</li> <li>● On a sample basis, tested the revenue transactions recorded during the year by verifying the underlying documents to assess whether revenue is recognised appropriately.</li> <li>● Tested, on a sample basis, revenue transactions recorded around the financial year-end date to assess whether revenue is recognised in the correct financial period in which control is transferred.</li> <li>● Tested the contract revenue, determination of performance obligations and determination of transaction price including variable consideration and allocation of transaction price with underlying documents and evaluated management's assessment by reviewing the contractual terms as considered necessary.</li> <li>● Assessed the appropriateness of management's judgements and estimates involved in determination of the timing of revenue recognition and recognition of variable considerations such as discounts and incentives, and verified on a sample basis credits notes issued to the customers.</li> <li>● Examined the journal entries related to revenue recognised during the year based upon specified risk-based criteria.</li> </ul>

## Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Independent Auditor's Report

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

## Independent Auditor's Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

14. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.
15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

## Independent Auditor's Report

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except, in case of a subsidiary, the backup of books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year, in case of the Holding Company and an associate, the backup of audit trail (edit log) maintained in electronic mode has not been maintained on servers physically located in India during the year. Also refer the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company, as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary, associate and joint venture incorporated in India, none of the directors of the Group companies, its associate and joint venture incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above on reporting under Section 143(3)(b) and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact, of pending litigations on the consolidated financial position of the Group, its associate and joint venture– Refer Note 36 to the consolidated financial statements.
  - ii. The Group, its associate and joint venture did not have any long-term contracts including derivative contracts as at March 31, 2025 for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and associate during the year ended March 31, 2025. There were no amounts which were required to be transferred to the Investor Education and

## Independent Auditor's Report

Protection Fund by the subsidiary company and joint venture incorporated in India during the year ended March 31, 2025.

- iv. (a) The respective managements of the Holding Company and its subsidiary, joint venture and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary, joint venture or associate to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary, joint venture or associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective managements of the Holding Company and its subsidiary, joint venture and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us respectively that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiary, joint venture or associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary, joint venture or associate shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The dividend declared and paid by the Holding Company, associate and joint venture during the year is in compliance with Section 123 of the Act. The subsidiary Company has not declared/paid any dividend during the year.
- vi. Based on our examination, which included test checks, other than in respect of one joint venture and a subsidiary as described below, the Holding Company and its associate has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the audit trail feature did not operate throughout the year but was enabled from March 24, 2025 to March 31, 2025. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail was not maintained in the prior year and hence the question of our commenting on whether the audit trail was preserved by the Company as per the statutory requirements for record retention does not arise.

The following remark was included in the audit report dated May 19, 2025, containing an unmodified audit opinion on the financial statements of Valvoline Cummins Private Limited, a joint venture of the Holding Company, which is reproduced as under:

## Independent Auditor's Report

Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that:

- (a) the audit trail is maintained for modifications made by certain users with specific access at the application level only from March 19, 2025.
- (b) the audit trail is activated at the database level only from March 06, 2025, however database log does not capture pre-modified values.

Other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.

The following remark was included in the audit report dated May 28, 2025, containing an unmodified audit opinion on the financial statements of Cummins Sales and Service Private Limited, a subsidiary of the Holding Company, which is reproduced as under:

Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the audit trail feature did not operate throughout the year. Accordingly, the question of our commenting on whether the audit trail was tampered with or preserved by the Company as per the statutory requirements for record retention, does not arise.

16. The Group have paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the associate company and joint venture.

### **For Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

#### **Jeetendra Mirchandani**

Partner

Membership Number: 48125

UDIN: 25048125BMRKBR9797

Place: Mumbai

Date: May 28, 2025

## **Annexure A to Independent Auditors' Report**

**Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the Members of Cummins India Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2025**

**Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Cummins India Limited (hereinafter referred to as the "Holding Company") and its subsidiary, its associate and joint venture, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company, its subsidiary, its associate and joint venture, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

## **Annexure A to Independent Auditors' Report**

**Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the Members of Cummins India Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2025**

### **Meaning of Internal Financial Controls with reference to Financial Statements**

6. A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Holding Company, its subsidiary, its associate and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **For Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

#### **Jeetendra Mirchandani**

Partner

Membership Number: 48125

UDIN: 25048125BMRKBR9797

Place: Mumbai

Date: May 28, 2025

## Consolidated Balance Sheet as at March 31, 2025

(₹ Crore)

Particulars	Notes	As at March 31	
		2025	2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.1	1,252.51	1,158.89
Capital work-in-progress (including investment property in progress)	2.3	78.16	94.65
Right-of-use assets	37	39.80	36.56
Investment properties	3	935.15	977.31
Intangible assets	2.2	136.20	129.68
Intangible assets under development	2.3	6.71	2.16
Investments accounted for using the equity method	4	550.15	463.31
Financial assets			
Other non-current financial assets	5	14.55	13.92
Income tax assets (net)	6	43.83	57.85
Other non-current assets	7	102.92	93.98
		<b>3,159.98</b>	<b>3,028.31</b>
<b>Current assets</b>			
Inventories	8	1,004.07	949.65
Financial assets			
Investments	9	932.12	1,178.19
Trade receivables	10	2,277.75	2,085.35
Cash and cash equivalents	11	234.99	299.89
Other bank balances	12	2,275.30	1,212.89
Other current financial assets	13	66.67	38.73
Other current assets	14	129.92	174.81
Assets classified as held for sale	15	87.69	2.69
		<b>7,008.51</b>	<b>5,942.20</b>
<b>TOTAL</b>		<b>10,168.49</b>	<b>8,970.51</b>

# Consolidated Balance Sheet as at March 31, 2025

(₹ Crore)

Particulars	Notes	As at March 31	
		2025	2024
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	55.44	55.44
Other equity			
Retained earnings	17	6,317.70	5,383.85
Other reserves	17	1,188.26	1,173.03
		<b>7,561.40</b>	<b>6,612.32</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	37	20.42	19.85
Other non-current financial liabilities	18	53.47	61.29
Provisions	19	162.92	120.98
Deferred tax liabilities (net)	20	86.21	87.18
Other non-current liabilities	21	25.60	11.96
		<b>348.62</b>	<b>301.26</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	-	100.00
Trade payables			
Total outstanding dues of micro and small enterprises	23	62.79	72.14
Total outstanding dues of creditors other than micro and small enterprises	23	1,504.31	1,336.63
Lease liabilities	37	9.24	7.13
Other current financial liabilities	24	217.19	150.51
Other current liabilities	25	270.19	226.84
Provisions	19	169.15	163.68
Liabilities classified as held for sale	15	25.60	-
		<b>2,258.47</b>	<b>2,056.93</b>
<b>TOTAL</b>		<b>10,168.49</b>	<b>8,970.51</b>

The accompanying notes are an integral part of these financial statements

As per our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP**  
ICAI Firm Registration Number: 304026E/E-300009

**For and on behalf of the Board**

**Shveta Arya**  
Managing Director  
DIN: 08540723

**Farokh Subedar**  
Director  
DIN: 00028428  
Place: Mumbai

**Jeetendra Mirchandani**  
Partner  
Membership Number: 48125

**Vinaya Joshi**  
Company Secretary  
PAN: AMQPJ5216P

**Prasad S Kulkarni**  
Interim Chief Financial Officer  
PAN: AKPPK6578A

Place: **Mumbai**  
Date: **May 28, 2025**

Place: **Pune**  
Date: **May 28, 2025**

## Consolidated Statement of Profit and Loss for the year ended March 31, 2025

(₹ Crore)

Particulars	Notes	Year end March 31	
		2025	2024
Revenue from operations	26	10,390.69	9,000.20
Other income	27	446.92	378.07
<b>Total income</b>		<b>10,837.61</b>	<b>9,378.27</b>
<b>Expenses:</b>			
Cost of materials consumed	28.1	5,911.18	4,813.39
Purchases of traded goods		700.24	939.16
Change in inventories of finished goods, work-in-progress and traded goods	28.2	(16.56)	18.37
Employee benefits expense	29	797.49	801.37
Finance costs	30	15.85	27.40
Depreciation and amortisation expense	2, 3, 37	185.07	159.18
Other expenses	31	918.30	658.25
<b>Total expenses</b>		<b>8,511.57</b>	<b>7,417.12</b>
<b>Profit before exceptional items, share of profit of joint venture and associate and tax</b>		<b>2,326.04</b>	<b>1,961.15</b>
Exceptional items (expense)/income	50	-	(1.70)
<b>Profit after exceptional items before share of profit of joint venture and associate and before tax</b>		<b>2,326.04</b>	<b>1,959.45</b>
Share of profit of joint venture and associate after tax		266.77	245.16
<b>Profit before tax</b>		<b>2,592.81</b>	<b>2,204.61</b>
<b>Tax expense</b>			
Current tax	20	598.05	510.78
Deferred tax	20	(4.05)	(11.11)
Tax for earlier years	20	(1.13)	(15.64)
<b>Total tax expense</b>		<b>592.87</b>	<b>484.03</b>
<b>Profit after tax</b>		<b>1,999.94</b>	<b>1,720.58</b>

# Consolidated Statement of Profit and Loss for the year ended March 31, 2025

(₹ Crore)

Particulars	Notes	Year end March 31	
		2025	2024
<b>Other Comprehensive Income (OCI)</b>			
Items not to be reclassified to profit or loss in subsequent periods			
Remeasurement (loss)/gain on defined benefit plans		(19.30)	(21.09)
Income tax effect		4.86	5.30
Items to be reclassified to profit or loss in subsequent periods			
Changes in the fair value of financial instruments		2.27	(0.62)
Income tax effect		(0.57)	0.16
<b>Other comprehensive (expense)/income, net of tax</b>		<b>(12.74)</b>	<b>(16.25)</b>
Share in joint venture's and associate's OCI after tax (net) not to be reclassified to profit or loss in subsequent periods		0.01	(1.42)
<b>Total Other comprehensive (expense)/income for the year, net of tax</b>		<b>(12.73)</b>	<b>(17.67)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>1,987.21</b>	<b>1,702.91</b>
<b>Earnings per equity share:</b>			
Basic and diluted earnings per share (₹)	32	72.15	62.07
(Nominal value per share ₹ 2)			

The accompanying notes are an integral part of these financial statements.

As per our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP**      **For and on behalf of the Board**  
ICAI Firm Registration Number: 304026E/E-300009

**Shveta Arya**  
**Managing Director**  
DIN: 08540723

**Farokh Subedar**  
**Director**  
DIN: 00028428  
**Place: Mumbai**

**Jeetendra Mirchandani**  
**Partner**  
Membership Number: 48125

**Vinaya Joshi**  
**Company Secretary**  
PAN: AMQPJ5216P

**Prasad S Kulkarni**  
**Interim Chief Financial Officer**  
PAN: AKPPK6578A

Place: **Mumbai**  
Date: **May 28, 2025**

Place: **Pune**  
Date: **May 28, 2025**

# Consolidated Statement of Cash Flows for the year ended March 31, 2025

(₹ Crore)

Particulars	Year ended March 31	
	2025	2024
<b>I. Cash generated from operating activities</b>		
Profit before tax	2,592.81	2,204.61
<b>a) Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expense	185.07	159.18
Finance costs	15.85	27.40
Interest income	(169.34)	(120.68)
Loss/(gain) on assets sold, discarded, etc.	(6.21)	(1.60)
(Gain)/loss on redemption/sale of investments (net)	(45.91)	(52.20)
Equity contribution from Holding company	15.23	10.49
Unrealised foreign exchange fluctuation (net)	5.41	(14.16)
Mark to market ('MTM') of financial instruments	(2.24)	0.31
Provision for doubtful debts (net)	5.83	0.53
Share of profit of joint venture and associate	(266.77)	(245.16)
Exceptional Items (Note 50)	-	1.70
	<b>(263.08)</b>	<b>(234.19)</b>
<b>b) Working capital adjustments</b>		
Trade receivables	(237.96)	(520.93)
Inventories	(83.90)	(45.99)
Current and non-current financial assets	(28.49)	(2.17)
Other current and non-current assets	17.65	(54.34)
Trade payables	177.81	285.25
Current and non-current financial liabilities	67.39	65.83
Other current and non-current liabilities	(16.76)	77.47
Current and non-current provisions	24.05	11.04
	<b>(80.21)</b>	<b>(183.84)</b>
<b>Total adjustments (a+b)</b>	<b>(343.29)</b>	<b>(418.03)</b>
<b>Cash generated from operating activities</b>	<b>2,249.52</b>	<b>1,786.58</b>
Tax paid (net of refunds)	(564.66)	(501.24)
<b>Net cash generated from operating activities</b>	<b>1,684.86</b>	<b>1,285.34</b>
<b>II. Cash flows (used in)/from investing activities</b>		
Purchase of property, plant and equipment, intangible assets and investment property	(238.04)	(288.18)
Proceeds from sale of property, plant and equipment	8.11	6.05
Interest received	169.28	120.64
Dividend received (including received from associate and joint venture)	179.95	189.95
Advance received for sale of investment in subsidiary	56.50	-
Sale/(Purchase) of short term investments (net)	303.98	(78.07)
Investment in Term Deposits (including interest)	(2,296.78)	(1,228.77)
Withdrawal of Term Deposits (including interest)	1,235.28	1,010.15
<b>Net cash (used in)/from investing activities</b>	<b>(581.72)</b>	<b>(268.22)</b>

# Consolidated Statement of Cash Flows for the year ended March 31, 2025

(₹ Crore)

Particulars	Year ended March 31	
	2025	2024
<b>III. Cash flows (used in)/from financing activities</b>		
Proceeds from borrowings/repayment of borrowings (net)	(100.00)	(250.04)
Finance costs	(5.86)	(17.88)
Payment of principal portion of lease liabilities	(8.74)	(7.01)
Dividend paid	(1,053.36)	(859.32)
<b>Net cash (used in)/from financing activities</b>	<b>(1,167.96)</b>	<b>(1,134.25)</b>
<b>IV. Net change in cash and cash equivalents (I+II+III)</b>	<b>(64.82)</b>	<b>(117.14)</b>
<b>V. Net foreign exchange difference</b>	1.68	20.34
<b>VI. Cash and cash equivalents at the beginning of the year</b>	299.89	396.69
<b>VII. Cash and cash equivalents at the end of the year (IV+V+VI)</b>	<b>236.75</b>	<b>299.89</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.01	-
Bank balances		
In current accounts	93.70	124.32
Deposits with banks (original maturity less than 3 months)	143.04	175.57
Cheque in hand	-	-
<b>Total cash and cash equivalents (Refer note 11)</b>	<b>236.75*</b>	<b>299.89</b>

\* Includes cash and cash equivalents amounting to ₹ 1.76 crore pertaining to the subsidiary classified as held for sale

The accompanying notes are an integral part of these financial statements.

As per our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP**  
ICAI Firm Registration Number: 304026E/E-300009

**For and on behalf of the Board**

**Shveta Arya**  
Managing Director  
DIN: 08540723

**Farokh Subedar**  
Director  
DIN: 00028428  
Place: Mumbai

**Jeetendra Mirchandani**  
Partner  
Membership Number: 48125

**Vinaya Joshi**  
Company Secretary  
PAN: AMQPJ5216P

**Prasad S Kulkarni**  
Interim Chief Financial Officer  
PAN: AKPPK6578A

Place: **Mumbai**  
Date: **May 28, 2025**

Place: **Pune**  
Date: **May 28, 2025**

## Consolidated Statement of Changes in Equity for the year ended March 31, 2025

### A) Equity share capital

Particulars	(₹ Crore)
<b>As at April 1, 2023</b>	55.44
Changes in equity share capital during the year ended March 31, 2024	-
<b>As at March 31, 2024</b>	55.44
Changes in equity share capital during the year ended March 31, 2025	-
<b>As at March 31, 2025</b>	<b>55.44</b>

# Consolidated Statement of Changes in Equity for the year ended March 31, 2025

## B) Other equity

(₹ Crore)

Particulars	Retained earnings (Refer note 17)		Other reserves (Refer note 17)			Total
	Statement of profit and loss	Other comprehensive income (OCI)	General reserve	Capital redemption reserve	Equity contribution from Cummins Inc. - share based payments*	
<b>Balance as at April 1, 2023</b>	<b>4,576.47</b>	<b>(36.21)</b>	<b>1,142.02</b>	<b>0.70</b>	<b>19.82</b>	<b>5,702.80</b>
Add: Profit for the year	1,720.58	-	-	-	-	1,720.58
Add/(Less): Other comprehensive income						-
- Items not to be reclassified to profit or loss in subsequent periods	-	(17.21)	-	-	-	(17.21)
- Items to be reclassified to profit or loss in subsequent periods	-	(0.46)	-	-	-	(0.46)
<b>Total comprehensive income for the year</b>	<b>1,720.58</b>	<b>(17.67)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,702.91</b>
Add: Equity contribution during the year	-	-	-	-	10.49	10.49
Less: Dividends paid						
- Interim dividend	498.96	-	-	-	-	498.96
- Final dividend for FY 2022-2023	360.36	-	-	-	-	360.36
<b>Balance as at March 31, 2024</b>	<b>5,437.73</b>	<b>(53.88)</b>	<b>1,142.02</b>	<b>0.70</b>	<b>30.31</b>	<b>6,556.88</b>
Add: Profit for the year	1,999.94	-	-	-	-	1,999.94
Add/(Less): Other comprehensive income						-
- Items not to be reclassified to profit or loss in subsequent periods	-	(14.43)	-	-	-	(14.43)
- Items to be reclassified to profit or loss in subsequent periods	-	1.70	-	-	-	1.70
<b>Total comprehensive income for the year</b>	<b>1,999.94</b>	<b>(12.73)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,987.21</b>
Add: Equity contribution during the year	-	-	-	-	15.23	15.23
Less: Dividends paid						
- Interim dividend	498.96	-	-	-	-	498.96
- Final dividend for FY 2023-2024	554.40	-	-	-	-	554.40
<b>Balance as at March 31, 2025</b>	<b>6,384.31</b>	<b>(66.61)</b>	<b>1,142.02</b>	<b>0.70</b>	<b>45.54</b>	<b>7,505.96</b>

\* Scheme managed and administered by the Holding Company.

The accompanying notes are an integral part of these financial statements.

As per our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP**  
ICAI Firm Registration Number: 304026E/E-300009

**For and on behalf of the Board**

**Shveta Arya**  
Managing Director  
DIN: 08540723

**Farokh Subedar**  
Director  
DIN: 00028428  
Place: Mumbai

**Jeetendra Mirchandani**  
Partner  
Membership Number: 48125

**Vinaya Joshi**  
Company Secretary  
PAN: AMQPJ5216P

**Prasad S Kulkarni**  
Interim Chief Financial Officer  
PAN: AKPPK6578A

Place: **Mumbai**  
Date: **May 28, 2025**

Place: **Pune**  
Date: **May 28, 2025**

# Notes to consolidated financial statements for the year ended March 31, 2025

## 1A Material accounting policy information

### a) Corporate information

The consolidated financial statements comprise the financial statements of Cummins India Limited ('CIL' or 'the Company') and its subsidiary (together referred to as 'the Group') for the year ended March 31, 2025. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Cummins India Office Campus, Balewadi, Pune. The Group is principally engaged in the business of manufacturing, trading and selling of engines and allied activities.

The consolidated financial statements of the Group for the year ended March 31, 2025 were authorised for issue in accordance with the resolution of the directors on May 28, 2025.

### b) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of division II of schedule III to the Companies Act, 2013 (Ind AS compliant schedule III).

The consolidated financial statements are prepared on a historical cost basis, except for the following assets and liabilities:

- certain financial assets and financial liabilities (including derivative instruments) which have been measured at fair value;
- assets held for sale are measured at lower of carrying amount or fair value less cost to sell;
- defined benefit plans - Plan assets are measured at fair value.

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### c) Principles of consolidation

#### i) Subsidiaries

Subsidiaries are consolidated from the date on which control is transferred to the Group and are not consolidated from the date that control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation procedure: The financial statements of the Company and its subsidiary have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Intra-group balances and intra-group transactions and resulting unrealised profits/losses have been

## Notes to consolidated financial statements for the year ended March 31, 2025

eliminated. Ind AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss on each component of OCI are attributed to the equity holders of parent of the Group.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e. year end on March 31.

### ii) Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in associates and joint venture companies have been accounted for by using the equity method of accounting whereby the investment is initially recorded at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition changes in the investor's share of net assets of the associate or joint venture.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate and joint venture are eliminated to the extent of the interest in the associate or joint venture. If an entities share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate and joint venture. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retaining investment and proceeds from disposal is recognised in Statement of Profit and Loss.

## Notes to consolidated financial statements for the year ended March 31, 2025

The list of entities included in consolidation, relationship with CIL and CIL's shareholding therein is as under:

Name of the Company	March 31, 2025		March 31, 2024	
	Relationship	Shareholding	Relationship	Shareholding
Cummins Sales & Service Private Limited (Formerly known as "Cummins SVAM Sales & Service Private Limited")	Subsidiary	100%	Subsidiary	100%
Valvoline Cummins Private Limited	Joint Venture	50%	Joint Venture	50%
Cummins Generator Technologies India Private Limited	Associate	48.74%	Associate	48.54%

All the above entities are incorporated in India.

### d) Fair value Measurements

The Group measures financial instruments at fair value on initial recognition and at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability; or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## Notes to consolidated financial statements for the year ended March 31, 2025

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re- assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Other fair value related disclosures are given in the relevant notes:

Disclosures for valuation methods, significant estimates and assumptions	Note 35 and 47
Financial instruments (including those carried at amortised cost)	Note 4, 5, 9 to 13
Investment Properties	Note 3

### e) Property, plant and equipment and investment properties

Property plant and equipment, capital work in progress and investment properties are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All costs relating to the acquisition and installation of property plant and equipment/investment properties are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial year in which they are incurred.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Depreciation is computed on straight line method to allocate the costs of assets, net of their residual values on their estimated useful lives, determined based on internal technical evaluation as follows:

Assets	Useful life
Roads	10 years
Office building and investment properties	upto 60 years
Factory building	30 years
Plant and machinery	3 to 15 years
Furniture and fittings	5 to 10 years
Vehicles	8 to 9 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Freehold land is carried at cost. Losses arising from the retirement of, and gains and losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

Leasehold improvements are depreciated on straight line basis over the period of lease or their useful life, whichever is less.

## Notes to consolidated financial statements for the year ended March 31, 2025

Transfers are made to investment properties only when there is a change in use. Transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

### f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful life are amortised on straight line basis over their respective useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Softwares are amortised over a period of useful lives from the date available for use (3-5 years), being the estimated useful life as per the management estimate or license term whichever is less. The amortisation period for an intangible asset with finite useful life is reviewed atleast at the end of each reporting period.

Losses arising from the retirement of, and gains and losses arising from disposal of intangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

### g) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Material cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Material in transit is valued at cost incurred till date.

### h) Foreign currency transactions

The Group's consolidated financial statements are presented in INR (₹), which is also CIL and subsidiary's functional currency.

Transactions in foreign currencies are accounted at the functional currency spot rates prevailing on the date of transactions. Monetary foreign currency financial assets and liabilities are translated at functional currency spot rates of exchange at the reporting date. The resulting exchange differences are appropriately recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non - monetary items measured at fair value in a foreign

# Notes to consolidated financial statements for the year ended March 31, 2025

currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in the fair value of the item.

## **i) Revenue recognition**

### **i) Revenue from sale of products**

Revenue from contracts with customers for sale of products is recognised, generally at a point in time, when control of the goods is transferred to the customer at an amount that reflects the transaction price which is the consideration that the Group expects to be entitled in exchange for those goods, excluding taxes or duties collected on behalf of the government e.g. goods and service tax (GST). The Group has generally concluded that it is the principal in its revenue arrangements.

### **ii) Volume rebates**

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased by them during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer and are reduced from revenue. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

### **iii) Warranty obligations**

The Group typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

### **iv) Sale of services - installation services**

The Group provides installation services that can be either sold separately or bundled together with the sale of products to a customer. The installation services can be obtained from other providers and do not significantly customise or modify the product sold.

Contracts for bundled sales of products and installation services are comprised of two performance obligations because the promises to transfer products and provide installation services are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative standalone selling prices of the products and installation services.

The Group recognises revenue from installation services over time, using an output method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from sale of products is recognised at a point in time, generally upon delivery of the products.

# Notes to consolidated financial statements for the year ended March 31, 2025

## v) Sale of services - service contracts

The Group has long-term service contracts with customers. Revenue from service contracts is recognised over time i.e based on the proportionate completion method. Completion is determined as a proportion of costs incurred till date to the total estimated contract costs. Provision is made for any loss in the period in which it is foreseen. The Group considers that this method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

In case of other service contracts, revenue is recognized over time, using input/output method, when services are rendered and on receipt of confirmation from customers, as the case may be.

## vi) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays the consideration or before payment is due, a contract asset is recognised for the earned consideration..

## vii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due when billing has been done) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

## viii) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**ix)** Interest income is recognised using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR the Group, estimates the expected cash flows by considering all the contractual terms of the financial instrument but doesn't consider the expected credit losses. Interest income is included in Other Income in the Statement of Profit and Loss.

**x)** Rental income is recognised on straight-line basis over the lease term, other than escalations on account of inflation.

**xi)** Dividend income from investments is recognised when the right to receive payment is established.

## j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

# Notes to consolidated financial statements for the year ended March 31, 2025

## **Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section "o" impairment of non-financial assets.

## **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of offices and warehouses. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## **Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising on such leases is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to

## Notes to consolidated financial statements for the year ended March 31, 2025

the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### k) Employee benefits

The Group operates following post-employment schemes, including both defined benefit and defined contribution plans.

#### A) Post-employment benefits

##### i) Defined contribution plans:

A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group has defined contribution plans for post employment benefits in the form of superannuation fund for management employees and provident fund for non management employees which is administered by Life Insurance Corporation of India/Regional Provident Fund Commissioner. In case of superannuation fund for management employees and provident fund for non management employees, the Group has no further obligation beyond making the contributions. The contributions are accounted for as employee benefit expense when they are due. Prepaid contribution is recognised as an asset to the extent cash refund or reduction in future contribution is available.

##### ii) Defined benefit plans:

Funded Plan: The Group has defined benefit plans for post-employment benefits in the form of gratuity for all employees, pension for non management employees and provident fund for management employees which are administered through Group managed trust/Life Insurance Corporation of India.

Unfunded Plan: The Group has unfunded defined benefit plans in the form of post retirement medical benefits (PRMB) and Ex-gratia benefits as per the policy of the Group.

Liability for above defined benefit plans is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is Projected Unit Credit method. In case of provident fund for management employees, the Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group's contributions and such shortfall are charged to the Statement of Profit and Loss as and when incurred.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated Statement of Profit and Loss:

- Service costs comprising current Service costs, past-Service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

## Notes to consolidated financial statements for the year ended March 31, 2025

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

### **B) Other employee benefit (unfunded):**

Liability for compensated absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The Actuarial valuation method used for measuring the liability is Projected Unit Credit method. Under this method, projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for active members of the plan. The "projected accrued benefit " is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the " projected accrued benefits " as of the beginning of the year for active members.

#### **Termination benefits are recognized as an expense as and when incurred.**

The present value of defined benefit obligation denominated in INR (₹) is determined by discounting the estimated future cash flows by reference to the market yield at the end of the reporting period on the government bonds that have terms approximately equal to the terms of the related obligation.

### **l) Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

### **m) Income tax**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, as the case may be.

## Notes to consolidated financial statements for the year ended March 31, 2025

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing and applicable for the relevant assessment year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income taxes are recognised for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases in the consolidated financial statements. The effect on deferred tax assets and liabilities of a change in the tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

### **n) Provisions and contingent liabilities**

A provision is recognised when there is a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation arising out of past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **o) Impairment of non financial assets**

The Group tests non financial assets for impairment at the close of the accounting period if and only if there are indications that suggest a possible reduction in the recoverable value of an asset. If the recoverable value of an asset, i.e. the net realizable value or the economic value in use of a cash generating unit, is lower than the carrying amount of the asset, the difference is provided for as impairment. However, if subsequently the position reverses and the recoverable amount becomes higher than the then carrying value the provision to the extent of the then difference is reversed, but not higher than the amount provided for.

### **p) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

# Notes to consolidated financial statements for the year ended March 31, 2025

## q) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, it is either recorded as deferred income and is recognised as income on a systematic and rational basis over the useful life of the asset, or adjusted against the cost of the asset.

When the Group receives non-monetary grants, the asset and the grant are recorded at fair value and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are measured at transaction price. For all subsequent measurements financial assets are classified in following categories:

#### A) Debt instruments

- i) Debt instruments at amortised cost: Debt instrument is measured at amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees for cost that are an integral part of the EIR. EIR amortisation is included in other income in the Statement of Profit and Loss. This category generally applies to loans and trade and other receivables.

- ii) Debt instruments fair value through OCI (FVTOCI): Debt instrument is classified as FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses).

## Notes to consolidated financial statements for the year ended March 31, 2025

- iii) Debt instruments at fair value through profit and loss (FVTPL): Debt instruments not classified as amortised cost or FVTOCI are classified as FVTPL. The Group has not classified any debt under this category.

### **B) Equity instruments**

Equity instruments held for trading are classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in OCI the subsequent changes in fair value. The Group makes such election on an instrument by instrument basis. If the Group decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends are recognized in OCI. There is no recycling of the amount from OCI to Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity.

The Group has elected to present all equity instruments, other than those in joint ventures and associate, through FVTPL and all subsequent changes are recognized in Statement of Profit and Loss.

### **C) Derecognition**

A financial asset (or wherever applicable, a part of the financial asset or part of a Group of similar financial assets) is primarily derecognized when the rights to receive cash flow from the assets have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flow in full to a third party under a pass through arrangement and either a) the Group has transferred substantially all risks and rewards of the asset or b) has transferred control of the asset.

### **D) Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortised costs e.g. loans, deposits, trade receivables, lease receivable and bank balances.

The Group follows simplified approach for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather it recognizes impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period the credit risk reduces since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

As a practical expedient, the Group uses a provision matrix, based on the age of the receivables classified into various age buckets, to determine impairment loss allowance on portfolio of its trade receivables. The matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. The Group has presumed that default doesn't occur later than when a financial asset is 90 days past due.

Impairment loss allowance including ECL or reversal recognized during the period is recognized as income/expense in Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the

## Notes to consolidated financial statements for the year ended March 31, 2025

Statement of Profit and Loss. The impairment loss is presented as an allowance in the balance sheet as a reduction from the net carrying amount of the trade receivable, loan, deposits and lease receivable respectively.

### Financial liabilities

All financial liabilities are initially recognised at fair value. The Group's financial liabilities include trade and other payables, other financial liabilities, loans and borrowings and derivative financial instruments.

Subsequent measurement of financial liabilities depends on their classification as FVTPL or at amortised cost.

All changes in fair value of financial liabilities classified as FVTPL is recognized in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part on EIR. The EIR amortisation is included as finance cost in the Statement of Profit and Loss.

### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognized in Statement of Profit or Loss.

### Derivatives

The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered and are subsequently re measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

Embedded derivatives: An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind

# Notes to consolidated financial statements for the year ended March 31, 2025

AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments.

## **Reclassification of financial instruments**

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Group reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model.

## **Offsetting financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **s) Dividend distribution**

The Group recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group.

## **1B Other accounting policies**

### **a) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

### **b) Earning per Share (EPS)**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## Notes to consolidated financial statements for the year ended March 31, 2025

### 2.1 Property, Plant and Equipment (PPE)

(₹ Crore)

Particulars	Gross block			Accumulated Depreciation and Amortisation				Net block		
	As at April 1, 2024	Additions	Adjustment**	Deductions/Write-off	As at March 31, 2025	As at April 1, 2024	For the year	Adjustment**	Deductions/Write-off	As at March 31, 2025
Freehold land @	29.69	-	-	-	29.69	-	-	-	-	29.69
Leasehold improvements	12.21	0.21	(0.82)	-	11.60	1.26	0.25	(0.54)	-	10.63
Roads	32.02	2.86	-	-	34.88	23.84	0.73	-	-	24.57
Buildings #	807.82	33.41	(4.61)	0.27	836.35	182.06	18.95	0.20	0.16	201.05
Plant and machinery #	1,184.99	166.60	(15.17)	55.41	1,281.01	713.97	84.58	(17.01)	53.39	728.15
Furniture and fittings #	50.69	3.22	(2.77)	0.16	50.98	38.92	2.78	(2.61)	0.15	38.94
Vehicles	5.13	0.91	(0.33)	0.65	5.06	3.62	0.31	(0.06)	0.49	3.38
	<b>2,122.55</b>	<b>207.21</b>	<b>(23.70)</b>	<b>56.49</b>	<b>2,249.57</b>	<b>963.67</b>	<b>107.60</b>	<b>(20.02)</b>	<b>54.19</b>	<b>997.06</b>

### 2.2 Intangible assets

(₹ Crore)

Particulars	Gross block			Accumulated Depreciation and Amortisation				Net block		
	As at April 1, 2024	Additions	Adjustment**	Deductions/Write-off	As at March 31, 2025	As at April 1, 2024	For the year	Adjustment**	Deductions/Write-off	As at March 31, 2025
Software	18.62	5.83	(1.62)	0.02	22.81	10.82	2.71	(1.59)	-	11.94
Technical knowhow	121.60	28.34	-	-	149.94	29.00	18.00	-	-	47.00
Development cost	48.25	-	-	-	48.25	18.97	6.89	-	-	25.86
	<b>188.47</b>	<b>34.17</b>	<b>(1.62)</b>	<b>0.02</b>	<b>221.00</b>	<b>58.79</b>	<b>27.60</b>	<b>(1.59)</b>	<b>-</b>	<b>84.80</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

### 2.3 Capital work-in-progress (including investment property in progress) and intangible assets under development

Particulars	As at April 1, 2024		Additions		Total Additions		Capitalisation			Total Capitalisation		As at March 31, 2025
	PPE	Intangible assets	Intangible assets	Investment properties	Total	PPE	Intangible assets	Investment properties	Total	As at March 31, 2025		
Capital work-in-progress	94.65	190.34	-	-	190.34	206.72	-	0.11	206.83	78.16		
Intangible assets under development	2.16	-	38.69	-	38.69	-	34.14	-	34.14	6.71		
	<b>96.81</b>	<b>190.34</b>	<b>38.69</b>	<b>-</b>	<b>229.03</b>	<b>206.72</b>	<b>34.14</b>	<b>0.11</b>	<b>240.97</b>	<b>84.87</b>		

(₹ Crore)

### 2.4 Capital work-in-progress (including investment property in progress) and intangible assets under development aging schedule\*

Projects in progress	Amount for a period of				Total	
	Less than 1 year	1-2 years		2-3 years		
		More than 3 years				
Capital work-in-progress	70.79	6.30	0.17	0.90	78.16	
Intangible assets under development	6.71	-	-	-	6.71	
	<b>77.50</b>	<b>6.30</b>	<b>0.17</b>	<b>0.90</b>	<b>84.87</b>	

(₹ Crore)

\*Capital work-in-progress includes projects amounting to ₹ 0.90 Crore whose completion is overdue on account of procedural delays and will be completed in the next 1 year.

#### NOTES:

@ 1) Includes reservations by Pune Municipal Corporation for Economically Weaker Section (EWS) and Road.

2) Includes undivided share of land, on purchase of office premises.

\*\* Includes reclassification from/to assets held for sale

# Includes certain assets given on cancellable/non-cancellable operating lease

## Notes to consolidated financial statements for the year ended March 31, 2025

### 2.1 Property, Plant and Equipment (PPE)

(₹ Crore)

Particulars	Gross block				Accumulated Depreciation and Amortisation				Net block		
	As at April 1, 2023	Additions	Adjustment**	Deductions/Write-off	As at March 31, 2024	As at April 1, 2023	For the year	Adjustment**	Deductions/Write-off	As at March 31, 2024	As at March 31, 2024
Freehold land @	29.72	-	(0.03)	-	29.69	-	-	-	-	-	29.69
Leasehold improvements	11.57	0.62	0.03	0.01	12.21	1.04	0.23	-	0.01	1.26	10.95
Roads	31.72	0.30	-	-	32.02	23.03	0.81	-	-	23.84	8.18
Buildings #	788.27	24.11	(4.07)	0.49	807.82	167.16	18.63	(3.36)	0.37	182.06	625.76
Plant and machinery #	1,142.99	98.41	(8.63)	47.78	1,184.99	696.72	68.49	(7.82)	43.42	713.97	471.02
Furniture and fittings #	50.28	0.61	0.48	0.68	50.69	34.97	4.16	0.50	0.71	38.92	11.77
Vehicles	5.02	0.81	(0.42)	0.28	5.13	3.88	0.40	(0.38)	0.28	3.62	1.51
	<b>2,059.57</b>	<b>124.86</b>	<b>(12.64)</b>	<b>49.24</b>	<b>2,122.55</b>	<b>926.80</b>	<b>92.72</b>	<b>(11.06)</b>	<b>44.79</b>	<b>963.67</b>	<b>1,158.89</b>

### 2.2 Intangible assets

(₹ Crore)

Particulars	Gross block				Accumulated Depreciation and Amortisation				Net block		
	As at April 1, 2023	Additions	Adjustment**	Deductions/Write-off	As at March 31, 2024	As at April 1, 2023	For the year	Adjustment**	Deductions/Write-off	As at March 31, 2024	As at March 31, 2024
Software	11.73	6.89	-	-	18.62	10.10	0.72	-	-	10.82	7.80
Technical knowhow	20.60	101.00	-	-	121.60	20.60	8.40	-	-	29.00	92.60
Development cost	48.25	-	-	-	48.25	12.08	6.89	-	-	18.97	29.28
	<b>80.58</b>	<b>107.89</b>	<b>-</b>	<b>-</b>	<b>188.47</b>	<b>42.78</b>	<b>16.01</b>	<b>-</b>	<b>-</b>	<b>58.79</b>	<b>129.68</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

### 2.3 Capital work-in-progress (including investment property in progress) and intangible assets under development

(₹ Crore)

Particulars	As at April 1, 2023		Additions		Total Additions		Capitalisation			Total Capitalisation	As at March 31, 2024
	PPE	Intangible assets	PPE	Intangible assets	PPE	Intangible assets	Investment properties	Intangible assets	Investment properties		
Capital work-in-progress	41.29	178.33	-	-	178.33	123.93	1.04	-	1.04	124.97	94.65
Intangible assets under development	-	-	110.05	-	110.05	-	-	107.89	-	107.89	2.16
	<b>41.29</b>	<b>178.33</b>	<b>110.05</b>	<b>-</b>	<b>288.38</b>	<b>123.93</b>	<b>1.04</b>	<b>107.89</b>	<b>1.04</b>	<b>232.86</b>	<b>96.81</b>

### 2.4 Capital work-in-progress (including investment property in progress) and intangible assets under development aging schedule\*

(₹ Crore)

Projects in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital work-in-progress	93.10	0.63	0.02	0.90	94.65
Intangible assets under development	2.16	-	-	-	2.16
	<b>95.26</b>	<b>0.63</b>	<b>0.02</b>	<b>0.90</b>	<b>96.81</b>

\*Capital work-in-progress includes projects amounting to ₹ 0.90 Crore whose completion is overdue on account of procedural delays and will be completed in the next 1 year.

#### NOTES:

@ 1) Includes reservations by Pune Municipal Corporation for Economically Weaker Section (EWS) and Road.

2) Includes undivided share of land, on purchase of office premises.

\*\* Includes reclassification from assets held for sale

# Includes certain assets given on cancellable/non-cancellable operating lease

# Notes to consolidated financial statements for the year ended March 31, 2025

## 3 Investment properties

(₹ Crore)

	Year ended March 31	
	2025	2024
<b>Gross block</b>		
Opening balance	1,261.23	1,260.19
Additions	0.11	1.04
Deductions	-	-
<b>Closing balance</b>	<b>1,261.34</b>	<b>1,261.23</b>
<b>Accumulated Depreciation</b>		
Opening balance	283.92	241.15
Depreciation	42.27	42.77
Deductions	-	-
<b>Closing balance</b>	<b>326.19</b>	<b>283.92</b>
<b>Net block</b>	<b>935.15</b>	<b>977.31</b>

### Information regarding income and expenditure of investment properties

(₹ Crore)

	Year ended March 31	
	2025	2024
Rental income derived from investment properties	145.57	142.71
Direct operating expenses (including repairs and maintenance) generating rental income	11.48	11.78
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>134.09</b>	<b>130.93</b>
Less: Depreciation	42.27	42.77
<b>Profit arising from investment properties before indirect expenses</b>	<b>91.82</b>	<b>88.16</b>

The investment properties consist of office premises and plants. As at March 31, 2025 the fair value of the properties is ₹ 1,451.55 crore (As at March 31, 2024: ₹ 1,416.71 crore). These fair values are based on valuations performed by a registered valuer, as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. A valuation model as recommended by International Valuation Standards Committee has been applied. The Company considers factors like management intention, terms of rental agreements, area leased out, life of the assets etc. to determine classification of assets as investment properties. The rental income considered in the table above is from the date of rental agreement or date of re-classification from property, plant and equipment as applicable.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

## Notes to consolidated financial statements for the year ended March 31, 2025

### Description of valuation techniques used and key inputs to valuation on investment properties

Valuation technique	Significant unobservable inputs	Range (weighted average)	
		March 31, 2025	March 31, 2024
Income approach (Discounted Cash Flow (DCF) method)	Estimated rental value per sq ft per month	₹ 32.45 - ₹ 131.46	₹ 31.50 - ₹ 131.46
	Rent growth p.a.	3% - 15% every 3 years or based on market assessment	3% - 15% every 3 years or based on market assessment
	Discount rate	13.85%	12.05%

As per the DCF method, fair value is defined as the present value of future cash flows that can be generated from the Group. To estimate the cash flows available, projected cash flows of the Group are considered for certain future years (explicit forecast period). Based on the projected cash flows, the free cash flows from subject properties are estimated. The Group has discounted the net cash flows to arrive at the present value of free cash flows. After the explicit period, the subject properties will continue to generate cash. In DCF method, therefore, perpetuity value/capitalized value/terminal value is also considered to arrive at the value of the subject properties.

#### 4 Non-current investments

As at March 31 (Units)			As at March 31 (₹ Crore)	
2025	2024		2025	2024
		<b>Investments in joint venture and associate</b>		
		<b>Unquoted equity instruments</b>		
95,00,000	95,00,000	<b>Investment in joint venture</b> (fully paid up)(Refer note 40) Valvoline Cummins Private Limited (% Holding: 50%) (Incorporated in India)	162.79	152.02
7,79,997	7,79,997	<b>Investment in associate</b> (fully paid up)(Refer note 41) Cummins Generator Technologies India Private Limited [% Holding: 48.74%, (March 31, 2024: 48.54%)] (Incorporated in India)	387.36	311.29
		<b>Total</b>	<b>550.15</b>	<b>463.31</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

### 5 Other non-current financial assets (carried at amortised cost)

(₹ Crore)

	As at March 31	
	2025	2024
<b>Unsecured, considered good</b>		
Security deposits	14.55	13.92
<b>Total</b>	<b>14.55</b>	<b>13.92</b>

### 6 Income tax assets (net)

(₹ Crore)

	As at March 31	
	2025	2024
Advance income tax (net of provision for taxation)	43.83	57.85
<b>Total</b>	<b>43.83</b>	<b>57.85</b>

### 7 Other non-current assets

(₹ Crore)

	As at March 31	
	2025	2024
<b>Unsecured, considered good</b>		
Capital advances	41.40	49.60
Balances with statutory/government authorities	60.99	43.49
Others *	0.53	0.89
<b>Total</b>	<b>102.92</b>	<b>93.98</b>

\* Others include prepaid expenses

### 8 Inventories

(₹ Crore)

	As at March 31	
	2025	2024
Raw materials and components (includes goods in transit)	586.64	518.55
Work-in-progress (includes goods lying with third parties)	170.90	197.34
Finished goods (includes goods in transit and lying with third parties) *	222.14	196.74
Traded goods (includes goods in transit)	10.24	22.95
Stores and spares	4.59	4.58
Loose tools	9.56	9.49
<b>Total</b>	<b>1,004.07</b>	<b>949.65</b>

\* During the year ended March 31, 2025 ₹ 1.42 crore (March 31, 2024: ₹ 2.42 crore) was recognised as an expense/(reversal) for inventories carried at net realisable value.

## Notes to consolidated financial statements for the year ended March 31, 2025

### 9 Current investments

As at March 31 (Units)			As at March 31 (₹ Crore)	
2025	2024		2025	2024
		<b>Current investments</b>		
		<b>Unquoted mutual funds valued at fair value through profit and loss</b>		
479,972	1,028,653	Aditya Birla Sun Life Liquid Fund - Growth-Direct Plan	20.10	40.08
-	39,388	Axis Liquid Fund - Regular Growth	-	10.49
139,815	1,12,015	Axis Liquid Fund - Direct Growth	40.32	30.06
59,464	31,737	HDFC Liquid Fund - Direct Plan - Growth Option	30.28	15.06
20,004	-	HDFC Liquid Fund - Regular Plan - Growth	10.08	-
43,501	43,501	HDFC Money Market Fund - Direct Plan - Growth Option	24.87	23.06
38,758	145,726	HSBC Liquid Fund - Direct Growth	10.02	35.06
665,554	665,554	ICICI Prudential Money Market Fund - Growth	24.77	23.00
522,270	841,074	ICICI Prudential Liquid Fund - Direct Plan - Growth	20.05	30.06
114,797	61,611	Kotak Liquid Fund Direct Plan Growth	60.15	30.06
77,663	77,663	Kotak Money Market Fund - Growth (Regular Plan)	34.22	31.77
23,686	34,135	Nippon India Liquid Fund - Direct Plan Growth Plan Growth Option	15.03	20.17
70,084	70,084	Nippon India Money Market Fund - Growth Plan Growth Option	28.53	26.49
98,857	53,017	SBI Liquid Fund Direct Growth	40.09	20.04
-	7,859,615	SBI Savings Fund - Direct Plan - Growth	-	31.79
24,473	89,370	Tata Liquid Fund Direct Plan - Growth	10.02	34.05
23,562	101,238	UTI Liquid Fund - Direct Plan Growth	10.02	40.07
58,055	-	TATA Money Market Fund - Growth-Regular Plan	26.89	-
88,713	-	UTI Money Market Fund - Regular Growth Plan	26.83	-
24,796	-	TATA Liquid Fund - Regular Plan - Growth	10.03	-
883,545	-	Aditya Birla Sun Life Floating Rate Fund - Growth - Regular Plan	30.09	-
41,510,993	-	SBI CPSE BOND PLUS SDL SEP 2026 50:50 INDEX FUND - DIRECT PLAN - GROWTH	50.02	-
41,183,763	-	Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 - 60:40 Index Fund Direct Growth	50.02	-
		<b>Value of unquoted mutual funds</b>	<b>572.43</b>	<b>441.31</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

### 9 Current investments

As at March 31 (Units)			As at March 31 (₹ Crore)	
2025	2024		2025	2024
		<b>Unquoted Certificate of Deposit valued at fair value through OCI</b>		
-	7,000	7.50% HDFC Bank Limited	-	336.18
-	4,000	7.55% HDFC Bank Limited	-	192.10
-	2,000	7.84% HDFC Bank Limited	-	95.06
		<b>Value of unquoted certificate of deposit</b>	<b>-</b>	<b>623.34</b>
		<b>Aggregate value of unquoted investments</b>	<b>572.43</b>	<b>1,064.65</b>
		<b>Other investments</b>		
		<b>Quoted Bonds/NCD valued at fair value through OCI</b>		
300,000	300,000	Non Convertible Debentures - 7.45% PFC	31.52	31.33
-	200	5.27% NABARD 23/07/2024	-	20.57
2,000	2,000	REC/Bonds/227-A Series	20.73	20.65
2,000	2,000	7.79% SIDBI 2027-Series VI of FY 2023-24	20.46	20.45
2,000	2,000	REC/Bonds/229 A Series	20.72	20.54
400	-	5.78% HDFC Bank Limited 2025	40.35	-
350	-	6.43% HDFC Bank Limited 2025	35.92	-
350	-	6.00% HDFC Bank 2026	36.20	-
25	-	8.35% HDFC Bank 2026	27.07	-
750	-	7.4% National Bank for Agriculture and Rural Development 2026	75.88	-
5,000	-	7.59% Small Industrial Development Bank of India 2026	50.84	-
		<b>Value of quoted bonds/NCD</b>	<b>359.69</b>	<b>113.54</b>
		<b>Aggregate value of quoted investments</b>	<b>359.69</b>	<b>113.54</b>
		<b>Total</b>	<b>932.12</b>	<b>1,178.19</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

### 10 Trade receivables (carried at amortised cost)

(₹ Crore)

	As at March 31	
	2025	2024
Trade receivables	1,830.11	1,763.16
Receivables from related parties (Refer note 43)	447.64	322.19
<b>Total</b>	<b>2,277.75</b>	<b>2,085.35</b>
<b>Break up for security details</b>		
Secured, considered good	371.86	291.70
Unsecured, considered good	1,905.89	1,793.65
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	9.77	7.45
	<b>2,287.52</b>	<b>2,092.80</b>
<b>Impairment loss allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Provision for impairment	-	-
Trade receivable - credit impaired	(9.77)	(7.45)
	<b>(9.77)</b>	<b>(7.45)</b>
<b>Total</b>	<b>2,277.75</b>	<b>2,085.35</b>

No trade receivable or advances are due from directors or other officers of the Company either severally or jointly with any other person. Trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member amounts to ₹ 19.99 crore (March 31, 2024: ₹ 13.16 crore). Trade receivables are non interest bearing and are generally on terms of 30 to 90 days.

Weighted average ECL provision works out to be 0.43%.

For terms and conditions and transactions with related parties refer note 43.

# Notes to consolidated financial statements for the year ended March 31, 2025

## Trade receivables aging schedule

(₹ Crore)

Particulars	As at	Outstanding for following periods from due date of payment							Total
		Unbilled	Not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	March 31, 2025	29.03	1,971.59	193.13	68.46	12.30	2.46	0.78	2,277.75
	March 31, 2024	26.50	1,970.09	68.16	7.63	4.13	3.55	5.29	2,085.35
(ii) Undisputed trade receivables - which have significant increase in credit risk	March 31, 2025	-	-	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	March 31, 2025	-	-	1.39	2.71	0.11	0.26	5.30	9.77
	March 31, 2024	-	0.13	-	0.18	0.92	2.64	3.50	7.37
(iv) Disputed trade receivables - considered good	March 31, 2025	-	-	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	March 31, 2025	-	-	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	March 31, 2025	-	-	-	-	-	-	-	-
	March 31, 2024	-	-	-	-	-	-	0.08	0.08
<b>Total</b>	<b>March 31, 2025</b>	<b>29.03</b>	<b>1,971.59</b>	<b>194.52</b>	<b>71.17</b>	<b>12.41</b>	<b>2.72</b>	<b>6.08</b>	<b>2,287.52</b>
	<b>March 31, 2024</b>	<b>26.50</b>	<b>1,970.22</b>	<b>68.16</b>	<b>7.81</b>	<b>5.05</b>	<b>6.19</b>	<b>8.87</b>	<b>2,092.80</b>

## 11 Cash and Cash Equivalents (carried at amortised cost)

(₹ Crore)

	As at March 31	
	2025	2024
Cash on hand	-	-
Bank balances		
In current accounts	91.95	124.32
Deposits with banks (original maturity less than 3 months)	143.04	175.57
<b>Total</b>	<b>234.99</b>	<b>299.89</b>

## 12 Other bank balances (carried at amortised cost)

(₹ Crore)

	As at March 31	
	2025	2024
Unpaid dividend account (restricted)	14.18	13.26
Deposits with Banks (original maturity more than 3 months but less than 1 year)	2,261.12	1,199.63
<b>Total</b>	<b>2,275.30</b>	<b>1,212.89</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

### 13 Other current financial assets (carried at amortised cost, other than foreign exchange forward contracts)

(₹ Crore)

	As at March 31	
	2025	2024
<b>Unsecured, considered good:</b>		
Security deposits	25.80	20.15
Contract assets ^	8.85	2.85
Foreign exchange forward contracts #	2.26	–
Others *	29.76	15.73
<b>Total</b>	<b>66.67</b>	<b>38.73</b>

^ Contract assets mainly include right to consideration against future obligation.

# Foreign exchange forward contracts at fair value through profit and loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationship, but are nevertheless, intended to reduce the level of foreign currency risk exposure.

\* Others primarily include warranty receivable, cross charge etc.

Other current financial assets receivable from firms or private companies in which any director is a partner, a director or a member amounts to ₹ 4.55 crore (March 31, 2024: ₹ 2.65 crore). Refer note 43 for related party transactions.

### 14 Other current assets

(₹ Crore)

	As at March 31	
	2025	2024
<b>Unsecured, considered good:</b>		
Balances with statutory/government authorities	68.28	84.91
Others *	61.64	89.90
<b>Total</b>	<b>129.92</b>	<b>174.81</b>

\* Others include prepaid expenses, supplier advances, service contracts in progress, etc.

# Notes to consolidated financial statements for the year ended March 31, 2025

## 15 Assets and liabilities classified as held for sale

- a) The Board of Directors of the Company at its meeting held on February 7, 2025 had approved the sale of 100% stake in its wholly owned subsidiary, namely, Cummins Sales & Service Private Limited ('CSSPL'). Upon transfer of 100% shares to the buyer, CSSPL ceased to be a wholly owned subsidiary of the Company effective April 1, 2025. Below are the major classes of assets classified as held for sale and liabilities associated with assets classified as held for sale:

(₹ Crore)

	<b>As at March 31, 2025</b>
<b>Non-current assets</b>	
Property, plant and equipment	1.38
Right-of-use assets	6.02
Intangible assets	0.03
Financial assets	
Other non-current financial assets	0.85
Deferred tax assets (net)	3.08
	<b>11.36</b>
<b>Current assets</b>	
Inventories	32.18
Financial assets	
Trade receivables	28.92
Cash and cash equivalents	1.76
Other current financial assets	3.30
Other current assets	5.24
	<b>71.40</b>
<b>Total assets pertaining to subsidiary classified as held for sale</b>	<b>82.76</b>
<b>Non-current liabilities</b>	
Financial liabilities	
Lease liabilities	4.80
Provisions	3.44
Current tax liabilities (net)	0.43
	<b>8.67</b>
<b>Current liabilities</b>	
Financial liabilities	
Trade payables	
(i) Total outstanding dues of micro and small enterprises	0.40
(ii) Total outstanding dues of creditors other than micro and small enterprises	2.78
Lease liabilities	1.55
Other current financial liabilities	3.24
Other current liabilities	8.33
Provisions	0.63
	<b>16.93</b>
<b>Total liabilities pertaining to subsidiary classified as held for sale</b>	<b>25.60</b>

- b. Certain property, plant and equipment are classified as held for sale (at lower of cost or fair value less cost to sell). As at March 31, 2025, these assets have a carrying value of ₹ 4.93 crore (March 31, 2024: ₹ 2.69 crore).

# Notes to consolidated financial statements for the year ended March 31, 2025

## 16 Equity share capital

(₹ Crore)

	As at March 31	
	2025	2024
<b>Authorised:</b> 400,000,000 equity shares of ₹ 2 each	80.00	80.00
<b>Issued, subscribed and fully paid-up shares:</b> 277,200,000 equity shares of ₹ 2 each	55.44	55.44
<b>Total</b>	<b>55.44</b>	<b>55.44</b>

### a) Reconciliation of number of shares

Equity shares:	As at March 31, 2025		As at March 31, 2024	
	Nos.	₹ Crore	Nos.	₹ Crore
Balance as at the beginning and end of the year	277,200,000	55.44	277,200,000	55.44

### b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in the proportion to their shareholding.

### c) Details of shareholding of promoters

Particulars	As at March 31, 2025			As at March 31, 2024		
	Nos. of Shares	% of total number of shares	% of change during the year	Nos. of Shares	% of total number of shares	% of change during the year
Cummins Inc. USA - Holding Company	141,372,000	51.00%	-	141,372,000	51.00%	-

### d) Details of shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2025		As at March 31, 2024	
	Nos.	%	Nos.	%
Equity shares of ₹ 2 each fully paid Cummins Inc. USA - Holding Company	141,372,000	51.00%	141,372,000	51.00%

# Notes to consolidated financial statements for the year ended March 31, 2025

## 17 Other equity

(₹ Crore)

	As at March 31	
	2025	2024
Retained earnings	6,317.70	5,383.85
	<b>6,317.70</b>	<b>5,383.85</b>
<b>Other reserves</b>		
Capital redemption reserve	0.70	0.70
General reserve	1,142.02	1,142.02
Equity contribution from Holding Company	45.54	30.31
<b>Total</b>	<b>1,188.26</b>	<b>1,173.03</b>

### a) Retained earnings

(₹ Crore)

	Year ended March 31	
	2025	2024
Opening balance as at April 1	5,383.85	4,540.26
Add: Profit for the year	1,999.94	1,720.58
Add: Other comprehensive income		
- Items not to be reclassified to profit or loss in subsequent periods		
Remeasurement (loss)/gain on defined benefit plans, net of tax	(14.43)	(17.21)
- Items to be reclassified to profit or loss in subsequent periods		
Changes in the fair value of financial instruments, net of tax	1.70	(0.46)
	<b>7,371.06</b>	<b>6,243.17</b>
Less:		
Interim dividend paid for the financial years ended March 31, 2025 (₹ 18 per share) and March 31, 2024 (₹ 18 per share)	498.96	498.96
Final dividend paid for the financial years ended March 31, 2024 (₹ 20 per share) and March 31, 2023 (₹ 13 per share)	554.40	360.36
	<b>1,053.36</b>	<b>859.32</b>
<b>Closing balance as at March 31</b>	<b>6,317.70</b>	<b>5,383.85</b>

### Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended payment of final dividend of ₹ 928.62 crore for the year ended March 31, 2025 (March 31, 2024: ₹ 554.40 crore) which is ₹ 33.50 per fully paid up share (March 31, 2024: ₹ 20.00 per fully paid up share). This proposed dividend is subject to approval of shareholders in the ensuing Annual General Meeting.

## Notes to consolidated financial statements for the year ended March 31, 2025

### b) Capital redemption reserve

(₹ Crore)

	Year ended March 31	
	2025	2024
Opening balance as at April 1	0.70	0.70
Add: Movement during the year	-	-
<b>Closing balance as at March 31</b>	<b>0.70</b>	<b>0.70</b>

### c) General reserve

General reserve denotes the amounts transferred from retained earnings on declaration of dividends as per the requirements of erstwhile Companies Act, 1956.

(₹ Crore)

	Year ended March 31	
	2025	2024
Opening balance as at April 1	1,142.02	1,142.02
Add: Movement during the year	-	-
<b>Closing balance as at March 31</b>	<b>1,142.02</b>	<b>1,142.02</b>

### d) Equity contribution from the holding company

Certain employees are directly paid by the holding company through stock options.

(₹ Crore)

	Year ended March 31	
	2025	2024
Opening balance as at April 1	30.31	19.82
Add: Movement during the year	15.23	10.49
<b>Closing balance as at March 31</b>	<b>45.54</b>	<b>30.31</b>

## 18 Other non-current financial liabilities (carried at amortised cost)

(₹ Crore)

	As at March 31	
	2025	2024
Deposits	33.90	27.46
Retention money	8.44	3.75
Capital creditors	0.87	18.44
Others *	10.26	11.64
<b>Total</b>	<b>53.47</b>	<b>61.29</b>

\* Others primarily include liability on account of Voluntary Retirement Scheme (refer note 50)

## Notes to consolidated financial statements for the year ended March 31, 2025

### 19 Provisions

(₹ Crore)

	As at March 31	
	2025	2024
Provision for employee benefit obligations (Refer note 42)	154.09	147.56
Warranties (Refer note 39 (i))	114.27	78.86
Statutory matters (Refer note 39 (ii))	16.19	17.66
New Engine Performance Inspection (NEPI) (Refer note 39 (iii))	47.52	40.58
	<b>332.07</b>	<b>284.66</b>
Current provisions	169.15	163.68
Non - current provisions	162.92	120.98
<b>Total</b>	<b>332.07</b>	<b>284.66</b>

# Notes to consolidated financial statements for the year ended March 31, 2025

## 20 Income taxes

### a) Deferred tax liabilities (net)

(₹ Crore)

	Balance Sheet		Statement of profit and loss	
	As at March 31		Year ended March 31	
	2025	2024	2025	2024
<b>Deferred tax assets</b>				
Provision for employee benefits recognised in the Statement of Profit and Loss	29.04	27.51	1.53	1.94
Other timing differences	32.52	21.90	10.62	5.21
Deferred tax asset pertaining to subsidiary moved to held for sale	(3.08)	-	-	-
<b>Total deferred tax assets</b>	<b>58.48</b>	<b>49.41</b>	<b>12.15</b>	<b>7.15</b>
<b>Deferred tax liabilities</b>				
Depreciation	142.74	138.42	4.32	3.00
Other timing differences	1.95	(1.97)	3.92	(6.95)
Others including OCI	-	0.14	(0.14)	-
	<b>1.95</b>	<b>(1.83)</b>		
<b>Total deferred tax liabilities</b>	<b>144.69</b>	<b>136.59</b>	<b>8.10</b>	<b>(3.95)</b>
<b>Deferred tax (expense)/income</b>			<b>4.05</b>	<b>11.11</b>
<b>Net deferred tax liabilities</b>	<b>86.21</b>	<b>87.18</b>		

### b) The major components of income tax expenses for the years ended March 31, 2025 and March 31, 2024 are:

#### Statement of Profit and Loss

(₹ Crore)

	Year ended March 31	
	2025	2024
<b>Profit and loss section</b>		
<b>Current income tax:</b>		
Current income tax charge	598.05	510.78
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(4.05)	(11.11)
Adjustments in respect of current income tax of previous year	(1.13)	(15.64)
<b>Income tax expenses reported in the Statement of Profit and Loss</b>	<b>592.87</b>	<b>484.03</b>
<b>OCI section</b>		
Tax related to items recognised in OCI during the year	(4.29)	(5.46)
Net (gain)/loss on remeasurements of defined benefit plans and others	<b>(4.29)</b>	<b>(5.46)</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

### c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2025 and March 31, 2024

(₹ Crore)

	Year ended March 31	
	2025	2024
Accounting profit before tax	2,592.81	2,204.61
Less: Share of profit of joint ventures and associate after tax	266.77	245.16
	2,326.04	1,959.45
India's statutory income tax rate	25.17%	25.17%
Tax at full rate	585.42	493.15
<b>Adjustments:</b>		
Others (deductible, non-deductible items, net)	7.45	(9.11)
<b>Total</b>	<b>7.45</b>	<b>(9.11)</b>
Income tax expenses reported in the Statement of Profit and Loss for the current year	<b>592.87</b>	<b>484.04</b>

### d) Deferred tax Reconciliation of deferred tax liabilities (net):

(₹ Crore)

	Year ended March 31	
	2025	2024
Opening balances as at April 1	87.18	100.83
Tax expense/(income) during the year recognised in Statement of Profit and Loss	(4.05)	(11.11)
Tax expense/(income) during the year recognised in OCI	-	0.14
Adjustments in respect of previous years	-	(2.68)
Tax asset pertaining to subsidiary moved to held for sale	3.08	-
<b>Closing balance as at March 31</b>	<b>86.21</b>	<b>87.18</b>

## 21 Other non-current liabilities

(₹ Crore)

	As at March 31	
	2025	2024
Contract liabilities	25.60	11.96
<b>Total</b>	<b>25.60</b>	<b>11.96</b>

The Group expects the revenue on account of this to be recognised over the next 2 to 5 years

# Notes to consolidated financial statements for the year ended March 31, 2025

## 22 Borrowings

(₹ Crore)

	As at March 31	
	2025	2024
Working capital loan from bank	-	100.00
<b>Total</b>	<b>-</b>	<b>100.00</b>

The loan was unsecured and repayable within one year. Interest was payable @ 6.75% - 7.31% (T-Bill/MIBOR) adjusted by a reasonable spread p.a. The Group has availed the benefit of interest equalisation scheme of the Reserve Bank of India. Interest on borrowings under interest equalisation scheme is accounted for on net basis.

The changes in liabilities arising from financing activities is on account of cash flow changes only and there are no non-cash changes.

## 23 Trade payables

(₹ Crore)

	As at March 31	
	2025	2024
Trade payables to micro and small enterprises (MSME) (Refer note 34)	62.79	72.14
Trade payables other than related parties, micro and small enterprises	616.95	564.63
Trade payables to related parties (Refer note 43)	887.36	772.00
	<b>1,504.31</b>	<b>1,336.63</b>
<b>Total</b>	<b>1,567.10</b>	<b>1,408.77</b>

Trade payables are non interest bearing and are normally settled in 30 to 90 days terms.

For terms and conditions and transactions with related parties refer note 43.

## Trade payables aging schedule

(₹ Crore)

Particulars	As at	Outstanding for following periods from due date of payment						Total
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed MSME	March 31, 2025	-	62.60	0.19	-	-	-	62.79
	March 31, 2024	-	70.99	1.15	-	-	-	72.14
(ii) Undisputed- Others	March 31, 2025	319.55	1,086.45	87.83	1.94	2.07	6.47	1,504.31
	March 31, 2024	157.36	1,001.63	160.66	9.88	0.19	6.91	1,336.63
<b>Total</b>	<b>March 31, 2025</b>	<b>319.55</b>	<b>1,149.05</b>	<b>88.02</b>	<b>1.94</b>	<b>2.07</b>	<b>6.47</b>	<b>1,567.10</b>
	<b>March 31, 2024</b>	<b>157.36</b>	<b>1,072.62</b>	<b>161.81</b>	<b>9.88</b>	<b>0.19</b>	<b>6.91</b>	<b>1,408.77</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

### 24 Other current financial liabilities

(₹ Crore)

	As at March 31	
	2025	2024
Unpaid dividend	14.18	13.26
Royalty (Refer note 43)	62.79	24.26
Support services payable (Refer note 43)	35.76	4.81
Retention money	2.43	7.06
Capital creditors	63.99	52.65
Others including salaries, wages, bonus payable	38.04	48.47
<b>Total</b>	<b>217.19</b>	<b>150.51</b>

### 25 Other current liabilities

(₹ Crore)

	As at March 31	
	2025	2024
Statutory dues and other payables	134.06	154.32
Advance for sale of investment in subsidiary	56.50	-
Contract liabilities ^	79.63	72.52
<b>Total</b>	<b>270.19</b>	<b>226.84</b>

^ Contract liabilities include advances received from customers as well as consideration received before the Group has transferred goods or services to the customer.

### 26 Revenue from operations

(₹ Crore)

	Year ended March 31	
	2025	2024
Sale of products	9,713.71	8,457.10
Sale of services	505.53	402.89
	<b>10,219.24</b>	<b>8,859.99</b>
<b>Other operating revenue</b>		
Scrap sales	9.29	7.65
Export incentives	44.73	34.01
Others *	117.43	98.55
	<b>171.45</b>	<b>140.21</b>
<b>Revenue from operations</b>	<b>10,390.69</b>	<b>9,000.20</b>

\* Others primarily includes testing income, engineering income, royalty income from dealers, etc.

# Notes to consolidated financial statements for the year ended March 31, 2025

## Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers

(₹ Crore)

	Year ended March 31	
	2025	2024
<b>Location</b>		
India	8,574.68	7,413.25
Outside India	1,771.28	1,552.94
<b>Total revenue from contracts with customers *</b>	<b>10,345.96</b>	<b>8,966.19</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	9,723.00	8,464.76
Services transferred over time	622.96	501.43
<b>Revenue from contracts with customers *</b>	<b>10,345.96</b>	<b>8,966.19</b>
<b>Set out below is the amount of revenue recognised from</b>		
Amounts included in contract liabilities at the beginning of the year	56.84	38.58
Performance obligations satisfied in previous years	–	5.08
<b>Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contracted price	10,588.59	9,147.70
<b>Adjustments</b>		
Sales return	(52.07)	(35.62)
Discounts	(164.29)	(113.19)
Liquidated damages	(12.14)	(9.35)
Others	(14.13)	(23.35)
<b>Revenue from contracts with customers *</b>	<b>10,345.96</b>	<b>8,966.19</b>

\* Excludes export incentives

## Notes to consolidated financial statements for the year ended March 31, 2025

### 27 Other income

(₹ Crore)

	Year ended March 31	
	2025	2024
Gain on sale/redemption of investments		
- On current investments designated at fair value through profit and loss	45.91	52.20
	<b>45.91</b>	<b>52.20</b>
Interest on term deposits and others	169.34	120.68
Rent (Refer note 3 for rent on investment properties)	175.85	171.13
Exchange gain (net)	2.13	0.79
Gain on assets sold, discarded, etc.	6.21	1.60
Miscellaneous income	47.48	31.67
	<b>401.01</b>	<b>325.87</b>
<b>Total</b>	<b>446.92</b>	<b>378.07</b>

### 28.1 Cost of materials consumed

(₹ Crore)

	Year ended March 31	
	2025	2024
Inventory at the beginning of the year	518.55	454.31
Add: Purchases	5,979.27	4,877.63
Less: Inventory at the end of the year	586.64	518.55
<b>Total</b>	<b>5,911.18</b>	<b>4,813.39</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

### 28.2 Change in inventories of finished goods, work-in-progress and traded goods

(₹ Crore)

	Year ended March 31	
	2025	2024
<b>Inventories at the end of the year (Refer note 8)</b>		
Work-in-progress	170.90	197.34
Finished goods	222.14	196.74
Traded goods	10.24	22.95
<b>Subtotal (A)</b>	<b>403.28</b>	<b>417.03</b>
<b>Inventories at the beginning of the year (Refer note 8)</b>		
Work-in-progress	197.34	206.64
Finished goods	196.74	202.99
Traded goods	22.95	25.77
<b>Subtotal (B)</b>	<b>417.03</b>	<b>435.40</b>
<b>Inventories pertaining to subsidiary classified as held for sale (C)</b>	<b>30.31</b>	<b>-</b>
<b>(Increase)/decrease (B-A-C)</b>	<b>(16.56)</b>	<b>18.37</b>

### 29 Employee benefits expense

(₹ Crore)

	Year ended March 31	
	2025	2024
Salaries, wages and bonus	670.92	687.70
Contribution to provident and other funds (Refer note 42)	81.72	74.96
Staff welfare expenses	44.85	38.71
<b>Total</b>	<b>797.49</b>	<b>801.37</b>

### 30 Finance costs

(₹ Crore)

	Year ended March 31	
	2025	2024
Interest on borrowings and others	3.34	15.23
Interest cost on lease liabilities (Refer note 37)	2.52	2.65
<b>Total interest expense</b>	<b>5.86</b>	<b>17.88</b>
Unwinding of discount and effect of changes in discount rate on provisions (Refer note 39)	9.99	9.52
<b>Total</b>	<b>15.85</b>	<b>27.40</b>

# Notes to consolidated financial statements for the year ended March 31, 2025

## 31 Other Expenses

(₹ Crore)

	Year ended March 31	
	2025	2024
Commission on sales	20.98	18.46
Consumption of stores and spare parts	79.29	84.60
Warranty expenses (Refer note 39)	97.55	58.54
Consumption of tools and gauges	9.17	8.00
Repairs to buildings	35.17	36.69
Repairs to machinery	9.57	11.19
Other repairs	5.76	2.33
Power and fuel	32.09	27.70
Rates and taxes	10.58	25.15
Insurance	23.13	20.27
Outside processing charges	34.34	38.44
Donations (including expenditure towards corporate social responsibility activities (Refer note 43 and 45))	28.09	20.07
Royalties (Refer note 43)	70.65	28.26
Support services (net of credits, if any) (Refer note 43)	110.58	66.61
Computer and other services	114.85	97.44
Payment to auditors (Refer details below)	1.97	2.03
Bad debts		
Bad debts written off	0.39	0.87
Provision for bad and doubtful debts	5.83	0.53
Amount withdrawn from provisions	(0.39)	(0.87)
	5.83	0.53
Other expenses (net of expenses recovered) (Refer note 43)	228.70	111.94
<b>Total</b>	<b>918.30</b>	<b>658.25</b>

### Payment to auditors:

(₹ Crore)

	Year ended March 31	
	2025	2024
On account of Audit Fees	1.92	1.92
On account of Reimbursement of expenses	0.05	0.11
<b>Total</b>	<b>1.97</b>	<b>2.03</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

### 32 Earning per share (EPS)

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below:

	Year ended March 31	
	2025	2024
(a) Profit for the year after taxation (₹ Crore)	1,999.94	1,720.58
(b) Weighted average number of shares outstanding during the year	277,200,000	277,200,000
(c) Earnings per share (Basic and Diluted) (₹)	72.15	62.07
(d) Face value per share (₹)	2	2

### 33 Capital and other commitments

(₹ Crore)

	As at March 31	
	2025	2024
Estimated amount of contracts in capital account remaining to be executed (net of capital advances).		
Property, plant and equipment	159.25	142.75
Intangible assets	0.39	0.90
<b>Total</b>	<b>159.64</b>	<b>143.65</b>

For other commitments also refer note 37

### 34 Trade payables include dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 as under:

(₹ Crore)

	As at March 31	
	2025	2024
Total outstanding dues of micro and small enterprises	62.79	72.14
1. Principal Amount	62.79	72.14
2. Interest accrued	-	-
3. Payment made to suppliers (other than interest) beyond the appointed day, during the year	481.64	3.80
4. Interest paid to suppliers under MSMED Act, 2006 (other than section 16)	-	-
5. Interest paid to suppliers under MSMED Act, 2006 (Section 16)	0.57	0.07
6. Interest due and payable to suppliers under MSMED Act, 2006 for the payments already made	-	-
7. Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-

The Group has compiled this information based on intimations received from the suppliers of their status as Micro or Small Enterprises and/or their registration with the appropriate authority under MSMED Act, 2006.

# Notes to consolidated financial statements for the year ended March 31, 2025

## 35 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in an outcome that requires a material adjustment to the carrying amount of assets or liabilities effected in future periods.

### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

#### **Revenue from contracts with customers**

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

##### **– Identifying performance obligations in a bundled sale of equipment and installation services**

The Group provides installation services that can either be sold separately or bundled together with the sale of equipment to a customer. The installation services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer. The Group determined that both the equipment and installation are capable of being distinct.

##### **– Determining method to estimate variable consideration and assessing the constraint**

Certain contracts for the sale of services include volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company applies either the most likely amount method or the expected value method. The most likely amount method is applied for contracts with a single-volume threshold and the expected value method is applied for contracts with more than one volume threshold.

The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimation on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### **Defined benefit plans:**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term

## Notes to consolidated financial statements for the year ended March 31, 2025

nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The discount rate is the parameter most subject to change. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables for India. Mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 42.

### Fair value measurements of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets if available, otherwise, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instrument. Refer note 47 for further disclosures.

### Warranty, statutory matters and New Engine Performance Inspection (NEPI)

For estimates relating to warranty, statutory matters and NEPI (refer note 39).

## 36 Contingent liabilities

(₹ Crore)

Particulars	As at 31 March	
	2025	2024
Income tax matters*	17.21	17.04
Central excise duty/service tax matters*	6.23	6.23
Duty drawback and custom matters	34.93	26.04
Sales tax matters*	34.61	34.61
Civil liability/secondary civil liability in respect of suits filed against the Group*	1.49	1.55
Goods and service tax matters	4.33	2.33
<b>Total</b>	<b>98.80</b>	<b>87.80</b>

\* Excludes interest and penalties if any. The above matters pertain to certain disallowances/demand raised by respective authorities.

The Group is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appeal process.

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. The Group has implemented the SC decision prospectively.

The Group has various on-going litigations by/or against the Group with respect to tax and other legal matters, other than those disclosed above. The Group believes that they have sufficient and strong arguments on facts as well as on point of law and accordingly no provision/disclosure in this regard has been considered in the financial statements.

# Notes to consolidated financial statements for the year ended March 31, 2025

## 37 Leases

### Lease commitments as a Lessee

The Group has entered into leases for office premises. These lease arrangements range for a period between 12 and 108 months with lock in period between 36 and 108 months, which include both renewable and non-renewable leases.

Following are the changes in the carrying value of right of use assets during the year ended

(₹ Crore)

Particulars	March 31, 2025				March 31, 2024			
	Category of ROU			Total	Category of ROU			Total
	Building	Land	Vehicles		Building	Land	Vehicles	
<b>Balance as at the beginning of the year</b>	22.99	13.57	–	36.56	22.47	13.73	–	36.20
Additions	16.32	2.34	5.01	23.67	8.44	–	–	8.44
Adjustment	(8.95)	(3.01)	(0.09)	(12.05)	(0.40)	–	–	(0.40)
Depreciation	(7.39)	(0.21)	(0.78)	(8.38)	(7.52)	(0.16)	–	(7.68)
<b>Balance as at the end of the year</b>	<b>22.97</b>	<b>12.69</b>	<b>4.14</b>	<b>39.80</b>	<b>22.99</b>	<b>13.57</b>	<b>–</b>	<b>36.56</b>

Following are the changes in carrying value of lease liabilities during the year ended

(₹ Crore)

Particulars	March 31, 2025	March 31, 2024
<b>Balance as at the beginning of the year</b>	26.98	26.05
Additions	21.22	8.37
Adjustment	(10.75)	(0.42)
Interest cost accrued during the period	2.52	2.65
Payments	(10.31)	(9.67)
<b>Balance as at the end of the year</b>	<b>29.66</b>	<b>26.98</b>
Current portion	9.24	7.13
Non-current portion	20.42	19.85

The maturity analysis of lease liabilities is disclosed in note 46(c). Lease liability has been discounted using the lessee's incremental borrowing rate. There are no variable lease payments.

The following are the amounts recognised in statement of profit and loss during the year ended

(₹ Crore)

Particulars	March 31, 2025	March 31, 2024
Depreciation expense of right-of-use assets	8.38	7.68
Interest expense on lease liabilities	2.52	2.65
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>10.90</b>	<b>10.33</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

### Operating lease as a lessor

The Group has entered into operating leases on its investment properties consisting of buildings and other related assets. These leases have terms between 36 and 120 months.

Future minimum lease rentals receivable under non-cancellable operating leases are as follows:

(₹ Crore)

	As at March 31	
	2025	2024
Within 1 year	46.50	64.69
Between 1-2 years	18.55	41.52
Between 2-3 years	9.41	18.91
Between 3-4 years	3.45	9.41
Between 4-5 years	-	3.45
More than 5 years	-	-
<b>Total</b>	<b>77.91</b>	<b>137.98</b>

The Group has not entered into any sub-leases during the year.

### 38 The total research and development expenses incurred by the Company are as under:

(₹ Crore)

	Year ended March 31	
	2025	2024
On capital account	7.23	6.69
On revenue account	3.28	3.21
<b>Total</b>	<b>10.51</b>	<b>9.90</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

### 39 Disclosure on provisions made, utilised and reversed during the year

#### i) Provision for warranty

Provision for warranty is on account of warranties given on products sold by the Group. The amount of provision is based on historical information of the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence. The timing and amount of cash flows that will arise from these matters will be determined at the time of receipt of claims. Amount expected to be paid in next 12 months is classified as current.

(₹ Crore)

	As at March 31	
	2025	2024
Balance as at the beginning of the year	78.86	75.75
Additions/reversal	97.55	58.54
Utilisation	67.75	62.87
Unwinding of discount and changes in the discount rate	5.61	7.44
<b>Balance as at the end of the year</b>	<b>114.27</b>	<b>78.86</b>
Classified as non-current	84.36	47.21
Classified as current	<b>29.91</b>	<b>31.65</b>

#### ii) Provision for statutory matters

Provisions for statutory matters are on account of legal matters where the Group anticipates probable outflow. The amount of provision is based on estimates made by the Group considering the facts and circumstances of each case. The timing and amount of cash flows that will arise from these matters will be determined by the relevant authorities only on settlement of these cases.

(₹ Crore)

	As at March 31	
	2025	2024
Balance as at the beginning of the year	17.66	17.45
Additions	–	0.22
Utilisation	1.47	0.01
<b>Balance as at the end of the year</b>	<b>16.19</b>	<b>17.66</b>
Classified as non-current	–	–
Classified as current	<b>16.19</b>	<b>17.66</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

### iii) Provision for New Engine Performance Inspection (NEPI)

Provision for New Engine Performance Inspection (NEPI) is on account of checks to be carried out by the Group at specified intervals. The amount of provision is based on historical information of the nature, frequency and average cost of claims and management estimates regarding possible future incidence. The timing and amount of the cash flows that will arise from these matters will be determined at the time of receipt of claims. Amount expected to be paid in next 12 months is classified as current.

(₹ Crore)

	As at March 31	
	2025	2024
Balance as at the beginning of the year	40.58	39.59
Additions	19.84	8.24
Utilisation	15.02	9.33
Unwinding of discount and changes in the discount rate	2.12	2.08
<b>Balance as at the end of the year</b>	<b>47.52</b>	<b>40.58</b>
Classified as non-current	26.19	22.62
Classified as current	<b>21.33</b>	<b>17.96</b>

# Notes to consolidated financial statements for the year ended March 31, 2025

## 40 Investment in joint venture

The Group has 50% interest in joint venture namely Valvoline Cummins Private Limited (VCPL) incorporated in India. The Group's interest is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the joint venture, based on their Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

### Valvoline Cummins Private Limited

#### Summarised Balance Sheet

(₹ Crore)

	As at March 31	
	2025	2024
<b>Non current assets</b>		
Property, plant and equipment	66.73	70.05
Capital work-in-progress	0.57	0.67
Intangible assets under development	1.61	0.63
Intangible assets	5.52	6.34
Right-of-use assets	20.35	22.27
Other non-current financial assets	10.17	10.97
Deferred tax assets (net)	2.12	1.39
Other non-current assets	7.00	5.16
	<b>114.07</b>	<b>117.48</b>
<b>Current assets</b>		
Inventories	321.75	228.61
Financial assets		
(i) Investments	12.15	41.10
(ii) Trade receivables	233.35	217.34
(iii) Cash and cash equivalents	53.48	52.71
(iv) Other bank balances	-	0.10
(v) Other current financial assets	5.26	3.75
Other current assets	51.73	57.18
	<b>677.72</b>	<b>600.79</b>
<b>Non current liabilities</b>		
Lease liabilities	13.28	15.42
	<b>13.28</b>	<b>15.42</b>

## Notes to consolidated financial statements for the year ended March 31, 2025

(₹ Crore)

	As at March 31	
	2025	2024
<b>Current liabilities</b>		
Borrowings	2.49	1.91
Lease liabilities	3.64	3.96
Trade payables	365.66	319.42
Other financial liabilities	40.85	38.88
Other current liabilities	32.17	23.54
Provisions	6.72	8.72
Current tax liabilities (net)	0.83	2.13
	<b>452.36</b>	<b>398.56</b>
<b>Equity</b>	<b>326.15</b>	<b>304.29</b>
Proportion of the Group's ownership	50.00%	50.00%
Carrying amount of the investment *	162.79	152.02
Capital commitments	9.64	3.34
Contingent liabilities	26.55	26.86

\* Adjusted for inter company transactions

### Summarised Statement of Profit and Loss

(₹ Crore)

	Year ended March 31	
	2025	2024
Revenue from operations	2,353.37	2,255.59
Interest income	3.87	4.61
Other income	3.79	4.59
Cost of raw material and components	1,416.92	1,390.32
Depreciation and amortisation expense	17.17	17.43
Finance costs	1.95	2.02
Employee benefits expense	110.22	99.70
Other expenses	545.63	505.73
<b>Profit before tax</b>	<b>269.15</b>	<b>249.60</b>
Tax expense	68.36	64.58
<b>Profit for the year</b>	<b>200.79</b>	<b>185.02</b>
Other comprehensive income	1.57	(1.33)
<b>Total comprehensive income for the year</b>	<b>202.36</b>	<b>183.68</b>

# Notes to consolidated financial statements for the year ended March 31, 2025

## 41 Investment in an associate

The Shareholders of the Cummins Generator Technologies India Private Limited (CGT) at their Extra-ordinary General Meeting held on March 17, 2022, approved a scheme of reduction of the issued, subscribed and paid-up share capital of the CGT (the 'Scheme'), cancelling and extinguishing, in aggregate, 7,433 equity shares of CGT ('Capital Reduction') as recommended by the Board of Directors in their meeting held on February 11, 2022. CGT had filed a petition with Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench seeking approval on the said Scheme of Capital Reduction on April 7, 2022. The NCLT has approved the reduction in share capital corresponding to 6,532 equity shares of ₹ 10 each with effect from December 18, 2024. Consequent to the reduction, the shareholding % of the Company in CGT has increased from 48.54% to 48.74%.

CGT is involved in the manufacture and sale of alternators and related services. It caters to both domestic and international markets. The Group's interest is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in CGT.

### Summarised balance sheet

(₹ Crore)

	As at March 31	
	2025	2024
Non current assets	100.86	81.37
Current assets	907.40	759.19
Non current liabilities	32.00	23.87
Current liabilities	178.32	173.55
<b>Equity</b>	<b>797.94</b>	<b>643.13</b>
Proportion of the Group's ownership	48.74%	48.54%
Carrying amount of the investment *	387.36	311.29
Capital commitments	3.94	4.47
Contingent liabilities	4.94	4.98

\* Adjusted for inter company transactions

### Summarised Statement of Profit and Loss

(₹ Crore)

	As at March 31	
	2025	2024
Revenue from operations	2,011.89	1,805.38
Other income	37.30	30.27
Cost of raw material and components	1,347.64	1,197.73
Depreciation and amortisation expense	12.16	11.31
Finance costs	1.95	1.90
Employee benefits expense	108.17	99.88
Other expenses	117.52	102.20
<b>Profit before tax</b>	<b>461.75</b>	<b>422.63</b>
Tax expense	117.67	108.26
<b>Profit for the year</b>	<b>344.08</b>	<b>314.37</b>
Other comprehensive income	(1.59)	(1.56)
<b>Total comprehensive income for the year</b>	<b>342.49</b>	<b>312.81</b>

# Notes to consolidated financial statements for the year ended March 31, 2025

## 42 Employee benefit plans

1. **Defined contribution plans - The Company has recognised the following amounts in statement of profit and loss for the year:**

	(₹ Crore)
	<b>Total</b>
Contribution to employees provident fund	<b>12.75</b>
	13.17
Contribution to management superannuation fund	<b>20.68</b>
	22.57
Employees state insurance	<b>0.03</b>
	0.04

2. **Defined benefit plans -**

The following figures are as per actuarial valuation, as at the balance sheet date, carried out by an independent actuary.

- a. **Net Balance Sheet position**

	(₹ Crore)					
Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
i) Defined benefit obligation	March 31, 2025	277.52	32.27	2.59	2.33	454.33
	March 31, 2024	246.62	29.08	2.52	2.22	402.93
ii) Fair value of Plan assets	March 31, 2025	241.13	27.97	-	-	454.70
	March 31, 2024	206.88	28.82	-	-	403.79
iii) Funded status surplus/(deficit)	March 31, 2025	(36.38)	(4.30)	(2.59)	(2.33)	0.37
	March 31, 2024	(39.73)	(0.26)	(2.52)	(2.22)	0.86
iv) Effect of asset ceiling	March 31, 2025	-	-	-	-	(0.37)
	March 31, 2024	-	-	-	-	(0.86)
<b>Net defined benefit asset/(liability)</b>	<b>March 31, 2025</b>	<b>(36.38)</b>	<b>(4.30)</b>	<b>(2.59)</b>	<b>(2.33)</b>	<b>-</b>
	March 31, 2024	(39.73)	(0.26)	(2.52)	(2.22)	-

- b. **Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation (DBO)**

	(₹ Crore)					
Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
Opening defined benefit obligation	March 31, 2025	246.62	29.08	2.52	2.22	402.93
	March 31, 2024	211.34	28.51	2.46	2.22	354.99
i) Current service cost	March 31, 2025	17.38	0.92	0.09	0.07	18.51
	March 31, 2024	15.64	0.90	0.09	0.08	16.79
ii) Interest cost	March 31, 2025	16.86	1.99	0.16	0.15	29.73
	March 31, 2024	15.11	2.05	0.17	0.16	27.15
iii) Settlement/Curtailment (credit)/cost	March 31, 2025	-	-	-	-	-
	March 31, 2024	-	-	-	-	-

## Notes to consolidated financial statements for the year ended March 31, 2025

(₹ Crore)

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
iv) Actuarial (gains)/losses - experience changes	March 31, 2025	13.56	0.97	0.12	(0.02)	2.10
	March 31, 2024	16.75	(0.73)	0.08	(0.13)	2.65
v) Actuarial (gains)/losses - demographic changes	March 31, 2025	(2.61)	0*	-	-	-
	March 31, 2024	(0.88)	0*	(0.04)	(0.03)	-
vi) Actuarial (gains)/losses - financial assumptions	March 31, 2025	9.62	0.55	0.04	0.05	(0.48)
	March 31, 2024	6.44	0.40	0.03	0.04	4.25
vii) Benefits paid	March 31, 2025	(20.99)	(3.30)	(0.34)	(0.14)	(19.63)
	March 31, 2024	(15.22)	(2.05)	(0.27)	(0.12)	(44.12)
viii) Past service cost - plan amendments	March 31, 2025	-	2.06	-	-	-
	March 31, 2024	-	-	-	-	-
ix) Other adjustments	March 31, 2025	(3.27)	-	-	-	-
	March 31, 2024	-	-	-	-	-
x) Acquisitions (credit)/cost	March 31, 2025	0.35	-	-	-	(5.81)
	March 31, 2024	(2.56)	-	-	-	15.73
xi) Contributions by employees	March 31, 2025	-	-	-	-	26.98
	March 31, 2024	-	-	-	-	25.49
<b>Closing defined benefit obligation</b>	<b>March 31, 2025</b>	<b>277.52</b>	<b>32.27</b>	<b>2.59</b>	<b>2.33</b>	<b>454.33</b>
	March 31, 2024	246.62	29.08	2.52	2.22	402.93

\* Amount is below the rounding off norm adopted by the Group.

### c. Reconciliation of opening and closing balances of the fair value of plan assets

(₹ Crore)

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
Opening fair value of plan assets	March 31, 2025	206.88	28.82	-	-	403.79
	March 31, 2024	197.63	28.69	-	-	349.47
i) Interest income on plan assets	March 31, 2025	14.37	1.98	-	-	29.79
	March 31, 2024	14.47	2.06	-	-	26.73
ii) Return on plan asset greater/ (lesser) than discount rate	March 31, 2025	2.78	0.22	-	-	1.07
	March 31, 2024	0.55	0.12	-	-	13.70
iii) Actuarial gains/(losses)	March 31, 2025	-	-	-	-	-
	March 31, 2024	-	-	-	-	-
iv) Contribution by the employer	March 31, 2025	37.54	0.25	-	-	18.51
	March 31, 2024	11.89	-	-	-	16.79
v) Benefits paid	March 31, 2025	(20.79)	(3.30)	-	-	(19.63)
	March 31, 2024	(15.10)	(2.05)	-	-	(44.12)

## Notes to consolidated financial statements for the year ended March 31, 2025

(₹ Crore)

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
vi) Acquisitions adjustment	March 31, 2025	0.35	-	-	-	(5.81)
	March 31, 2024	(2.56)	-	-	-	15.73
vii) Contribution by employee	March 31, 2025	-	-	-	-	26.98
	March 31, 2024	-	-	-	-	25.49
viii) Other adjustments	March 31, 2025	-	-	-	-	-
	March 31, 2024	-	-	-	-	-
<b>Closing fair value of plan assets</b>	<b>March 31, 2025</b>	<b>241.13</b>	<b>27.97</b>	<b>-</b>	<b>-</b>	<b>454.70</b>
	March 31, 2024	206.88	28.82	-	-	403.79

### d. Total defined benefit cost

(₹ Crore)

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
i) Current and past service cost	March 31, 2025	17.38	2.98	0.09	0.07	18.51
	March 31, 2024	15.64	0.90	0.09	0.08	16.79
ii) Net interest cost	March 31, 2025	2.49	0.01	0.16	0.15	-
	March 31, 2024	0.64	(0.01)	0.17	0.16	0.42
iii) Actuarial (gains)/losses recognised in OCI	March 31, 2025	17.79	1.30	0.16	0.03	-
	March 31, 2024	21.76	(0.45)	0.07	(0.12)	(5.94)
<b>Total defined benefit cost</b>	<b>March 31, 2025</b>	<b>37.66</b>	<b>4.29</b>	<b>0.41</b>	<b>0.25</b>	<b>18.51</b>
	March 31, 2024	38.04	0.44	0.33	0.12	11.27

### e. Statement of profit and loss

(₹ Crore)

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
i) Current and past service cost	March 31, 2025	17.38	2.98	0.09	0.07	18.51
	March 31, 2024	15.64	0.90	0.09	0.08	16.79
ii) Settlement/Curtailment cost/(credit)	March 31, 2025	-	-	-	-	-
	March 31, 2024	-	-	-	-	-
iii) Net interest cost	March 31, 2025	2.49	0.01	0.16	0.15	-
	March 31, 2024	0.64	(0.01)	0.17	0.16	0.42
<b>Cost recognised in profit and loss</b>	<b>March 31, 2025</b>	<b>19.87</b>	<b>2.99</b>	<b>0.25</b>	<b>0.22</b>	<b>18.51</b>
	March 31, 2024	16.28	0.89	0.26	0.24	17.21

All of the above have been included in the line 'Contribution to provident and other funds', in note 29 of the Statement of Profit and Loss.

## Notes to consolidated financial statements for the year ended March 31, 2025

### f. Other comprehensive income

(₹ Crore)

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
i) Actuarial (gain)/loss due to DBO experience changes	March 31, 2025	13.56	0.97	0.12	(0.02)	2.10
	March 31, 2024	16.75	(0.73)	0.08	(0.13)	2.65
ii) Actuarial (gain)/loss due to assumption change	March 31, 2025	7.09	0.55	0.04	0.05	(0.48)
	March 31, 2024	5.30	0.40	(0.01)	0.01	4.25
iii) Return on plan assets (greater)/less than discount rate	March 31, 2025	(2.78)	(0.22)	-	-	(1.07)
	March 31, 2024	(0.55)	(0.12)	-	-	(13.70)
iv) Adjustment to recognize the effect of asset ceiling	March 31, 2025	-	-	-	-	(0.55)
	March 31, 2024	-	-	-	-	0.86
<b>Actuarial (gain)/loss recognised in OCI</b>	<b>March 31, 2025</b>	<b>17.87</b>	<b>1.30</b>	<b>0.16</b>	<b>0.03</b>	<b>-</b>
	March 31, 2024	21.50	(0.45)	0.07	(0.12)	(5.94)

### g. For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the total plan assets

Particulars	Gratuity		Pension		PF	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
i) Government of India securities	0.00%	0.00%	0.00%	0.00%	43.39%	44.54%
ii) Debt instruments and related investments/corporate bonds	0.00%	0.00%	0.00%	0.00%	41.70%	41.98%
iii) Special deposit scheme	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
iv) Insurer managed funds	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%
v) Mutual Funds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
vi) Equities and related investments	0.00%	0.00%	0.00%	0.00%	14.91%	13.48%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

The overall expected rate of return on assets is based on the expectations of the average long term rate of return expected on investments of the fund during the estimated term of obligations.

## Notes to consolidated financial statements for the year ended March 31, 2025

### h. Supplementary information as per Ind AS 19

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
i) Expected employer contribution for next year (₹ Crore)	March 31, 2025	36.40	4.30	NA	NA	20.36
	March 31, 2024	10.48	–	NA	NA	18.47
ii) Weighted average duration of DBO (Years)	March 31, 2025	8.92	4.00	4.48	6.26	12.55
	March 31, 2024	9.00	4.27	4.86	6.53	13.96

### i. Following are the principal actuarial assumptions used as at the balance sheet date

Particulars	As at	Gratuity	Pension	Ex-gratia	PRMB	PF
Discount rate	March 31, 2025	6.8%	6.8%	6.8%	6.8%	6.8%
	March 31, 2024	7.2%	7.2%	7.2%	7.2%	7.2%
Expected rate of return on plan assets	March 31, 2025	6.8%	6.8%	NA	NA	NA
	March 31, 2024	7.2%	7.2%	NA	NA	NA
Salary escalation rate - management staff	March 31, 2025	10%	NA	NA	NA	NA
	March 31, 2024	10%	NA	NA	NA	NA
Salary escalation rate - non-management staff	March 31, 2025	8%	NA	NA	NA	NA
	March 31, 2024	8%	NA	NA	NA	NA
Annual increase in healthcare costs - upto 2025	March 31, 2025	NA	NA	NA	8%	NA
	March 31, 2024	NA	NA	NA	8%	NA
Annual increase in healthcare costs - 2026 onwards	March 31, 2025	NA	NA	NA	6%	NA
	March 31, 2024	NA	NA	NA	6%	NA
Guaranteed Rate of Return as declared by EPFO	March 31, 2025	NA	NA	NA	NA	8.25%
	March 31, 2024	NA	NA	NA	NA	8.25%
Mortality rate (in service)	March 31, 2025	Indian Assured Lives Mortality (2012-14) Ult table				
	March 31, 2024	Indian Assured Lives Mortality (2012-14) Ult table				

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

## Notes to consolidated financial statements for the year ended March 31, 2025

### j. Expected benefit payment for the next years

(₹ Crore)

Particulars	As at	March 31, 2026	March 31, 2027	March 31, 2028	March 31, 2029	March 31, 2030	2031- 2035
		March 31, 2025	March 31, 2026	March 31, 2027	March 31, 2028	March 31, 2029	2030- 2034
Gratuity	March 31, 2025	28.26	21.08	21.87	19.11	20.34	138.93
	March 31, 2024	24.98	19.23	18.94	19.34	19.85	116.71
Pension	March 31, 2025	3.89	5.09	5.12	4.17	3.54	15.27
	March 31, 2024	2.76	4.10	4.51	4.47	3.63	13.68
Ex-gratia	March 31, 2025	0.73	0.44	0.36	0.32	0.30	1.53
	March 31, 2024	0.57	0.43	0.43	0.35	0.31	1.52
PRMB	March 31, 2025	0.34	0.24	0.27	0.29	0.29	1.52
	March 31, 2024	0.31	0.20	0.26	0.29	0.28	1.46
PF	March 31, 2025	0.51	0.51	0.51	0.51	0.51	1.67
	March 31, 2024	0.54	0.54	0.54	0.54	0.54	1.97

### k. Quantitative sensitivity analysis for significant assumption is as shown below:

(₹ Crore)

Assumptions	Discount Rate		Future salary increase		Withdrawal Rate		
	Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	5% increase	5% decrease
<b>Gratuity</b>							
March 31, 2025		(11.94)	12.83	12.43	(11.70)	(16.70)	16.29
March 31, 2024		(10.65)	11.45	11.14	(10.47)	(13.01)	11.56
<b>Pension</b>							
March 31, 2025		(0.63)	0.66	NA	NA	0.06	(0.03)
March 31, 2024		(0.61)	0.63	NA	NA	0.06	(0.41)
<b>Ex-gratia</b>							
March 31, 2025		(0.05)	0.05	NA	NA	(0.49)	0.25
March 31, 2024		(0.05)	0.06	NA	NA	(0.51)	0.26
<b>PF</b>							
March 31, 2025		(4.22)	6.50	-	-	-	-
March 31, 2024		(4.70)	6.04	-	-	-	-

Assumptions	Discount Rate		Medical Inflation		Withdrawal Rate		
	Sensitivity level	0.5% increase	0.5% decrease	1% increase	1% decrease	5% increase	5% decrease
<b>PRMB</b>							
March 31, 2025		(0.07)	0.07	0.14	(0.13)	(0.44)	0.23
March 31, 2024		(0.07)	0.07	0.14	(0.13)	(0.44)	0.19

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

# Notes to consolidated financial statements for the year ended March 31, 2025

## 43 Related party disclosures

### a) Name of the related party and nature of the relationship where control exists

Name of related party	Nature of relationship
Cummins Inc.	Holding Company

### b) Transactions with related parties as per the books of account during the year ended March 31, 2025

(₹ Crore)

Transaction	Name of related party		Total	
<b>Purchase of goods</b>	Tata Cummins Private Limited	March 31, 2025	1,379.94	
		March 31, 2024	1,357.54	
	Cummins Technologies India Private Limited	March 31, 2025	1,065.28	
		March 31, 2024	877.83	
	Others	March 31, 2025	1,059.94	
		March 31, 2024	877.39	
<b>Sale of goods</b>	Cummins Limited	March 31, 2025	841.68	
		March 31, 2024	691.93	
	Cummins Technologies India Private Limited	March 31, 2025	411.61	
		March 31, 2024	362.16	
	Others	March 31, 2025	510.43	
		March 31, 2024	465.61	
<b>Purchase of assets</b>	Cummins Inc.	March 31, 2025	29.83	
		March 31, 2024	105.67	
	Cummins Limited	March 31, 2025	4.19	
		March 31, 2024	-	
	Cummins Technologies India Private Limited	March 31, 2025	3.95	
		March 31, 2024	0.02	
	Others	March 31, 2025	0.07	
		March 31, 2024	1.50	
	<b>Sale of assets</b>	Cummins Technologies India Private Limited	March 31, 2025	8.11
			March 31, 2024	2.97
<b>Services rendered (Refer note v)</b>	Cummins Technologies India Private Limited	March 31, 2025	203.70	
		March 31, 2024	182.15	
	Valvoline Cummins Private Limited	March 31, 2025	66.91	
		March 31, 2024	64.63	
	Others	March 31, 2025	60.76	
		March 31, 2024	58.30	
<b>Services received (Refer note vi)</b>	Cummins Technologies India Private Limited	March 31, 2025	27.66	
		March 31, 2024	25.66	
	Others	March 31, 2025	6.42	
		March 31, 2024	3.30	

## Notes to consolidated financial statements for the year ended March 31, 2025

(₹ Crore)

Transaction	Name of related party		Total	
<b>Royalty</b>	Cummins Inc.	March 31, 2025	70.65	
		March 31, 2024	28.26	
<b>Support services</b>	Cummins Inc.	March 31, 2025	102.93	
		March 31, 2024	62.51	
	Cummins Africa Middle East (Pty) Ltd.	March 31, 2025	7.66	
		March 31, 2024	4.80	
<b>Reimbursements paid</b>	Cummins Technologies India Private Limited	March 31, 2025	137.74	
		March 31, 2024	122.57	
	Cummins Inc.	March 31, 2025	18.57	
		March 31, 2024	13.52	
	Others	March 31, 2025	13.99	
		March 31, 2024	12.12	
	<b>Reimbursements received (Refer note vii)</b>	Cummins Technologies India Private Limited	March 31, 2025	111.12
			March 31, 2024	108.37
Cummins Generator Technologies India Private Limited		March 31, 2025	20.32	
		March 31, 2024	18.45	
Cummins Inc.		March 31, 2025	17.78	
		March 31, 2024	21.68	
Others		March 31, 2025	19.65	
		March 31, 2024	17.94	
<b>Remuneration paid (Refer note i and iii)</b>	Key management personnel	March 31, 2025	16.21	
		March 31, 2024	10.74	
<b>Dividend paid</b>	Cummins Inc.	March 31, 2025	537.21	
		March 31, 2024	438.25	
<b>Donation paid</b>	Cummins India Foundation	March 31, 2025	28.09	
		March 31, 2024	20.07	
<b>Contributions paid</b>	Cummins India Limited Officers Provident Fund	March 31, 2025	18.51	
		March 31, 2024	16.79	
	Cummins Group Employees Superannuation Scheme	March 31, 2025	20.68	
		March 31, 2024	22.57	
	Cummins Group Officers Gratuity Scheme	March 31, 2025	37.54	
		March 31, 2024	11.89	
<b>Sitting fees and commission (Refer note i)</b>	Independent Directors	March 31, 2025	1.48	
		March 31, 2024	1.13	
<b>Equity contribution - share based payments</b>	Cummins Inc.	March 31, 2025	15.23	
		March 31, 2024	10.49	

## Notes to consolidated financial statements for the year ended March 31, 2025

### c. Amounts outstanding as at March 31, 2025

(₹ Crore)

Particulars	Name of related party		Total	
<b>Trade payables</b>	Cummins Technologies India Private Limited	March 31, 2025	314.39	
		March 31, 2024	283.07	
	Tata Cummins Private Limited	March 31, 2025	151.38	
		March 31, 2024	149.09	
	Cummins Inc.	March 31, 2025	195.55	
		March 31, 2024	119.65	
	Others	March 31, 2025	226.04	
		March 31, 2024	220.19	
	<b>Other current financial/ non-financial liabilities</b>	Cummins Inc.	March 31, 2025	110.61
			March 31, 2024	83.69
Others		March 31, 2025	6.48	
		March 31, 2024	4.81	
<b>Trade receivables</b>	Cummins Technologies India Private Limited	March 31, 2025	134.25	
		March 31, 2024	136.37	
	Cummins Limited	March 31, 2025	130.82	
		March 31, 2024	82.46	
	Others	March 31, 2025	182.57	
		March 31, 2024	103.77	
	<b>Other current financial assets</b>	Tata Cummins Private Limited	March 31, 2025	4.55
			March 31, 2024	2.65
Cummins Inc.		March 31, 2025	8.42	
		March 31, 2024	4.81	
Cummins Power Solutions India Private Limited		March 31, 2025	5.16	
		March 31, 2024	-	
Others		March 31, 2025	0.10	
		March 31, 2024	0.03	

## Notes to consolidated financial statements for the year ended March 31, 2025

i) The names of the related parties under the appropriate relationship included in notes 43(b) and (c) above are as follows:

Nature of relationship	Name of the party
Fellow subsidiaries	AxleTech India Private Limited
(with which there are transactions)	Chongqing Cummins Engine Co Ltd
	CMI Group Holdings Cooperatief U.A.
	CMI TR Mtr Guc Sistemleri Satis Servis Ltd Sirketi
	Consolidated Diesel Company
	Cummins (China) Investment Co. Ltd.
	Cummins (Xiangyang) Eng Remanfg Co. Ltd.
	Cummins Africa Middle East (Pty) Ltd.
	Cummins Arabia FZCO
	Cummins Asia Pacific Pte. Ltd.
	Cummins Belgium NV
	Cummins Brasil Ltda
	Cummins C&G Holding Limited
	Cummins C&G Limited
	Cummins Comercializadora S. de R.L. de C.V.
	Cummins Czech Republic S.R.O.
	Cummins Deutschland GmbH
	Cummins Diesel Botswana (Pty.) Ltd.
	Cummins Dksh (Singapore) Pte Ltd
	Cummins DKSH (Thailand) Limited
	Cummins DKSH (Vietnam) LLC
	Cummins East Asia Research and Development Company Ltd.
	Cummins Emission Solutions Inc.
	Cummins Engine (Shanghai) Trading & Services Co., Ltd.
	Cummins France SA
	Cummins Fuel System (Wuhan) Co. Ltd.
	Cummins Generator Technologies Limited
	Cummins Ghana Limited
	Cummins Inc.
	Cummins Italia SPA
	Cummins Japan Limited
	Cummins Kuwait Electrical Tools and Equipment Trading and Cont.
	Cummins Limited
	Cummins Maroc SARL
	Cummins Middle East FZE
	Cummins Natural Gas Engines, Inc.
	Cummins Norway AS

## Notes to consolidated financial statements for the year ended March 31, 2025

Nature of relationship	Name of the party
	Cummins NV
	Cummins Power Generation (China) Co., Ltd.
	Cummins Power Generation Inc.
	Cummins Power Generation Limited
	Cummins Power Generation Limited UK
	Cummins Power Solutions India Private Limited
	Cummins PowerTech India Private Limited
	Cummins Qatar LLC
	Cummins Romania SRL
	Cummins Sales and Service Korea Co. Ltd.
	Cummins Sales and Service Philippines Inc.
	Cummins Sales and Service Private Limited
	Cummins Sales and Service Sdn. Bhd.
	Cummins Sales and Service Singapore Pte. Ltd.
	Cummins Saudi Arabia L.L.C
	Cummins South Africa (Pty.) Ltd.
	Cummins South Pacific Pty Ltd
	Cummins Southern Plains LLC
	Cummins Spain SL
	Cummins Technologies India Private Limited
	Cummins Vendas e Servicos de Motores e Geradores Ltda.
	Cummins West Africa Limited
	Cummins Westport Inc.
	Cummins Zambia Ltd.
	Distribuidora Cummins Centroamerica Costa Rica S. De R.L.
	Distribuidora Cummins Centroamerica Guatemala Ltda.
	Distribuidora Cummins Centroamerica Honduras, S.de R.L.
	Distribuidora Cummins de Panama S. de R.L.
	Distribuidora Cummins S.A.
	Distribuidora Cummins Sucursal Paraguay SRL
	Hydrogenics Europe N.V.
	Komatsu Cummins Chile Ltda.
	Meritor Commercial Vehicle Systems India Private Limited
	Meritor HVS (India) Limited
	OOO Cummins
	Shanghai Cummins Trading Co. Ltd.
	Taiwan Cummins Sales & Services Co. Ltd.
	TCPL Green Energy Solutions Private Limited

## Notes to consolidated financial statements for the year ended March 31, 2025

Nature of relationship	Name of the party
<b>Key management personnel</b>	Ashwath Ram - Managing Director (upto August 31, 2024)
	Shveta Arya - Managing Director (w.e.f. September 1, 2024)
	Ajay Patil - Chief Financial Officer (upto January 9, 2025)
	Prasad S Kulkarni - Interim Chief Financial Officer (w.e.f. January 10, 2025)
	Vinaya Joshi - Company Secretary
	Jennifer Mary Bush - Chairman of the Board
	Steven Chapman - Chairman of the Board (upto September 30, 2023)
	Donald Jackson
	Bonnie Jean Fetch
	Cornelius O'Sullivan (w.e.f. November 8, 2024)
<b>Independent Directors</b>	
	- Nasser Munjee (upto July 31, 2024)
	- Lira Goswami
	- Priya Dasgupta (upto May 24, 2023)
	- Rajeev Bakshi (upto July 31, 2024)
	- Rama Bijapurkar
	- Rekha
	- Sekhar Natarajan (w.e.f. May 29, 2024)
	- Farokh N Subedar (w.e.f. May 29, 2024)
<b>Associate and Enterprise with common key management personnel</b>	Cummins Generator Technologies India Private Limited
<b>Joint venture</b>	Valvoline Cummins Private Limited
<b>Enterprise with common key management personnel</b>	Tata Cummins Private Limited
	Cummins India Foundation
	New Delhi Law Offices Private Limited (upto May 24, 2023)
	Caltherm Thermostats Private Limited (upto August 31, 2024)
<b>Employees benefit plans where there is significant influence</b>	Cummins India Limited Officers Provident Fund
	Cummins Group Employees Superannuation Scheme
	Cummins Group Officers Gratuity Scheme

### Terms and conditions of transactions with related parties:

- ii) The sales to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transaction. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2024: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## Notes to consolidated financial statements for the year ended March 31, 2025

- iii) Liability for post employment benefits, other long term benefits, termination benefits and certain short term benefits such as compensated absences is provided on an actuarial basis for the Company as a whole. Accordingly the amount for above pertaining to key management personnel is not ascertainable and, therefore, not included above.
- iv) Related party transaction, the amount of which is in excess of 10% of the total related party transactions of the same type are disclosed separately.
- v) Services rendered include renting services, testing services, business support services, etc.
- vi) Services received include testing services, solution contract support services, license fees, etc.
- vii) Includes recoveries on account of employee cost, travel costs, training, IT services, etc.

# Notes to consolidated financial statements for the year ended March 31, 2025

## 44 Segment information

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

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

(₹ Crore)

Particulars	Year ended	Year ended	Elimination/ Adjustments	Total
	March 31, 2025	March 31, 2025*		
	Engines	Lubes		
Sales	10,219.24	2,352.27	2,352.27	10,219.24
Profit before tax	2,492.42	269.15	168.76	2,592.81
Profit after tax *	1,899.55	200.78	100.39	1,999.94

(₹ Crore)

Particulars	Year ended	Year ended	Elimination/ Adjustments	Total
	March 31, 2024	March 31, 2024*		
	Engines	Lubes		
Sales	8,859.99	2,254.71	2,254.71	8,859.99
Profit before tax	2,112.10	249.60	157.09	2,204.61
Profit after tax *	1,628.07	185.02	92.51	1,720.58

### Notes:

\* The above numbers represent full numbers in the Statement of Profit and Loss of Valvoline Cummins Private Limited and are not Group's proportionate share.

For relevant information relating to Engines segment refer consolidated Statement of Profit and Loss and Balance Sheet and refer Note 40 for Lubes segment.

All non-current assets of the Group other than financial instruments and investments accounted for using equity method, are located in India.

# Sales of approximately ₹ 2,226 Crore (March 31, 2024: ₹ 1,972 Crore) are derived from two (March 31, 2024: two) external customers. These sales are attributed to single segment i.e. Engines.

## Notes to consolidated financial statements for the year ended March 31, 2025

**45** As set out in section 135 of the Companies Act, 2013, the Group is required to contribute ₹ 28.09 crore (March, 31 2024: ₹ 20.07 crore) towards Corporate Social Responsibility activities, as calculated basis 2% of its average net profits of the last three financial years. Accordingly, during the current year, the Board has approved and the Group has contributed ₹ 28.09 crore (March 31, 2024: ₹ 20.07 crore) to Cummins India Foundation towards eligible projects as mentioned in Schedule VII (including amendments thereto) of the Companies Act, 2013. Apart from the above contribution to Cummins India Foundation, the Group has not made any direct expenditure/contributions of capital nature. Unspent contribution amounting to ₹ 1.62 crore (March, 31 2024: ₹ 3.67 crore) has been transferred by the Company to a separate bank account as per the requirement.

### 46 Financial risk management objectives and policies

#### Financial risk factors:

The Group has well written policies covering specific areas, such as foreign exchange risk and investments which seek to minimise potential adverse effects on the Group's financial performance due to external factors. The Group uses derivatives to hedge foreign exchange risk exposures. The Group's senior management oversees the management of these risks. All derivatives and investment activities for risk management purposes are carried out by specialist team that has appropriate skills, experience and supervision. As per the Group's policy, no trading in derivatives for speculation purpose may be undertaken. The Board of Directors reviews and approves policies for managing each of these risks.

The Group's activities are exposed to variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

#### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks as follows:

#### i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Euro. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities denominated in a currency that is not the Group's functional currency.

Management has set up a policy to manage their foreign exchange risk against their functional currency. To manage the foreign exchange risk arising from recognised assets and liabilities, the Group uses forward contracts.

The following table demonstrates the sensitivity relating to possible change in foreign currencies with all other variables held constant:

Currency	% change	Effect on profit before tax and pre-tax equity	
		March 31, 2025	March 31, 2024
USD	1%	0.52	0.21
Euro	1%	0.20	0.05
Others	1%	0.18	0.02
<b>Total</b>		<b>0.90</b>	<b>0.28</b>

(₹ Crore)

## Notes to consolidated financial statements for the year ended March 31, 2025

The movement in the pre-tax effect is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and financial assets and liabilities denominated in various currencies. Although the derivatives have not been designated in a hedge relationship, they act as economic hedge and offset the underlying transactions when they occur.

### ii) Interest rate risk

Interest rate risk is the fair value of future cash flows of a financial instrument which fluctuates because of changes in the market interest rates. In order to optimise the Group's position with regards to interest income and interest expense, treasury team manages the interest rate risk by balancing the portion of fixed rate and floating rate in its total portfolio.

Borrowings of ₹ Nil outstanding as at March 31, 2025 (As at March 31, 2024: ₹ 100 crore) were at floating rate linked to T-bill/MIBOR + applicable spread.

The following table demonstrates the sensitivity of interest payable:

		(₹ Crore)	
		Effect on profit before tax and pre-tax equity	
		March 31, 2025	March 31, 2024
Working Capital Loan	0.5%	-	0.01

### iii) Price risk

The Group invests its surplus funds in mutual funds which are linked to debt markets. The Group is exposed to price risk for investments in mutual funds that are classified as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with the limits approved by the Board of Directors.

The following table demonstrates the sensitivity relating to possible change in investment value with all other variables held constant:

		(₹ Crore)	
		Effect on profit before tax and pre-tax equity	
		March 31, 2025	March 31, 2024
Mutual funds	0.5%	2.86	2.21

Profit after tax for the year would increase/decrease as a result of gains/losses on mutual funds classified as at fair value through profit or loss.

### b) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk primarily from trade receivables, contract assets, other receivables, deposits with banks and loans given.

# Notes to consolidated financial statements for the year ended March 31, 2025

## Trade receivable and contract assets

Senior management is responsible for managing and analysing the credit risk for each new customer before standard payment, delivery terms and conditions are offered. The Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment. The utilisation of credit limits is regularly monitored.

An impairment analysis is performed at each reporting date for all customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 10 and 13.

## Other receivables, deposits with banks and loans given

Credit risk from balances with banks is managed by the Group's treasury department in accordance with Group's policy approved by the Risk Management Committee. Investments of surplus funds are made within the credit limits and as per the policy approved by the Board of Directors.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance of the above assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 5,9,11,12 and 13.

## c) Liquidity risk

Cash flow forecasting is performed by Treasury function. Treasury team monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet the operational needs. Such forecasting takes into consideration the compliance with internal cash management policy.

As per the Group's policy, treasury team invests surplus cash in marketable securities and time deposits with appropriate maturities or sufficient liquidity to provide headroom to meet the operational needs. At the reporting date, the Group held mutual funds of ₹ 572.43 crore (March 31, 2024: ₹ 441.31 crore) and other liquid assets of ₹ 234.99 crore (March 31, 2024: ₹ 299.89 crore) that are expected to readily generate cash inflows for managing liquidity risk.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	(₹ Crore)			
As at March 31, 2025	On Demand	Less than 12 months	1-5 years	More than 5 years
Borrowings	-	-	-	-
Lease liabilities including interest	-	10.41	20.66	5.85
Trade payables	-	1,567.10	-	-
Royalty and support services	-	98.55	-	-
Unpaid dividend	14.18	-	-	-
Retention money	-	2.43	8.44	-
Deposits	-	-	33.90	-
Capital Creditors	-	63.99	0.87	-
Others	-	41.28	10.26	-

## Notes to consolidated financial statements for the year ended March 31, 2025

(₹ Crore)

As at March 31, 2024	On Demand	Less than 12 months	1-5 years	More than 5 years
Borrowings	–	100.00	–	–
Lease liabilities including interest	–	9.34	21.13	2.54
Trade payables	–	1,408.77	–	–
Royalty and support services	–	29.07	–	–
Unpaid dividend	13.26	–	–	–
Retention money	–	7.06	3.75	–
Deposits	–	–	27.45	–
Capital Creditors	–	52.65	18.44	–
Others	–	48.47	11.64	–

### d) Capital management

The Group's objectives when managing capital is to provide maximum returns to shareholders, benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group manages its capital structure and makes adjustments in light of changes in economic conditions.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus all other reserves attributable to equity shareholders of the holding company.

(₹ Crore)

	March 31, 2025	March 31, 2024
Borrowings	–	100.00
Less: Cash and cash equivalents	234.99	299.89
<b>Net debt</b>	<b>(234.99)</b>	<b>(199.89)</b>
Equity	7,561.40	6,612.32
<b>Gearing ratio (times)</b>	<b>–*</b>	<b>–*</b>

\* Gearing ratio is not calculated as the amount of cash and cash equivalents is higher than borrowings

## Notes to consolidated financial statements for the year ended March 31, 2025

### 47 Fair values

The following table provides a comparison by class of the carrying amounts and fair value of the Group's financial instruments other than those with carrying amounts that are reasonable approximations of fair values.

(₹ Crore)

Particulars	Carrying value at March 31		Fair value at March 31	
	2025	2024	2025	2024
<b>Financial assets:</b>				
FVTPL of investments in mutual funds & bonds	572.43	441.31	572.43	441.31
FVTPL of Foreign exchange forward contracts	2.24	–	2.24	–
FVTOCI of investments in certificate of deposit (CD)	–	623.34	–	623.34
FVTOCI of investments in quoted Bonds/NCD	359.69	113.54	359.69	113.54
<b>Financial liabilities</b>				
FVTPL of Foreign exchange forward contracts	–	0.31	–	0.31

The Management assessed that the fair values of cash and cash equivalents, other bank balances, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of investments in mutual funds is based on the price quotation at the reporting date obtained from the asset management companies. The Group enters into derivative financial instruments with various counterparties, principally financial institutions. Foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations.

# Notes to consolidated financial statements for the year ended March 31, 2025

## Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method as defined in accounting policy 1c.

(₹ Crore)

	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
<b>Financial assets at FVTPL</b>				
<b>Investments in mutual funds &amp; bonds</b>				
March 31, 2025	–	572.43	–	572.43
March 31, 2024	–	441.31	–	441.31
<b>Forward contracts assets</b>				
March 31, 2025	–	2.24	–	2.24
March 31, 2024	–	–	–	–
<b>Financial assets at FVTOCI</b>				
<b>Investments in certificate of deposit</b>				
March 31, 2025	–	–	–	–
March 31, 2024	–	623.34	–	623.34
<b>Investments in quoted Bonds/NCD</b>				
March 31, 2025	359.69	–	–	359.69
March 31, 2024	113.54	–	–	113.54
<b>Financial liabilities at FVTPL</b>				
<b>Forward contracts liability</b>				
March 31, 2025	–	–	–	–
March 31, 2024	–	0.31	–	0.31

There has been no transfer between Level 1 and Level 2 during the year.

# Notes to consolidated financial statements for the year ended March 31, 2025

## 48 Additional information Statutory group information

Name of the entity in the Group	Net assets i.e. total assets minus total liabilities		Share in profit and (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ Crore	As % of consolidated profit and loss	₹ Crore	As % of consolidated other comprehensive income	₹ Crore	As % of consolidated total comprehensive income	₹ Crore
<b>Parent</b>								
Cummins India Limited								
Balance as at March 31, 2025	92.81%	7,018.03	95.29%	1,905.78	99.84%	(12.71)	95.26%	1,893.07
Balance as at March 31, 2024	93.21%	6,163.09	96.52%	1,660.62	94.40%	(16.68)	96.54%	1,643.94
<b>Subsidiary (Indian)</b>								
Cummins Sales & Service Private Limited								
Balance as at March 31, 2025	0.58%	43.58	0.41%	8.19	0.22%	(0.03)	0.41%	8.16
Balance as at March 31, 2024	0.54%	35.42	0.58%	9.96	-2.46%	0.44	0.61%	10.39
<b>Associate (Indian)</b>								
Cummins Generator Technologies India Private Limited								
Balance as at March 31, 2025	-	797.94	8.37%	167.39	6.07%	(0.77)	8.38%	166.62
Balance as at March 31, 2024	-	643.13	8.87%	152.59	4.29%	(0.76)	8.92%	151.84
<b>Joint Ventures (Indian)*</b>								
Valvoline Cummins Private Limited								
Balance as at March 31, 2025	-	326.15	5.02%	100.40	-6.18%	0.79	5.10%	101.18
Balance as at March 31, 2024	-	304.29	5.38%	92.51	3.77%	(0.67)	5.40%	91.84
<b>Adjustments arising out of consolidation</b>								
March 31, 2025	6.61%	499.79	-9.09%	(181.81)	0.05%	(0.01)	-9.16%	(181.82)
March 31, 2024	6.26%	413.81	-11.34%	(195.10)	0.01%	-	-11.47%	(195.10)
<b>Total for March 31, 2025</b>	<b>100.00%</b>	<b>7,561.40</b>	<b>100.00%</b>	<b>1,999.94</b>	<b>100.00%</b>	<b>(12.73)</b>	<b>100.00%</b>	<b>1,987.21</b>
<b>Total for March 31, 2024</b>	<b>100.00%</b>	<b>6,612.32</b>	<b>100.00%</b>	<b>1,720.58</b>	<b>100.00%</b>	<b>(17.67)</b>	<b>100.00%</b>	<b>1,702.91</b>

\* The net assets of the entity have not been consolidated under the equity method.

# Notes to consolidated financial statements for the year ended March 31, 2025

## 49 Relationship with struck off companies

During the year ended March 31, 2025, the Group has not entered into any transactions with the companies whose names were struck off under applicable regulations.

**50** Exceptional Items during the year ended March 31, 2024 comprise expenses on account of voluntary retirement (VRP) and voluntary separation (VSP) programs aggregating to ₹ 1.70 Crore.

As per our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP** **For and on behalf of the Board**  
ICAI Firm Registration Number: 304026E/E-300009

**Shveta Arya**  
**Managing Director**  
DIN: 08540723

**Farokh Subedar**  
**Director**  
DIN: 00028428  
**Place: Mumbai**

**Jeetendra Mirchandani**  
**Partner**  
Membership Number: 48125

**Vinaya Joshi**  
**Company Secretary**  
PAN: AMQPJ5216P

**Prasad S Kulkarni**  
**Interim Chief Financial Officer**  
PAN: AKPPK6578A

Place: **Mumbai**  
Date: **May 28, 2025**

Place: **Pune**  
Date: **May 28, 2025**





# **Business Responsibility and Sustainability Report**

**FY 2024-2025**

**EXECUTIVE SUMMARY**

# Together, we make a difference

For over 60 years, Cummins India Limited (CIL) has been a trusted partner in powering India and the world's industrial and infrastructure landscape. With a legacy of innovation, customer-centricity and strong values, we continue to adapt, evolve and lead with purpose in a world that demands sustainable and inclusive progress.

Our approach is rooted in the belief that growth and responsibility must go hand in hand. Whether it is driving cleaner technologies, creating inclusive workplaces, empowering communities or safeguarding our planet, we remain committed to making a positive difference across every touchpoint of our ecosystem.

**POWERING PROGRESS TOGETHER** reflects this commitment. It symbolizes our drive to embrace change, to collaborate boldly, and to constantly seek better ways of powering our people, customers, communities and the planet. It also represents our focus on long-term value creation, defined by Environmental, Social and Governance (ESG) principles that inform our decisions and our purpose.



At Cummins India Limited (CIL), we are driven by serving our customers in the pursuit of more efficient and cleaner power. That is why our business and sustainability strategies are intentionally and intricately aligned through Destination Zero™ – our commitment to sustainability and helping our customers navigate the energy transition.

Our focus is twofold: to drive business growth through cutting-edge innovations and to ensure that progress leaves a positive, lasting impact on the world. This balance defines our strategy, where economic success and environmental stewardship go hand in hand. In addition, we **continue to champion social progress** by fostering a diverse, equitable and inclusive workplace, and uplifting the communities where we operate. With that, we also uphold the **highest standards of ethics and integrity**, ensuring every business decision is rooted in doing what is right for our stakeholders, our partners and society at large.

For us, sustainability is an integral part of how we grow. Every innovation we develop, design and deliver is to enable our customers to thrive in a low-carbon economy and power their journeys while safeguarding the planet. As we continue to advance our core businesses, this holistic view of progress remains central to who we are and how we lead.

**Shveta Arya**  
**Managing Director, Cummins India Limited**



# Progress that powers, purpose that protects the planet

For Cummins, powering the world's most essential industries comes with a deep responsibility: to protect the planet, uplift communities and empower people. We believe that real progress demands decisive climate action, inclusive growth and a deep commitment to innovation and equity. By aligning our products, practices and people with sustainable thinking, we are uniquely positioned to help customers succeed in a low-carbon future while staying true to our mission of making people's lives better by powering a more prosperous world. This commitment is underpinned by clear, measurable goals to guide our efforts and assess our impact.



## GOALS

### 2025-26



#### INCLUSIVE EDUCATION, COLLECTIVE GROWTH

Achieve 50% representation from aspirational districts through our Education Assistance Program.



#### IMPACT WHERE IT COUNTS

Double the coverage of our community outreach initiatives in aspirational districts.

### 2030



#### LESS WASTE, MORE IMPACT

Achieve zero waste growth and eliminate single-use plastics in our operations and facilities by 2030, using 2018 as the baseline year.



#### GREENER OPERATIONS, SMARTER FUTURE

Cut absolute Greenhouse Gas (GHG) emissions from our facilities and operations by 50%.

### 2040



#### EQUAL OPPORTUNITY, EMPOWERED DIVERSITY

Achieve 50% gender diversity in our permanent employee workforce.

# Environment

Guided by sustainability,  
driven by responsibility

At Cummins, we understand that tackling climate change requires technological leadership and we are proud to stand at the forefront. With a legacy built on innovation and global impact, our ambitious environmental goals align with 12 of the 17 UN Sustainable Development Goals (SDGs). These targets define how we power progress together.

For us, environmental stewardship is a long-term promise that extends far beyond compliance. It fuels our efforts to decarbonize, accelerate the energy transition and enable customers and communities to thrive. Every decision we make acknowledges the planet's finite resources and the far-reaching impact of our actions. From eliminating waste and preserving water to restoring ecosystems and collaborating with partners across sectors, including governments, NGOs, academia and employees, our commitment is clear. We move forward with a purpose to preserve our planet's resources in the best possible way.

## CORPORATE RESPONSIBILITY ENVIRONMENT PROJECTS

### FY 2024-25 IMPACT

**251,954**

Total number of people benefited



**201,671**

helped through Solid Waste Management initiatives



**33,321**

benefited from the Monsoon Resilient Maharashtra initiative



**10,462**

received clean drinking water through Water Neutrality Projects



**6,500**

benefited from the Cleaner Air Better Life initiative



**1,300** million gallons  
of water conserved



# Waste management

## Together, we make it possible

Environmental stewardship is a shared responsibility, and at Cummins, we are driving bold, collective action to create the greener and healthier future we envision.

## Our communities

### FY 2024-25 IMPACT



**179,000+**  
citizens sensitized

**157 tons**  
of Nirmalya waste  
converted into compost

### MANAGING FESTIVAL WASTE

Our Nirmalya and Patravali programs tackle the waste generated by Maharashtra's major annual festivals. The Nirmalya project, a multi-dimensional initiative, requires meticulous planning and coordination for Ganesh Chaturthi and Wari festivals.



**87%**  
door-to-door waste  
collection coverage achieved

**2,800+**  
residents in low-income  
community benefited

### ZERO WASTE SLUM PROJECT

This project empowers slum communities to achieve zero-waste status by driving awareness, promoting waste segregation at the source, efficient waste collection and scientific waste disposal.

## INORGANIC WASTE MANAGEMENT

Collected and responsibly recycled:

**165**  
metric tons  
of plastic waste

**44**  
metric tons  
of e-waste

## NEXT-GEN ENVIRONMENT AMBASSADORS: COACH THEM YOUNG

**3,49,000+**  
students engaged through our network of  
dealers, suppliers and customers

## Our facilities

### OUR APPROACH TO WASTE MANAGEMENT

We champion a **Reduce, Reuse, Recycle and Recover** waste management approach. This involves redesigning manufacturing processes, improving waste segregation, engaging employees, collaborating with NGOs and suppliers and investing in waste-minimizing technologies.

### ACHIEVING A ZERO-WASTE FOOTPRINT

Guided by our **"use less, use better, use again"** philosophy, we aim for 100% waste recycling with no landfill waste. Additionally, we ensure Zero Liquid Discharge (ZLD)<sup>1</sup> by reusing all treated wastewater on-site.

<sup>1</sup> ZLD is operational at Cummins Kothrud Engine Plant, Pune and High Horsepower ReCon Plant, Phaltan.



# Powering purpose with energy conservation

**FY 2024-25 IMPACT**

We strive to imbibe energy conservation principles and initiatives across all our facilities, including:



Energy audits and associated training



Replacement of light fixtures with LED lamps, etc.



Unplugged Challenge<sup>2</sup>



Compressed air optimization



Replacement of non-energy-efficient motors with energy-efficient motors

**Power generated from on-site solar energy installations**

**4,440,180**  
KWh

At Kothrud Engine Plant

**1,236,308**  
KWh

Across CIL facilities in Phaltan

**368,892**  
KWh

At Cummins Power Generation Plant

**162,362**  
KWh

At Pirangut Power Systems Plant

<sup>2</sup> Unplugged Challenge is an effective energy-saving initiative designed to significantly reduce a facility's "at rest" energy consumption – the power used when the facility isn't in operation. This program encourages powering down equipment and systems whenever possible, extending beyond national holidays like Diwali to include weekends, non-working hours and any other periods of inactivity.

# Building sustainable communities

We are continuously innovating to champion environmental sustainability through focused and purpose-driven corporate responsibility projects.

## CLEANER AIR BETTER LIFE (CABL) INITIATIVE

This collaborative initiative combines industries, entrepreneurs, governments and civic society to tackle the sources of air pollution. Its mission is to improve air quality and contribute to a better quality of life across urban and rural India. It has four task forces:



**Clean fuel**



**Clean transport**



**Biomass management**



**Clean industry**

## MONSOON RESILIENT MAHARASHTRA (MRM)

This program empowers rural communities in Maharashtra to combat water scarcity caused by droughts and unpredictable monsoons. We achieve this by building community capabilities and creating alternative income sources, enhancing their resilience and reducing reliance on seasonal rainfall for agriculture.



## URBAN WATERSHED MANAGEMENT

Our energy and environment initiatives are dedicated to urban watershed management, improving water storage capacity, preventing water pollution, conserving water and promoting biodiversity awareness.

## CLEAN TECHNOLOGY

We are dedicated to fostering sustainable communities by supporting tech-based innovations that protect and enhance the environment. In collaboration with clean tech ecosystem enablers in India, we provide initial funding to early-stage start-ups in these sectors.



**Rural watershed management success in Maharashtra:** In FY 2024-25, we conserved over 500 million gallons of water through the construction of check dams, desilting of water streams, pond rejuvenation and installation of percolation tanks.



## FY 2024-25 IMPACT

**793 villages**

across Punjab and Haryana impacted

Positive shift in crop residue burning

**50% in 2023 from 97% in 2017**

Source: CABL's Cleaner Air Healthier Soil 2024 Report

**8 additional villages** covered

**100,000+ cubic meters**

of watershed work executed

**1.2 km stretch**

of the Khadakwasla Dam desilted

**800+ million gallons** of water conserved

**8 clean tech ventures**

supported

# Social

## PEOPLE-FIRST: EMBRACING AN OPPORTUNITY CALLED TOMORROW

At Cummins, we are deeply committed to social responsibility, both within our organization and in the communities we serve. We see it as a powerful force for creating stronger and more vibrant communities.

For us, social responsibility goes beyond internal policies; it is about making a tangible impact on society. That is why our actions reflect our core belief that businesses have both the power and the responsibility to drive positive change in the world.

## CORPORATE RESPONSIBILITY PRIORITY AREAS

Our corporate responsibility initiatives, spearheaded by the Cummins India Foundation, are designed to foster more prosperous communities and inspire our people. To achieve this, our employee-led volunteerism and community engagement efforts focus on three global priorities.

### THREE GLOBAL PRIORITIES FOSTERING PROSPEROUS COMMUNITIES



Higher education



Equal opportunity



Energy and environment

### FY 2024-25 IMPACT

# 406,602

people benefited through

# 11

Corporate Responsibility projects



# Corporate responsibility projects

## NURTURING BRILLIANCE SCHOLARSHIP PROGRAM

The program offers scholarships to meritorious students from disadvantaged backgrounds who are pursuing engineering degrees and diplomas.



380 students supported

## TECHNICAL EDUCATION FOR COMMUNITIES (TEC)

This global initiative aims to close the skills gap by providing technical training to low-income youth and increasing female representation in technical education. In FY 2024-25, 385 students were supported across two TEC sites in Phaltan and Kolhapur.



385 students supported

## PHALTAN TOWN DEVELOPMENT

This project aims to make Phaltan India's premier 'Clean, Green and Smart' town<sup>3</sup> by enhancing solid waste management, sanitation, green spaces and smart infrastructure in the town and its schools.



## FY 2024-25 IMPACT

Phaltan Nagar Parishad's standing in the Mazi Vasundhara Abhiyan 4.0:

Rank 10

at the state level  
(from Rank 24 earlier)

Rank 3

regionally

## RURAL DEVELOPMENT PROGRAM

This program focuses on five pillars, namely, water conservation, education, health, income growth and sustainability.



50,000+ people benefited in 24 villages

3,700+ students impacted



## LOCAL COMMUNITY CARE

This initiative supports underprivileged and disabled communities by partnering with NGOs aiding the hearing and visually impaired, orphans and the elderly. In FY 2024-25, we enhanced NGO infrastructure and safety through upgrades, audits, electrical improvements and a sensory garden. Additionally, we introduced **AI smart glasses and a digital audio library** to boost accessibility for **300+ beneficiaries**.

<sup>3</sup> in its category and size

# Diversity, Equity, Inclusion and Culture (DEIC)

## Winning with the power of difference

For over six decades, CIL has been a strong advocate for Diversity, Equity, Inclusion and Culture (DEIC), understanding the immense power of a diverse workforce. We firmly believe that a workplace reflecting the richness of our communities fuels innovation, dependability, business success, individual growth and a positive social impact.

Our company's success relies on its ability to attract and retain diverse talent. To meet the evolving needs of our employees, we continuously refine our talent practices. This drives systemic change within our company culture, allowing us to leverage the power of difference to provide creative solutions for our customers' biggest challenges.

We support various Employee Resource Groups (ERGs), each focusing on different dimensions of diversity.

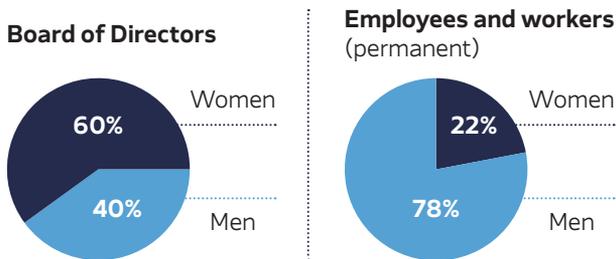


## Our bold legacy of empowering women

### Our workplaces

#### GENDER DIVERSITY

Promoting gender diversity is our top priority, and our leadership team is a testament to that.



#### WOMEN EMPOWERMENT (WE) NETWORK

This Employee Resource Group is dedicated to enhancing gender diversity and fostering an inclusive work environment. We focus on empowering, developing and ensuring the safety of women in our workforce.

#### PROMOTING GENDER EQUITY THROUGH



**Maternity leaves**



**Childcare facilities**



**Menstrual leave**



## Our communities

### EMPOWHER

Launched to enhance financial inclusion and entrepreneurial capability among rural women, now expanded to include alternate livelihoods such as tailoring, food processing, poultry farming, chick incubation and kitchen gardening.

To date:

70

new women-led self-help groups trained in entrepreneurship



700

women impacted across rural communities, including in Nandurbar

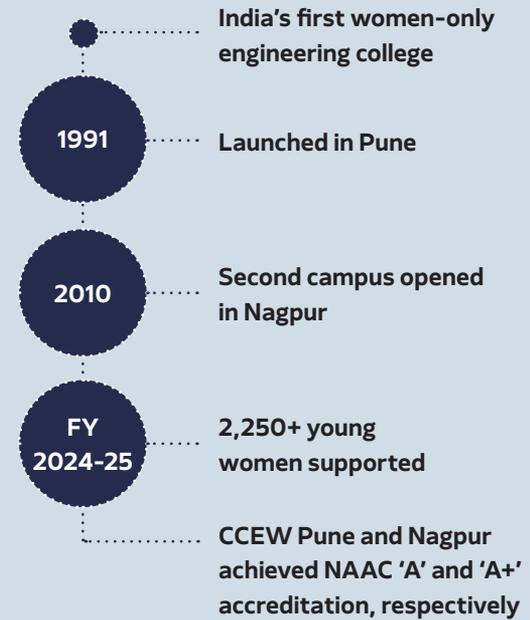


### UDGAM:

An initiative that promotes menstrual hygiene awareness and entrepreneurship by installing eco-friendly sanitary napkin production units. Many women have received entrepreneurship training; now replicated at other Cummins plant locations.



### CUMMINS COLLEGE OF ENGINEERING FOR WOMEN (CCEW)



### CUMMINS POWERS WOMEN (CPW)

Cummins is advancing gender equity through various initiatives focused on education, economic empowerment, legal rights and personal safety.

#### FY 2024-25 IMPACT



#### THE L.E.A.P PROGRAM

empowers underserved students in Pune, Bangalore and Delhi.

2,800+

students supported



#### THE GENDER EQUITY INITIATIVE

mobilizes global leaders to address gender inequality.

64,000+

beneficiaries impacted



#### PROJECT SAKHI

helps vulnerable families access government benefits.

4,000+

individuals onboarded



#### THE GIRLS VOICES INITIATIVE

builds leadership capacities among girls in Maharashtra.

390

girl leaders trained

# Championing employee well-being

At Cummins, our people are our most valued asset. We are always working to promote an interdependent safety culture designed to reduce risk and ensure everyone returns home safely every day. Guided by our core value of caring, we continually strengthen our holistic health and safety systems. These systems go beyond physical safety to include excellence in product and psychological safety. Our employees actively contribute to fostering a robust safety culture through their consultation, participation and feedback.

To uphold the highest standards, our dedicated Health, Safety and Environment (HSE) department benchmarks world-class practices. Many of our manufacturing locations in India hold certifications for ISO 45001 and ISO 14001 standards, which are internationally recognized frameworks for mitigating health, safety and environmental risks. Our HSE department also plays a pivotal role in driving our sustainability goals and 2030 targets through regular environmental initiatives across all our plants.

## Promoting health, safety and environmental excellence

**Our Hazard Identification and Risk Assessment (HIRA)** process proactively addresses work-related hazards and risks, ensuring safety in both routine and non-routine tasks.

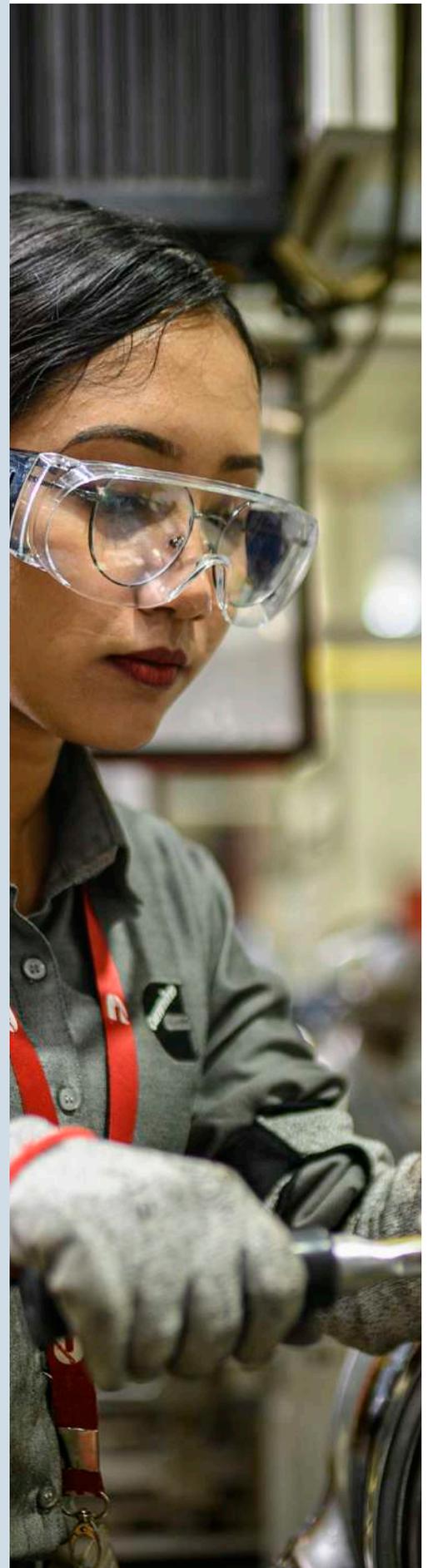


Our leadership actively supports **Health and Safety committees** across all plant locations, spearheading key risk reduction projects. We ensure active involvement from employees and trade unions in site-level initiatives, which focus on:



- a. Preventing Serious Injuries and Fatalities (SIF)
- b. Implementing HSE risk assessment tools

Our **employee engagement initiatives** include: Lead It, Live It | Find It. Fix It.



# Governance

## Integrity at the core, progress at the forefront

Progress that lasts is built on principles that never waver. At Cummins, our approach to governance starts with always doing what is right. Integrity, transparency and compliance are the foundation of every decision we make and every relationship we nurture with our stakeholders. We uphold fair and competitive practices, maintaining strict legal compliance, as we believe that ethical conduct is non-negotiable. It fuels our long-term resilience, earns stakeholder trust and safeguards our global reputation as a dependable brand.

For us, ethics is a culture of responsible action deeply embedded in how we do business. This includes advancing inclusive leadership, demonstrated by 60% women representation in our Board of Directors. This reflects our belief that diversity strengthens governance and mirrors the values we champion.

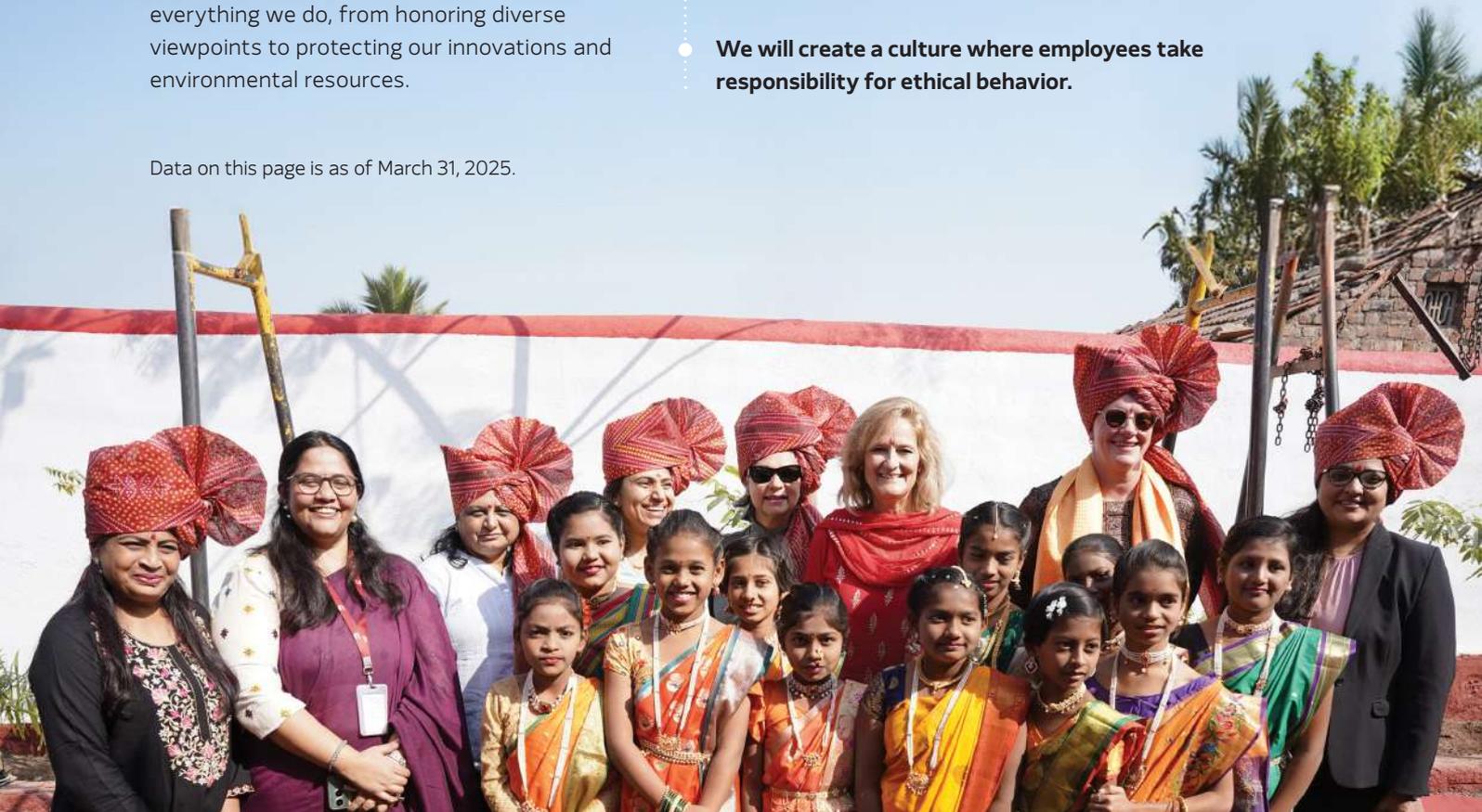
Our ten ethics principles begin with an uncompromising pledge: "We will follow the law everywhere". These principles guide everything we do, from honoring diverse viewpoints to protecting our innovations and environmental resources.

Data on this page is as of March 31, 2025.

## Cummins' 10 ethical principles

Cummins' approach to ethics and governance is anchored in the 10 Ethical Principles outlined in our Code of Business Conduct.

- **We will follow the law everywhere.**
- **We will embrace diverse perspectives and backgrounds and treat all people with dignity and respect.**
- **We will compete fairly and honestly.**
- **We will avoid conflicts of interest.**
- **We will demand that everything we do leads to a cleaner, healthier and safer environment.**
- **We will protect our technology, our information and our intellectual property.**
- **We will demand that our financial records are accurate and that our reporting processes are clear and understandable.**
- **We will strive to improve our communities.**
- **We will communicate honestly and with integrity.**
- **We will create a culture where employees take responsibility for ethical behavior.**



# Powering progress together with purpose and responsibility

through Environmental, Social and Governance (ESG) excellence

Our six-decade legacy in India is distinguished by: **not just what we power but why we power**. For us, **POWERING PROGRESS TOGETHER** is the philosophy that guides our actions, decisions and aspirations.

To innovate, we harness our deep technical expertise and the diverse perspectives of our employees. The result is decades of delivering industry-leading, efficient and dependable solutions that delight our customers while reducing our impact on the planet. This spirit continues to drive us as we reimagine power for a more sustainable, inclusive and resilient future.

Throughout our journey, we have demonstrated that business success and environmental stewardship can and must go hand in hand. From advancing our Destination Zero™ strategy to driving meaningful community development and fostering equitable opportunities for all, ESG excellence defines how we operate.

We understand that progress is not linear, nor is it achievable in isolation. It requires collaboration, courage and a willingness to challenge the status quo. It requires building partnerships across sectors, investing in future-ready capabilities, and listening closely to the needs of our stakeholders, from customers and employees to communities and policymakers.

Our path ahead is clear. We will continue to lead responsibly, innovate boldly and act with integrity to build a future where people, communities, business and our planet can progress together.

Because at Cummins, **POWERING PROGRESS TOGETHER** is not just what we do - it is who we are.





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