

CUMMINS INDIA LIMITED
Extra-ordinary General Meeting
[CIN: L29112PN1962PLC012276]
March 10, 2022
4:30 PM [IST] to 5.21 PM [IST]

Corporate Participants:

Steven Chapman
Chairman

Ashwath Ram
Managing Director

Rajeev Bakshi
Independent Director

Nasser Munjee
Independent Director

Donald Jackson
Non – Executive Director

Norbert Nusterer
Non – Executive Director

Ajay Patil
Chief Financial Officer

Vinaya Joshi
Company Secretary

Other Participants to the Meeting:

Authorized Representative of Statutory Auditors
Authorized Representative of Secretarial Auditor
Scrutiniser

Other key Executives and Senior Management
Shareholders

Welcome Address by Chairman

Steven Chapman

Good Afternoon Members, Directors, Ladies and Gentlemen,

The time right now is 4.30 PM, IST. I am Steven Chapman, Chairman of the Company express my pleasure to welcome all to the Extra-ordinary General Meeting of Cummins India Limited. The meeting is being held through video conferencing in accordance with circulars issued by the Ministry of Corporate Affairs and relevant provisions of Companies Act, 2013 and SEBI Listing Regulations.

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

At this juncture, I would like to put on record that I am attending this meeting from California through video conferencing. In the event of unforeseen technical issue, if I get disconnected from this meeting, I request Mr. Ashwath Ram, Managing Director of the Company and failing him Mr. Rajeev Bakshi, Independent Director of the Company, to continue the meeting until I join back the meeting.

The impact of the COVID-19 pandemic has been rapidly evolving and your Company has taken various actions to recommence its business in a phased manner wherein the well-being of our employees and customers have also been taken care of. Following all the COVID protocols, our plants are fully operational now and we have also re-opened our offices including Cummins India Office Campus in Pune, for regular business for employees, effective March 01, 2022. We at Cummins, have always believed that we are only as strong as the communities we serve. We augmented our community relief efforts to supplement and support the COVID-19 impacted and frontline warriors. We successfully navigated through the current challenges and tackled them head-on with resilience and determination. Continued support was extended to customers who were providing essential services. It is especially during such times that we feel so proud of living our mission.

The Company Secretary has confirmed that requisite quorum is present through video conferencing to conduct this meeting. Members' participation through video conference is being reckoned for the purpose of quorum as per the circulars issued by the Ministry of Corporate Affairs and Section 103 of the Companies Act, 2013. With the required quorum being present, I call the meeting to order.

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

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

Mr. Ashwath Ram is on the Board since August 2019 and is also the Managing Director of the Company. Prior to this role, he led the Engine Business Unit for Cummins where his key focus areas of the business included strategy, sales, profitability, operations and supply chain. He is attending this meeting through VC from USA.

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

Mr. P. S. Dasgupta, Independent Director of the Company and also Chairperson of Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Board, has conveyed his inability to attend this meeting due to urgent commitments and has requested for leave of absence.

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

Ms. Rama Bijapurkar, Independent Director of the Company and also the Chairperson of Nomination and Remuneration Committee of the Board, has conveyed her inability to attend this meeting due to urgent commitments and has requested for leave of absence.

Mr. Norbert Nusterer is Non-Executive Director of the Company. He is the Vice President of Cummins Inc., USA and President of the Power Systems Business. His expertise is in Supply Chain Management, Turnaround Management and Business Process Transformation. He is attending this meeting through VC from Zurich, USA.

Mr. Donald Jackson is Non-Executive Director of the Company. Mr. Donald Jackson is Vice President & Treasurer for Cummins Inc. and is responsible for the Corporate Treasury function. He is attending this meeting through VC from Columbus, Indiana, USA.

Mr. Ajay Patil is Chief Financial Officer of our Company. He has multi- industry work experience in the field of Finance spanning for more than 26 years across countries. He is attending the meeting through VC from Pune.

Ms. Vinaya Joshi is the Company Secretary and Compliance Officer of the Company. She has 12 plus years of experience in the field of corporate laws and allied legal matters. She is attending this meeting through VC from Pune.

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Steven Chapman

Thank you everyone.

Members are informed that we also have representatives of Statutory, Cost & Secretarial Auditor's joining this meeting.

I once again welcome all of you to the Extra-ordinary General Meeting of the Company. We are now moving ahead with the proceedings of the meeting.

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

Vinaya Joshi

Thank you, Steven. Good afternoon everyone.

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

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

We have about 32 members participating today in this EGM.

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

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

In accordance with the MCA circulars, the Notice of EGM has been sent on February 15, 2022 via email to those shareholders, whose email address was registered with the Company / Registrar and Transfer Agent and the depository participants.

The notice of EGM is also available on the website of the Company and that of BSE and NSE Limited.

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

It may be noted that the Company reserves the right to limit the number of members asking questions and the questions will be answered in the EGM

depending on the availability of time at the EGM. The moderator will facilitate the session once the Chairman opens the floor for questions and answers.

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

The Company had provided remote e-voting facility to Members to cast their votes electronically, on all resolutions mentioned in the notice. Members who have not yet cast their votes electronically and who are participating in this meeting can cast their votes during the meeting through e-voting facility provided by NSDL. Member can click on “Vote” tab on the video conference screen to cast their vote anytime during the EGM.

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

Members are requested to refer to the instructions provided in the EGM notice and appearing on video-conferencing page for an uninterrupted participation in the meeting. In case of any assistance, Members may connect to the helpline number(s) provided in the EGM notice.

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

Steven Chapman

Thanks, Vinaya.

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

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

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Steven Chapman

I now request Ashwath Ram, Managing Director of the Company to give you a brief background of items to be transacted in the EGM.

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MD's Speech

Ashwath Ram

Thank you, Steven. Good Evening everyone.

I would like to draw attention of the members of the Company to the Notice of the Meeting sent via email on February 15, 2022 together with Explanatory

Statement As stated in the Notice, your Company as a part of its regular business, enters into transactions with mentioned related parties which are at arm's length basis and in the ordinary course of business.

Under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Shareholders. These Regulations defines material related party transactions as "a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last Audited Financial Statements of the Company."

Accordingly, in this EGM notice, two of such distinct material transactions with related parties, viz. Cummins Ltd UK and Cummins Technologies India Private Limited respectively are proposed to the shareholders for approval.

It is further informed that the method of arm's length pricing applicable for material related party transactions is as prescribed in the relevant transfer pricing guidelines under the Income Tax Act.

The first item for which your approval is being sought is additional material related party transactions with respect to sale of engines/gensets, their parts, accessories, and spares by the Company to Cummins Limited, UK for Rs. 20,000 Lakhs, aggregating the total transaction value to Rs. 70,000 Lakhs for the Financial Year 2021-22. Earlier in the AGM held on August 12, 2021, the Members had already approved entering into these transactions up to a limit of Rs. 50,000 Lakhs. Now, pursuant to recent improvements in end-market conditions in the Financial Year, an additional approval of Rs. 20,000 Lakhs is sought.

The second item for which your approval is being sought are related party transactions with Cummins Technologies India Private Limited of aggregate transaction value of Rs. 70,000 Lakhs for purchase of internal combustion engines, gensets, turbochargers, their parts, components and spares. Due to increase in volume of activities post initial two COVID waves and changes in transactions and to achieve operational efficiencies during the Financial Year, the Company has proposed approval of these transactions to the shareholders. Further, this transaction has been proposed as the related party has necessary subject matter expertise, technology and manufacturing and distribution capabilities to service the requirements of your Company, at competitive and arm's length pricing. It is further clarified that related party transactions with Cummins Technologies India Private Limited would be classified as material for the first time during the Financial Year, as the aggregated transaction value is expected to exceed the threshold of 'Material Related Party Transactions'.

With this I would conclude my remarks and request our Chairman to take the proceeding further.

Steven Chapman

Thank you Ashwath.

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

Before we further proceed, I would like to bring to your notice that the Company has provided remote e-voting facility to cast vote electronically on all resolutions mentioned in the EGM Notice in accordance with the Companies Act, 2013. The remote e-Voting facility was kept open for a period of 3 days from Monday, March 07, 2022 (9.00 a.m. IST) and ending on Wednesday, March 09, 2022 (5.00 p.m. IST).

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

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

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

Item No. 1 to the notice-

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

Item No. 2 to the notice-

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

The text of resolution pertaining to item no. 1 and 2 along with the explanatory statement under section 102 of the Companies Act, 2013 is provided in the notice circulated to the members.

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

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

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

Vinaya Joshi

Please take a note of below points while asking questions:

1. Kindly turn on your video and unmute your audio to ask question when you are projected on video conferencing screen.
2. Mention your name, folio number and location from where you are participating.
3. Each Member will have approximately 2 minutes to ask question(s) or express views/ suggestions.
4. Since the EGM is being held for limited purpose of approval of shareholders for material related party transactions, request the Speakers to restrict their questions to the items mentioned in the Notice to the extent feasible.
5. The questions will be responded after all the Speakers have raised their questions.
6. Speakers are requested to keep their questions brief and specific.
7. Considering the availability of time, the Company may limit the number of members asking questions.
8. Once you have asked your questions, you may turn off your video and continue to watch the proceedings of the meeting.

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

Moderator

I would now like to invite our first speaker shareholder Mr. Aspi Bhesania. Mr. Aspi, you have been placed in the meeting, request you to unmute yourself and ask your question.

Mr. Aspi Bhesania

Good evening everybody, I am Aspi from Bombay. I am shareholder of your company from many years and still have shares in physical form. Sir, my first question is as mentioned in resolution 2, whether Cummins Technologies India Private Limited is same company as Cummins Generator Technologies India Private Limited? I request our parent company to have only one listed subsidiary and no other unlisted subsidiaries. Our third quarter was very similar to second quarter, where do we see growth coming from? Our company was making Low Horsepower Pumps for Cummins throughout the world, is it still continuing? What is the roadmap for the next two years and how much growth do you expect in income and net profit? Any new products to be introduced? Sir, when we purchase from our Cummins companies, what is the mark-up on cost? Why don't you diversify or acquire another company or include some new products and grow faster rather than paying a dividend. I would like you to arrange meetings in virtual mode. I further request to provide contact details of concerned person of the Company along with NSDL contact details for easy participation in the meeting. Thank you and all the best.

Moderator Our next speaker is Mr. Mukul Kesari. Mr. Mukul hasn't joined the meeting, so we will move to the next speaker shareholder.

Moderator Our next speaker is Mr. Yusuf Rangwala. Mr. Yusuf, you have been placed in the meeting. I request you to unmute yourself and ask your question.

Mr. Yusuf Rangwala Good evening sir. I am speaking from Mumbai. My full support for both the resolutions; and I am very happy with the performance of Company. I would like to request for a physical visit, if possible, next year. My good wishes and thank you.

Moderator Our next speaker is Mr. Sahu. Mr. Sahu hasn't joined the meeting, so we will move to the next speaker shareholder. Our next speaker is Mr. Gautam Tiwari. Mr. Gautam hasn't joined the meeting, so we will move to the next speaker shareholder. Our next speaker is Mr. Ramesh Gupta. Mr. Ramesh hasn't joined the meeting, so we will move to the next speaker shareholder.

So, we have all our speaker shareholders announced who have registered for the meeting.

Vinaya Joshi So, we can treat the question session as concluded. Over to you Steven to make a request to play the video.

Chairman Thank you to all of you for your questions and suggestions. Before we begin with Q&A sessions that Ashwath will lead, I would request to play the Theme Video - 'For a World that's always on'

[CIL's For a World that's always on -plays]

Thank you.

Managing Director Thank you for the questions and suggestions/ appreciations. I will try to answer as many as I can during this time and if I cannot answer any of them, we will get back on the areas I would not answer.

I will first try to answer Mr. Aspi Behsania's questions. The first one, Cummins Generator Technologies is an associate company of Cummins India Limited and Cummins Technologies India Private Limited is a completely different company. The second question was about how we are doing so we have done well in previous two quarters But for growth, certainly, we will keep looking at more ideas to get more growth for the business. The other suggestion to have a single company in India for the whole market, that is a fair suggestion for which we as company keeps looking at different times to see what's the most appropriate structure in India for the management of the business. The next request to regarding contact details of

concerned person of the Company along with NSDL contact details. So, we will make sure to provide dedicated line and contact details of concerned persons.

Thank you very much.

If there is anything else, please write to us and we would be glad to respond to those questions.

Steven Chapman

Thank you Ashwath.

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

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

The resolutions against the items no. 1 and 2 set forth in the Notice shall be deemed to be passed today subject to receipt of requisite number of votes.

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