

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
**The Board of Directors of
Cummins India Limited**

Report on the audit of the Standalone Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Cummins India Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 11 of the Statement which describes the management's evaluation of impact of uncertainties related to Covid-19 and its consequential effects on the carrying value of its assets as at March 31, 2020 and the operations of the Company.

Our opinion is not modified in respect of this matter.



Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, 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 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 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 financial results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Tridev Lal Khandelwal**

Partner

Membership Number: 501160

UDIN: 20501160 AAAA BH 6309

Place: Pune

Date: June 17, 2020



Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**To
The Board of Directors of
Cummins India Limited****Report on the audit of the Consolidated Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Cummins India Limited ("Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), its associate and joint ventures for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended March 31, 2019, as reported in these consolidated financial results have been approved by the Holding Company's Board of Directors, but have not been subjected to audit/review.

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiary/ associate / joint ventures, the Statement:

- i. includes the results of the following entities:

Name of the entity	As at March 31, 2020	
	% holding	Consolidated as
Cummins Sales & Service Private Limited	100%	Subsidiary
Cummins Generator Technologies India Private Limited	48.54%	Associate
Valvoline Cummins Private Limited	50%	Joint Venture
Cummins Research and Technology India Private Limited	50%	Joint Venture

- ii. is presented in accordance with the requirements of the Listing Regulations in this regard; and
iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive loss and other financial information of the Group for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our Report. We are independent of the Group, its associate and joint ventures 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 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 obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 11 of the Statement which describes the management's evaluation of impact of uncertainties related to Covid-19 and its consequential effects on the carrying value of its assets as at March 31, 2020 and the operations of the Group.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive loss and other financial information of the Group including its associate and joint ventures in accordance with the applicable accounting standards prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and joint ventures 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement 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 Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 ventures 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 Statement 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 ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group and its associate and joint ventures of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement 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. 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

The accompanying Statement includes the audited financial statements and other financial information, in respect of:

- One subsidiary whose financial statements include total assets of Rs. 3,659 lakhs as at March 31, 2020, total revenues of Rs. 2,230 lakhs and Rs. 10,549 lakhs, total net loss after tax of Rs. 42 lakhs and total net profit after tax of Rs. 184 lakhs, total comprehensive loss of Rs. 54 lakhs and total comprehensive income of Rs. 167 lakhs, for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 7 lakhs for the year ended March 31, 2020, as considered in the Statement which has been audited by its respective independent auditor.



- One associate and one joint venture, whose financial results include Group's share of net profit of Rs. 1,299 lakhs and Rs. 4,227 lakhs and Group's share of total comprehensive income of Rs. 1,311 lakhs and Rs. 4,185 lakhs for the quarter and for the year ended March 31, 2020 respectively, as considered in the Statement whose financial statements, other financial information have been audited by their respective independent auditors.

The independent auditor's reports on the financial statements of these entities have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, associate and joint venture is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Pradevlal Khandelwal**

Partner

Membership Number: 501160

UDIN: 20501160 AAAA B16392

Place: Pune

Date: June 17, 2020



Audited consolidated financial results for the quarter and year ended March 31, 2020

(₹ Lacs)

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Audited) (Note 7)	(Unaudited)	(Note 7)	(Audited)	(Audited)
1 Income					
(a) Revenue from operations					
Sales/Income from operations	104,192	143,154	132,342	509,587	556,455
Other operating income	2,054	2,481	2,583	9,558	13,276
(b) Other income	6,702	6,292	5,973	25,749	23,507
Total Income	112,948	151,927	140,898	544,894	593,238
2 Expenses					
(a) Cost of materials consumed	59,021	62,168	67,297	258,799	268,883
(b) Purchases of traded goods	12,962	23,817	23,246	74,718	97,109
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,275)	8,094	(2,383)	3,662	(4,001)
(e) Employee benefits expense	14,470	14,628	13,831	57,775	56,191
(f) Finance cost	508	483	464	2,102	1,677
(g) Depreciation and amortisation expense	3,126	3,001	2,818	12,058	11,110
(h) Other expenses	16,322	15,283	15,503	65,273	64,644
Total expenses	103,134	127,474	120,776	474,387	495,613
3 Profit before exceptional items and tax (1-2)	9,814	24,453	20,122	70,507	97,625
4 Exceptional items (Note 9)	380	1,605	-	1,985	-
5 Profit after exceptional items before share of profit of joint ventures and associate and before tax (3-4)	9,434	22,848	20,122	68,522	97,625
6 Share of profit of joint ventures and associate after tax	2,899	2,957	2,904	12,226	9,264
7 Profit before tax (5-6)	12,333	25,805	23,026	80,748	106,889
8 Tax expense					
(a) Current tax	2,795	4,920	6,906	15,899	30,693
(b) Deferred tax	(7,486)	906	501	(5,703)	1,947
(c) Tax for earlier years	-	(9)	(12)	(9)	(12)
Total tax expenses	(4,691)	5,817	7,395	10,187	32,628
9 Profit after tax (7-8)	17,024	19,988	15,631	70,561	74,261
10 Other comprehensive income	(1,161)	(396)	(1,180)	(2,371)	(1,854)
11 Income tax effect	292	100	412	597	647
12 Net other comprehensive income/(expense) not to be reclassified to profit or loss in subsequent periods, net of tax (10+11)	(869)	(296)	(768)	(1,774)	(1,207)
13 Share in joint venture's and associate's OCI after tax (net) not to be reclassified to profit or loss in subsequent periods	3	(17)	1	(50)	3
14 Other comprehensive income/ (expense) for the year, net of tax (12+13)	(866)	(313)	(767)	(1,824)	(1,204)
15 Total comprehensive income (9+14)	16,158	19,675	14,864	68,737	73,057
16 Paid-up equity share capital (Face value ₹ 2 each)	5,544	5,544	5,544	5,544	5,544
17 Other equity				434,660	422,754
18 Earnings per share					
Basic and diluted EPS for the period on net profit (Not annualized for the quarters) (₹)	6.14	7.21	5.64	25.45	26.79

CUMMINS INDIA LIMITED

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Audited standalone financial results for the quarter and year ended March 31, 2020

(₹ Lacs)

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Audited) (Note 7)	(Unaudited)	(Audited) (Note 7)	(Audited)	(Audited)
1 Income					
(a) Revenue from operations					
Sales/Income from operations	103,221	142,847	131,440	506,160	552,571
Other operating income	2,063	2,497	2,597	9,613	13,329
(b) Other income	8,978	7,228	6,921	33,154	29,277
Total Income	114,262	152,572	140,958	548,927	595,177
2 Expenses					
(a) Cost of materials consumed	59,515	62,865	67,809	261,255	270,601
(b) Purchases of traded goods	12,589	23,464	22,850	72,186	94,687
(c) Change in inventories of finished goods, work-in-progress and traded goods	(3,665)	8,267	(2,494)	3,344	(3,942)
(d) Employee benefits expense	14,032	14,156	13,464	56,018	54,580
(e) Finance cost	489	465	452	2,025	1,620
(f) Depreciation and amortisation expense	3,075	2,955	2,798	11,866	11,032
(g) Other expenses	16,145	15,017	15,227	64,342	63,564
Total expenses	102,180	127,189	120,106	471,036	492,142
3 Profit before exceptional items and tax (1-2)	12,082	25,383	20,852	77,891	103,035
4 Exceptional items (Note 9)	380	1,605	-	1,985	-
5 Profit before tax (3-4)	11,702	23,778	20,852	75,906	103,035
6 Tax expense					
(a) Current tax	2,313	4,660	6,680	14,253	29,384
(b) Deferred tax	(2,442)	494	80	(1,281)	1,394
Total tax expenses	(129)	5,154	6,760	12,972	30,778
7 Profit after tax (5-6)	11,831	18,624	14,092	62,934	72,257
8 Other comprehensive income	(1,145)	(393)	(1,174)	(2,348)	(1,844)
9 Income tax effect	288	99	410	591	644
10 Net Other comprehensive income / (expense) not to be reclassified to profit or loss in subsequent periods, net of tax (8+9)	(857)	(294)	(764)	(1,757)	(1,200)
11 Total comprehensive income for the year, net of tax (7+10)	10,974	18,330	13,328	61,177	71,057
12 Paid-up equity share capital (Face value ₹ 2 each)	5,544	5,544	5,544	5,544	5,544
13 Other equity				411,952	407,501
14 Earnings per share					
Basic and diluted EPS (Not annualized for the quarters) (₹)	4.27	6.72	5.08	22.70	26.07

Notes

1 The Consolidated financial results include results of the following companies

Name of the Company	As at March 31, 2020		As at December 31, 2019		As at March 31, 2019	
	% holding	Consolidated as	% holding	Consolidated as	% holding	Consolidated as
Cummins Sales & Service Private Limited	100%	Subsidiary	100%	Subsidiary	100%	Subsidiary
Cummins Generator Technologies India Private Limited	48.54%	Associate	48.54%	Associate	48.54%	Associate
Valvoline Cummins Private Limited	50%	Joint Venture	50%	Joint Venture	50%	Joint Venture
Cummins Research and Technologies India Private Limited	50%	Joint Venture	50%	Joint Venture	50%	Joint Venture

2. STATEMENT OF ASSETS AND LIABILITIES

Particulars	Standalone		Consolidated	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)	(Audited)	(Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	119,526	128,229	119,655	128,396
Capital work-in-progress (including investment property in progress)	8,003	15,851	8,003	15,853
Right-of-use asset	3,056	-	3,441	-
Investment property	103,664	72,802	103,664	72,802
Intangible assets	186	246	240	314
Investments in subsidiary, joint ventures and associate	3,735	3,735	25,071	22,026
Financial assets				
Investments	517	522	517	522
Other financial assets	2,877	1,886	2,927	1,919
Income tax assets (net)	11,119	9,279	11,227	9,341
Other non-current assets	6,615	11,997	6,615	11,997
	259,298	244,547	281,360	263,170
Current assets				
Inventories	57,292	62,536	57,723	63,285
Financial assets				
Investments	78,146	24,272	78,146	24,272
Trade receivables	113,159	127,269	114,577	128,359
Cash and cash equivalents	18,142	19,534	18,147	19,546
Other bank balances	27,241	54,259	27,241	54,259
Other current financial assets	21,600	35,957	21,728	36,052
Other current assets	19,083	16,597	19,241	16,698
Assets classified as held for sale*	1,444	386	1,444	386
	336,107	340,810	338,247	342,857
	595,405	585,357	619,607	606,027
EQUITY AND LIABILITIES				
Equity				
Equity share capital	5,544	5,544	5,544	5,544
Other equity				
Retained earnings	296,720	292,447	319,428	307,700
Other reserves	115,232	115,054	115,232	115,054
	417,496	413,045	440,204	428,298
Non-current liabilities				
Financial liabilities				
Lease liabilities	1,577	-	1,883	-
Other financial liabilities	3,522	2,677	3,522	2,677
Provisions	9,189	7,267	9,478	7,467
Deferred tax liabilities (net)	8,004	9,876	7,657	13,966
Other non-current liabilities	106	206	106	206
	22,398	20,026	22,646	24,316
Current liabilities				
Financial liabilities				
Borrowings	48,536	30,916	48,926	31,259
Trade Payables				
Total outstanding dues from micro and small enterprises	1,883	2,371	1,898	2,400
Total outstanding dues of creditors other than micro and small enterprises	67,759	80,140	67,836	80,141
Lease liabilities	257	-	368	-
Other current financial liabilities	16,619	15,948	16,813	16,123
Other current liabilities	4,774	5,892	5,215	6,460
Provisions	15,683	17,019	15,701	17,030
	155,511	152,286	156,757	153,413
	595,405	585,357	619,607	606,027

* Includes assets held for sale where the Company is in the process of finalising sale transaction with a prospective buyer

Notes (continued)

3. STATEMENT OF CASH FLOW

Particulars	(₹ Lacs)			
	Standalone		Consolidated	
	Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)	Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)
I. Cash generated from operations :				
Profit before tax	75,906	103,035	80,748	106,889
Adjustments for :				
a) Adjustments to reconcile profit before tax to net cash flows				
Depreciation and amortisation expense	11,866	11,032	12,058	11,110
Finance costs	2,025	1,620	2,102	1,677
Interest income	(5,779)	(5,293)	(5,784)	(5,297)
Dividend income	(7,502)	(6,091)	1	(320)
Loss/(gain) on assets sold, discarded, etc.	408	(70)	408	(70)
(Gain)/loss on redemption /sale of investments (net)	(3,140)	(2,356)	(3,140)	(2,356)
Equity contribution from Holding company	178	192	178	192
Unrealised foreign exchange fluctuation (net)	(1,316)	129	(1,316)	129
Mark to market ("MTM") of financial instruments	672	(419)	672	(419)
Provision for doubtful debts (net)	1,229	239	1,273	281
Share of profit of joint ventures and associate	-	-	(12,226)	(9,264)
	(1,359)	(1,017)	(5,774)	(4,337)
b) Working capital adjustments				
Trade receivable	14,629	4,567	14,859	4,873
Inventories	5,244	(8,788)	5,565	(8,847)
Current and non-current financial assets	701	(28,061)	652	(28,088)
Other current and non-current assets	(1,980)	5,828	(2,039)	5,839
Trade payable	(14,449)	7,258	(14,995)	6,889
Current and non-current financial liabilities	762	(7,011)	781	(6,999)
Other current and non-current liabilities	(1,218)	281	(1,345)	332
Current and non-current provisions	(2,245)	2,515	(2,149)	2,515
	1,444	(23,411)	1,329	(23,486)
Total adjustments (a+b)	85	(24,428)	(4,445)	(27,823)
Cash generated from operations	75,991	78,607	76,303	79,066
Tax paid (net of refunds)	(16,093)	(23,607)	(16,233)	(23,743)
Net cash generated from operations	59,898	55,000	60,070	55,323
II. Cash flows used in investing activities :				
Purchase of property, plant and equipment and investment property	(25,767)	(28,228)	(25,816)	(28,302)
Proceeds from sale of property, plant and equipment	2,103	892	2,103	892
Interest received	6,444	3,377	6,449	3,381
Dividend received	7,502	6,091	7,502	6,091
Proceeds from loan given	-	12,866	-	12,866
Investments				
Sale/(Purchase) of short term investments (net)	(50,729)	28,696	(50,729)	28,696
Term deposits with Banks	39,100	(22,000)	39,100	(22,000)
Net cash (used in)/from investing activities	(21,347)	1,694	(21,391)	1,624
III. Cash flows from financing activities :				
Proceeds from borrowings (net)	17,620	5,762	17,668	5,575
Finance costs	(1,542)	(1,214)	(1,619)	(1,269)
Payment of principal portion of lease liabilities	(359)	-	(465)	-
Unpaid dividend (restricted)	(82)	(402)	(82)	(402)
Dividend paid (including tax on dividend)	(56,729)	(56,409)	(56,729)	(56,409)
Net cash (used in) financing activities	(41,092)	(52,263)	(41,227)	(52,505)
IV. Net change in cash and cash equivalents (I+II+III)	(2,541)	4,431	(2,548)	4,442
V. Net foreign exchange difference	1,149	(128)	1,149	(128)
VI. Cash and cash equivalents at the beginning of the year	19,534	15,231	19,546	15,232
VII. Cash and cash equivalents at the end of the year (IV+V+VI)	18,142	19,534	18,147	19,546
Components of cash and cash equivalents				
Cash on hand	2	1	2	2
Bank Balances				
In current accounts	18,140	19,533	18,143	19,533
Cheque in hand	-	-	2	11
Total cash and cash equivalents	18,142	19,534	18,147	19,546

Notes (continued)

4 This statement has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on June 17, 2020.

5 The Ministry of Corporate Affairs has notified Ind AS 116 "Leases", with effect from April 1, 2019. The Group has applied the standard to lease contracts existing on April 1, 2019 using modified retrospective method. Accordingly, comparative amounts for year ended March 31, 2019 have not been retrospectively adjusted. Adoption of the new standard has resulted in recognition of "Right-of-Use asset" (ROU) and lease liability, and did not have any significant impact on the standalone and consolidated financial results for the quarter and year ended March 31, 2020.

6 Operating 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 have 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:

(₹ Lacs)				
Particulars	Quarter ended March 31, 2020	Quarter ended March 31, 2020	Elimination/ Adjustments	Total
	Engines	Lubes *		
Sales	104,192	28,393	28,393	104,192
Profit before tax	10,734	4,309	2,710	12,333
Profit after tax	15,425	3,199	1,600	17,024

(₹ Lacs)				
Particulars	Quarter ended December 31, 2019	Quarter ended December 31, 2019	Elimination/ Adjustments	Total
	Engines	Lubes *		
Sales	143,154	34,844	34,844	143,154
Profit before tax	23,382	6,526	4,103	25,805
Profit after tax	17,565	4,846	2,423	19,988

(₹ Lacs)				
Particulars	Quarter ended March 31, 2019	Quarter ended March 31, 2019	Elimination/ Adjustments	Total
	Engines	Lubes *		
Sales	132,342	35,239	35,239	132,342
Profit before tax	20,992	6,252	4,218	23,026
Profit after tax	13,598	4,067	2,034	15,631

(₹ Lacs)				
Particulars	Year ended March 31, 2020	Year ended March 31, 2020	Elimination/ Adjustments	Total
	Engines	Lubes *		
Sales	509,587	129,418	129,418	509,587
Profit before tax	72,789	21,202	13,242	80,748
Profit after tax	62,602	15,921	7,961	70,561

(₹ Lacs)				
Particulars	Year ended March 31, 2019	Year ended March 31, 2019	Elimination/ Adjustments	Total
	Engines	Lubes *		
Sales	556,455	133,276	133,276	556,455
Profit before tax	100,131	20,758	14,000	106,889
Profit after tax	67,503	13,516	6,758	74,261

* 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.

7 The amounts pertaining to the quarter ended March 31, 2020 and March 31, 2019 are the balancing amounts between the audited amounts for the year ended March 31, 2020 and March 31, 2019 and unaudited amounts for the nine months ended December 31, 2019 and December 31, 2018 respectively. The consolidated amounts for the quarter ended March 31, 2019, as reported in the consolidated financial results, have not been subjected to limited review by the auditors.

Notes (continued)

8 The Government of India introduced Taxation Laws (Amendment) Bill, 2019 (The "Bill") and also introduced some changes in tax laws in the Finance Act 2020. Tax expenses for the year ended March 31, 2020 reflect changes made vide the Bill and the Finance Act 2020, as applicable to the Group.

9 Exceptional Items comprise one time expense on account of Voluntary Retirement Program (VRP) and Reduction In Force (RIF) aggregating to ₹ 1,605 lacs and ₹ 380 lacs respectively.

10 The Board of Directors of the Company at their meeting held on June 17, 2020 declared a final dividend of Rs. 7 per equity share on 277,200,000 shares of Rs 2 each fully paid-up for the year ended March 31, 2020.

11 During the quarter ended March 31, 2020, the outbreak of the coronavirus disease of 2019 ('COVID-19') spread throughout the world and became a global pandemic. The pandemic triggered a significant downturn globally, including in India, and the challenging market conditions could continue for an extended period of time. In an effort to contain the spread of COVID-19, maintain the well-being of employees and stakeholders, match the reduced demand from our customers and in accordance with the governmental requirements, offices and manufacturing facilities were shut down. These closures expanded and continued into April/May 2020. While the downturn, closures and limitations on movement are expected to be temporary, and though the lockdown restrictions have now been relaxed partially, the duration of the production and supply chain disruptions, and related financial impacts, cannot be estimated at this time.

The Group has assessed the impact of COVID 19 on its assets, including property, plant and equipments, receivables, inventories etc. and it was concluded that the impact is not significant. However, the estimate of the impact of COVID 19 may differ from the same ascertained up to the date of approval of these financial results by the Board of Directors, based on how the COVID 19 situation evolves over a period of time.

Pune
Date: June 17, 2020

For Cummins India Limited

Ashwath Ram
Managing Director
DIN: 00149501