



**A global leader powering
every need dependably.**

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

CONTENTS

Letter to Shareholders	1
Board of Directors	16
Financial Summary - 5 years	18
Directors Report and Financial Statements of CIL - Cummins India Limited	19
Consolidated Balance Sheet and Profit and Loss Account of CIL and its Subsidiary Companies	121

Motivating people to act like owners working together

Respected Shareholders,

In fiscal 2004-2005, our nation was fortunate to experience another year of positive economic progress. In this environment, Cummins India outperformed the market in terms of profitable growth with a sense of purpose and direction consistent with our Vision of **"Making People's Lives Better By Unleashing The Power Of Cummins"**. For all of us at Cummins this Vision statement is our anchor amidst constantly changing business circumstances. This Vision statement is supported by specific Mission

statements which are as follows:

Motivating People to Act like Owners

Working Together : We sustained and strengthened our organization

structure of

two interdependent, customer focused business units - The Engine Business Unit (EBU) and the Power Generation Business Unit (PGBU). The EBU conducted its manufacturing operations from two factories in Pune and marketed its products via increasing OEM penetration and also directly to major end users. The PGBU

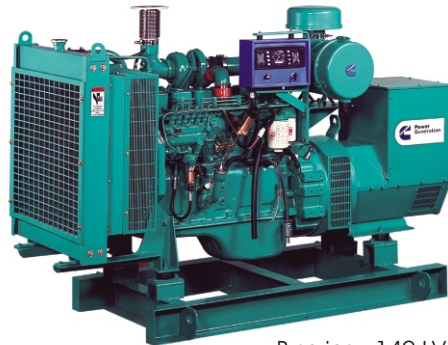
conducted its manufacturing operations from our factory in Daman and continued marketing generators and power systems via its exclusive and strategic partnerships with three OEMs Powerica Ltd., Sudhir Gensets Ltd. And Jakson Ltd. The PGBU also successfully grew its solutions businesses including Power Consulting to enable customers to reduce their energy costs. PGBU is the largest national Rental fleet and the Energy Solutions Business which designs, constructs and operates diesel and

natural gas power plants.

Within each of these two business units, we have a number of “performance cells” which are diverse, cross-functional teams that work together seamlessly towards common objectives. Their performance is measured on clearly identified quantitative and qualitative targets which they own. All employees in the company have a significant component of their compensation tied to individual and



Lean burn QSK 38



B series - 140 kVA

**Exceeding customer expectations by always being
first to market with the best offerings**

Exceeding Customer Expectations By Always Being First To Market With The Best Offerings : We adhered to this Mission statement by launching the first Indian designed and manufactured lean burn natural gas generator at 575 kW. We are excited about the prospects of this pioneering product in the ensuing year. We also uprated our 5.9 liter B series engine to

140 kVA in the power generation market to provide customers with higher power density. This generator is more compact as compared to its predecessor and thus requires less space and a smaller acoustic enclosure. We continued to expand our product range by introducing new models in 60-150 HP range for construction equipment and portable

Partnering with our customers to make sure they succeed

Partnering With Our Customers To Make Sure They Succeed : The Cummins India team supported the Armed Forces in their indigenization initiatives. We executed major orders for re-powering Indian Army and Air Force cross country trucks, and executed major Indian Navy and

Coast Guard projects. As the water well rig segment went into a cyclical recession, we partnered with one of our major strategic OEM to provide customers with a lower cost reconditioned engine-compressor package which was well received. We are working closely with the Indian



Kraz 255 Defence Truck repowered by Cummins NT-743-C



HHPDEMU (High Horse Power Diesel Electric Multiple Unit) with new aerodynamic design powered by Cummins KTA-50-L



X series - 15 kVA

I will quote from one of our customers, among many, who was kind enough to send us an email on our website www.cumminsindia.com: "Congratulations on your product. We have in our fleet more than 100 DG sets of capacities varying from 15 kVA to 380 kVA.

About 80% of our fleet is Cummins engines. I am extremely happy to inform you that they are the number

one engines manufactured in India. They are very rugged in construction and practically trouble free compared to the other engines we have. The original spares are easily available. Best technical support by your staff and great support by your dealer M/s Ajax Engineering from Bangalore. In fact last year we added about 11 DG of 250 kVA all Cummins at my recommendation to our MD. I wish you and all your staff good luck.



K 19 - 500 kVa

We sustained and developed our Voice of the Customer (VOC) program where we invite a customer along with the involved OEM and Cummins dealer to speak to a wide group of

Cummins managers about their experiences (both good and bad) with us, and suggestions on how we can further improve. This program is now in its fourth year.



Firepump Installation powered by Cummins V28 engines

Acoustic Enclosure



**Demanding that everything we do leads to a cleaner,
healthier and safer environment**

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Demanding That Everything We Do Leads To A Cleaner, Healthier And Safer Environment : I am proud to note that our employees took many actions to live this Mission statement. As new and more stringent emissions and noise regulations were introduced in the country, Cummins stood out and lead the industry by being ready at the outset and being

fully compliant. Our Kaizen based efforts at reducing energy and fuel usage in our Kothrud facility were recognized by the Confederation of Indian Industries with a national award for “Excellence in Energy Management 2004”. We are also getting ready to launch Bharat Stage 3 compliant environmentally friendly CNG engines for buses in both

Creating wealth for all stakeholders

Creating Wealth For All Stakeholders : The company's sales grew by 28 percent to Rs. 11,918 million, and profit after tax grew by 26 percent to 1,372 million. Significant inflation in core commodities such as steel, copper and fuel oils adversely impacted our results. However, by



50T mining dump truck powered by Cummins KTA-19-C