



Cummins India Limited
Annual Report 2022-23

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ABOUT THE COVER

At Cummins, we strongly believe that progress should be purpose-driven. With a deep-rooted commitment to 'Power with Purpose', we continue to build on our illustrious legacy of accelerating India's growth story for over six decades - powering customer success, developing our people and communities, and protecting our planet. Guided by our core values, we deliver on our brand promise of innovation and dependability by embracing responsible business practices every single day, paving the way for a sustainable future for our customers, communities, nation and the planet.

At Cummins, we are driven by ‘Power with Purpose’. Our purpose is to sustainably power a more prosperous world for everyone.

Steven M. Chapman

Chairman, Cummins India Limited (CIL)



Dear Shareholders,

As the Company celebrated its 60th anniversary in 2022, let me begin by expressing my deepest gratitude to all our shareholders, both past and present. Your unwavering trust in the Cummins brand and your **shared commitment to our mission, vision and values have been integral to our success.**

The dedication to our **purpose, people and impact** remained at the forefront of all that we accomplished in the past financial year, 2022-23. We successfully propelled our company strategy forward and extended a positive impact on our valued customers, investors, suppliers, employees, communities and the planet.

I am pleased to report that FY 2022-23 was a year of **outstanding performance** for your Company. We recorded **the highest-ever revenue and profit for the second financial year in a row** due to strong demand across various market segments and geographies and the conscious efforts by the Company on managing costs and improving profitability. Despite inflationary pressures and geo-political headwinds, we sustained our growth momentum. As a part of a globally integrated supply chain network, we were able to mitigate the impact of ongoing supply chain constraints and meet customer demand, underscoring the resilience of our business.

At Cummins, we are driven by ‘**Power With Purpose**’. Our purpose is to sustainably power a more prosperous world for everyone. This purpose guides us every day to live up to our brand promise of innovation and dependability and contribute toward the progress of all our stakeholders. In FY 2022-23, **we continued to serve our customers, focused on empowering our communities,** and as part of our PLANET 2050 strategy, we worked on various environmental projects guided by the mantra: **use less, use better, and use again.** We aim to lead the way toward a prosperous and

more sustainable future for all while helping our customers succeed.

We also understand the importance of Diversity, Equity and Inclusion (DE&I) in powering innovation and leveraging it as a competitive advantage. Our enhanced global DE&I strategy focuses on policies and processes that support the hiring, retention, advancement and development of our **people** to create a talent ecosystem that is future-ready and able to help us achieve our goals.

2022 was also a momentous year for Cummins Inc. with the appointment of Jennifer Rumsey as our new Chief Executive Officer on August 1. She made history as the first woman to hold this prestigious position in the company’s over-century-long history. Tom Linebarger, our long-standing global CEO, transitioned to the role of Executive Chairman, cementing Cummins’ commitment to diverse and capable leadership.

Your Company’s **focus on innovation and growth** has never been stronger, and I am excited about the potential that lies ahead for us. By staying nimble and responsive to external and economic indicators and their impact on our customer demand and operations, your Company is well-positioned for long-term profitable growth. I am grateful for your continued contributions to our success and look forward to achieving even greater things together.

Together, we will shape the next six decades and beyond.

I would close by saying that, however good we are today, we know the best is yet to come.

Thank You,

Steven

Cummins India Limited

Who We Are ?

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

Founded in

1962



India Headquarters

Cummins India Office Campus, Pune



3,161

permanent employees and workers



5

world-class factories



Cummins India Facilities

1

parts distribution center



480+

4s service touchpoints

110

retail touchpoints

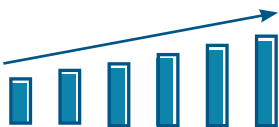


21.3%*

gender diversity



Net Sales



₹7,612 Crores

Serves markets in **India, Nepal and Bhutan** and exports its products to various countries across the globe with USA, Europe, Mexico, Africa, Middle East and China being the top destinations



Caters to end markets such as construction, compressor, mining, marine, railway, oil and gas, pumps, defence and power generation

5 principles of sustainability demonstrated by all factories and offices



Safe



Clean



Diverse



Lean



Green

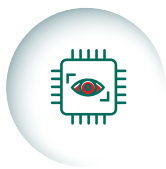
*For permanent employees and workers only.

Our Story



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

Power with Purpose

The essence of the '**Power with Purpose**' theme lies in our unwavering commitment to go beyond achieving success to make a positive and meaningful impact on people and the planet. It embodies our relentless pursuit of **innovation** and **excellence**, our dedication to **responsible practices**, and our steadfast focus on **sustainability**, aimed at creating a better future for our stakeholders and communities.

A LEGACY OF TRUST AND EXCELLENCE

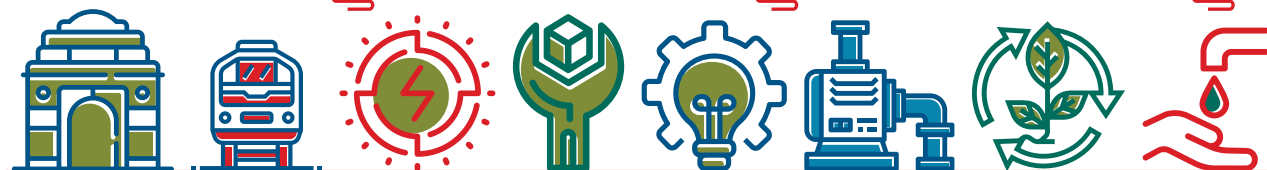
With a **distinguished legacy** of **powering India's growth story** for over six decades, we continue to remain at the forefront of driving the nation's **progress into the future**.

INNOVATING FOR IMPACT

Cummins is a **technology leader** with a broad portfolio of power solutions and we will continue to **innovate** to ensure our customers' success and **power the future**.

LEADING WITH RESPONSIBILITY

Our **approach to responsible citizenship and sustainability aligns with our mission** to make people's lives better by powering a more prosperous world and guides us in tackling climate challenges.





At Cummins, at the heart of our mission to power a more prosperous world lies a deep-seated purpose of empowering our people and communities. The Company has always been driven by the ethos of **‘Power with Purpose’** that has underpinned our success for over six decades and continues to shape a sustainable and prosperous future for everyone.



The Company reported the highest ever revenue, outstanding domestic sales, and record-breaking exports, which are a testament to the resilience and agility of our business in meeting the evolving needs of our customers.

Ashwath Ram

Managing Director, Cummins India Limited (CIL)



Dear Shareholder Family,

I hope this letter finds you in good health.

As we celebrate another successful year, I want to thank you, reflect on our accomplishments and look ahead into the future.

2022 was a remarkable and historic year for our country – India, and your Company, Cummins India Limited (CIL). As India celebrated its 75th year of independence, your Company also marked 60 years of its presence in India and is proud to have been a part of the country's growth story. Since 1962, we have believed in the potential of our country and focused on opportunities to fuel its progress.

Despite macroeconomic headwinds, we witnessed a surge in demand across our domestic and export markets in the past fiscal year, 2022-23, resulting in a stellar financial performance.

We owe this success to the hard work and dedication of our employees and the unwavering support of our customers, investors, shareholders and partners. These achievements were further bolstered by several tailwinds driving India's economic growth, including the government's impetus on infrastructure development and domestic manufacturing, stringent emission norms, alternate fuels, rail, and other electrifications, and various favorable policies.

Throughout FY 2022-23, your Company continued to witness strong demand for its products in domestic and international markets. Demand was robust in business segments like Power Generation for end markets like data centers, hospitality, commercial realty and manufacturing. The Aftermarket business also contributed strongly

to the Company's success by living up to its commitment to provide exceptional service and support to our customers.

Exemplifying the success of the 'Make in India' initiative and bolstering our association with the Indian Railways (IR), the Indian Army, and the Indian Navy, the Company excelled in providing indigenous and integrated customized solutions such as the Hotel Load Converter, Diesel Electric Tower Car (DETC) propulsion system, and bagged the maiden order for submarine genset application.

Demonstrating our ongoing **commitment to Health, Safety and Environment (HSE)**, the Company maintained its focus on sustainability initiatives such as waste recycling, Greenhouse Gas (GHG) reduction, solar PV installations, regenerative dynos, water conservation, treated water reuse, water neutrality, green supply chain, and returnable packaging.

At Cummins, at the heart of our mission to power a more prosperous world lies a deep-seated purpose of empowering our people and communities. The Company has always been driven by the ethos of '**Power with Purpose**' that has underpinned our success for over six decades and continues to shape a sustainable and prosperous future for everyone. Our long-standing commitment to our stakeholders—our communities, customers, employees, partners and shareholders— remains a top priority and is guided by a strong focus on powering their progress.

A sustainable future is built on the foundation of good governance and strong economic performance. These factors are critical for the long-term success of any business. With this in mind, I am happy to share that starting FY 2022-23, CIL Annual Report will now include a comprehensive

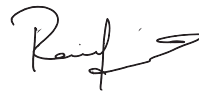
Business Responsibility and Sustainability Report (BRSR) in line with the reporting governance process established by the Securities and Exchange Board of India (SEBI). The BRSR will cover a range of critical focus areas, including CIL's environmental impact, social impact, and governance performance.

As we look to the future, we see a world that is transforming at an unprecedented pace and demands fresh thinking, bold action and innovative solutions. At Cummins, we are committed to being at the forefront of this change. We are committed to reducing our carbon footprint, using fewer natural resources and acting transparently. We will achieve this by executing our PLANET 2050 sustainability strategy and investing in designing and developing critical technologies. However, we cannot do this alone and must partner with all our stakeholders to make a positive impact. With our unique product

portfolio, strong balance sheet, global supply chain, and world-class infrastructure and talent, we are well-positioned to navigate today's challenges to unlock tomorrow's opportunities.

At Cummins, we recognize that our success is built upon the trust and support of our employees, customers, shareholders, partners, investors, suppliers and communities. We are committed to accelerate this momentum and work collaboratively to drive meaningful progress and become the best company in the world.

Thank you for your trust in the Cummins brand.



Ashwath

FY 2022-23 Key Business Highlights



CIL CELEBRATED 60 GLORIOUS YEARS OF POWERING INDIA

POWER GENERATION



25,000+

generator sets delivered, providing nearly 4,800 MW power to customers across India

2,000 kVA

Prime Genset powered by rugged K50 engine launched

POWER GENERATION INDUSTRIAL



Supported Indian Railways (IR) in achieving its Mission of Electrification through 'Make in India' products; secured order for the design and development of 'Make in India' Hotel Load Converter



Strengthened our presence across applications to support an increase in coal production



Solidified our association with the Indian Army and the Indian Navy



Continued support to the City Gas Distribution infrastructure



Product portfolio expansion of FM/UL-certified engines

DISTRIBUTION BUSINESS



Received '**Green Channel Status**' from the Ministry of Defence, Government of India, for a period of five years to supply diesel engines and related parts



Achieved highest ever Net Promoter Score (NPS)

720,000

Record service calls logged during FY 2022-23, the highest to date



New integrated technical training facility inaugurated at Phaltan



New products launched: Retrofit Emission Control Kit (RECD), Cummins Brake Lining, Cummins Funnel Fuel Filter, New range of Clutches, Power Booster Kit

CONSTRUCTION



Business wins from new and existing customers in tracked and wheeled equipment category



Moved to new-generation electronic 4-cylinder and 6-cylinder engines (from mechanical) to meet **CEV Bharat Stage IV/V emission norms** for Construction Equipment Vehicle (CEV) applications

POWER GENERATION EXPORTS



Launched **Gensets fit for the Low Horsepower (LHP) rental** segment



Launched **New Series of Fit-for-Market Gensets** powered by B3.3, 6B, QSB7 and QSL9 engines for unregulated markets



Record Sales driven by LHP Products, Powergen, and Industrial Engines Exports

Awards

FY 2022-23 was truly extraordinary for Cummins India Limited, as we received recognition not only for our exceptional products but also for making a positive impact on the communities we touch. Our relentless commitment to innovation, integrity, caring, diversity and inclusion (D&I), and excellence, played a pivotal role in powering the success of all our stakeholders.



Golden Peacock Sustainability Award 2022 in the engineering sector



Green Channel Status Certification for Distribution Business Unit (DBU) by the **Ministry of Defence, Government of India** for a period of five years

Ambition Box 'Best Places to Work in India 2022'

Among the TOP 25 Companies in Large Category



Golden Peacock Occupational Health and Safety Award 2022 in the engineering sector

"Gold" employer in the India Workplace Equality Index (IWEI) Top Employer 2022

