



Dear Supplier,

Sub : Non-profiteering clause in the GST law– Maintain transparency and pass on 100% of reduction of tax incidence to Cummins

Ref : Our earlier communication dated 22nd February, 2017 [Subject: Readiness for Implementation of Goods and Services Tax Law (GST)]

On registration as a Supplier of Cummins in India (comprising of its Group Companies Cummins India Limited, Cummins Technologies India Pvt. Ltd., Cummins Generator Technologies India Pvt. Ltd., Tata Cummins Pvt. Ltd., Cummins Research and Technology India Pvt. Ltd. and Cummins Sales and Service Pvt. Ltd.), hereinafter referred to as “Cummins” you have agreed to focus on integrity and doing the right thing and to comply with all the laws of your respective countries and with all other applicable laws, rules and regulations.

We would like to bring to your attention that the Centre and States in India have now agreed on the broad contours of the two crucial bills needed to roll out the country’s biggest reform by way of the Goods and Services Tax (GST) possibly from July 2017. This clears the deck for the Central Government to take these two bills to the Parliament for their passage in the ongoing Budget Session.

The GST Law has incorporated an “anti-profiteering” provision (Section 171) to ensure that the reduction of tax incidence is passed on to the consumers. Suppliers should abide by the non-profiteering clause of the GST law.

We hereby seek your confirmation and in-principle agreement that any benefits accruing to you as a result of implementation of GST would be passed on to Cummins proactively.

As agreed in Supplier Code of Conduct, you hereby agree to know all applicable laws and maintain awareness of any legal or regulatory changes that may impact operations once GST is implemented with effect from 1st July, 2017 or as applicable.

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Suppliers should have a process for ensuring compliance with this Clause. Suppliers should also ensure that their suppliers are aware of all applicable laws and shall put systems in place to ensure understanding and monitor compliance. Suppliers must maintain documentation relating to such compliance and provide Cummins access to that documentation upon request. Documentation demonstrating compliance of your suppliers should also be maintained.

The actions described above are based on our present understanding of the requirements to the Model GST law and you will be updated accordingly if any additional actions are required by the Government when the final law on implementing GST is published.

Kindly send us your confirmation of acceptance by duly signing and stamping this letter and sending the same back to us by 20th June, 2017. In case of non-receipt of signed and stamped copy of the letter by the abovementioned date, we shall consider your acceptance to the said letter and “non - profiteering clause in the GST law and maintenance of transparency and passing on 100% of the reduction of tax incidence to Cummins”.

Thanking You,
For and on behalf of Cummins Group in India

A handwritten signature in black ink, appearing to read 'Manoj Solanki'.

Manoj Solanki
Vice President – CSCO India ABO

Agreed and Accepted

Details of the Supplier