

Morgan Stanley India  
Company Private Limited  
18th Floor, Tower 2  
One World Center, Plot-841  
Jupiter Textile Mill Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai 400013

tel +91 22 6118 1000  
fax +91 22 6118 1011

[www.morganstanley.com/india](http://www.morganstanley.com/india)

October 10, 2022

To,  
**BSE Limited**  
Phiroze Jeejeeboy Towers  
Dalal Street, Fort,  
Mumbai- 400 001

Dear Sir / Madam,

**Subject: Public Announcement dated October 10, 2022 (the "Public Announcement") in relation to the open offer to the Shareholders (as defined in the Public Announcement) of Automotive Axles Limited ("Target Company") by Cummins Inc. ("Open Offer/ Offer")**

Cummins Inc. (the "Acquirer") is making an open offer to the Shareholders of the Target Company to acquire up to 3,929,114 (three million nine hundred and twenty nine thousand one hundred and fourteen only) fully paid-up equity shares with a face value of INR 10 (Indian Rupees Ten) each, representing 26% of the Voting Share Capital of the Target Company on a fully diluted basis as on the 10<sup>th</sup> working day from the closure of tendering period.

The Open Offer is being made pursuant to Regulation 3(1), 4 and 5(1) and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereto (the "SEBI (SAST) Regulations").

We have been appointed as manager to the Open Offer. In accordance with Regulation 14(1) of the SEBI (SAST) Regulations, we hereby enclose a copy of the Public Announcement in relation to the Open Offer.

We request you to kindly disseminate the Public Announcement on your website.

All capitalized terms used but not defined here shall have the meanings ascribed to the same in the Public Announcement.

Should you require any further information / clarifications on the same, please contact the following persons:

Name	Designation	Contact	Email ID
Satyam Singhal	Vice President	+91 22 6118 1009	<a href="mailto:automotiveaxles_openoffer@morganstanley.com">automotiveaxles_openoffer@morganstanley.com</a>
Hetvee Marviya	Analyst	+91 22 6118 1058	<a href="mailto:automotiveaxles_openoffer@morganstanley.com">automotiveaxles_openoffer@morganstanley.com</a>

Thanking you,



For and on behalf of **Morgan Stanley India Company Private Limited**

Name: **Sundareswaran S**

Designation: Managing Director

Encl.: Copy of the Public Announcement

**PUBLIC ANNOUNCEMENT UNDER REGULATIONS 3(1), 4, 5(1) AND OTHER APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AND SUBSEQUENT AMENDMENTS THERETO**

**FOR THE ATTENTION OF THE SHAREHOLDERS OF AUTOMOTIVE AXLES LIMITED**

**Open offer for acquisition of up to 3,929,114 (three million nine hundred twenty nine thousand one hundred fourteen) Equity Shares (*as defined below*) of face value INR 10 (Indian Rupees ten only), representing 26% (twenty six percent) of the Voting Share Capital (*as defined below*) from all Shareholders (*as defined below*) of Automotive Axles Limited (“Target Company”), by Cummins Inc. (“Acquirer”) (“Open Offer” or “Offer”).**

This public announcement (“**Public Announcement**” or “**PA**”) is being issued by Morgan Stanley India Company Private Limited, the manager to the Offer (the “**Manager**”), for and on behalf of the Acquirer, to the Shareholders of the Target Company, pursuant to and in compliance with Regulations 3(1), 4, 5(1), 15(1) and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations**”). There is no person acting in concert with the Acquirer for the purpose of this Open Offer.

For the purposes of this Public Announcement, the following terms shall have the meanings assigned to them below:

- (a) “**Equity Shares**” means fully paid-up equity shares of face value of INR 10 (Indian Rupees ten only) of the Target Company;
- (b) “**Shareholders**” means all holders of Equity Shares of the Target Company, other than (i) the Acquirer; (ii) the parties to the Merger Agreement (*as defined below*); and (iii) the persons deemed to be acting in concert with the persons set out in (i) and (ii) for the Underlying Transaction (*as defined below*);
- (c) “**Stock Exchanges**” means BSE Limited and National Stock Exchange of India Limited;
- (d) “**Voting Share Capital**” means the total voting equity share capital of the Target Company on a fully diluted basis as of the 10<sup>th</sup> (tenth) Working Day from the closure of the Tendering Period for the Open Offer;
- (e) “**Tendering Period**” has the meaning given to it under the SEBI (SAST) Regulations; and
- (f) “**Working Day**” means any working day of the Securities and Exchange Board of India (“**SEBI**”).

**1. Offer Details**

- 1.1. **Open Offer Size:** Up to 3,929,114 (three million nine hundred twenty nine thousand one hundred fourteen) Equity Shares of the Target Company

(“**Offer Shares**”), constituting up to 26% (twenty six percent) of the Voting Share Capital of the Target Company, subject to the terms and conditions mentioned in this Public Announcement, and to be set out in the detailed public statement (“**DPS**”) and the letter of offer (“**LoF**”) that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

- 1.2. **Offer Price / Consideration:** The Offer is made at a price of INR 1,504.43 (Indian Rupees one thousand five hundred and four point four three only) per Offer Share, which shall be enhanced by an interest at the rate of 10% (ten percent) per annum for the period between the date of entering into the Underlying Transaction (*as defined below*) (i.e. February 21, 2022), and the date of publication of the DPS for the Open Offer pursuant to Regulation 8(12) of SEBI (SAST) Regulations, and such enhanced price (“**Offer Price**”) shall be specified in the DPS. The Equity Shares of the Target Company are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations and the Offer Price is determined in accordance with Regulations 8(3), 8(12) and other applicable provisions of the SEBI (SAST) Regulations. The Offer Price (including the interest as specified above) and the total consideration payable by the Acquirer (assuming full acceptance of the Open Offer) shall be disclosed in the DPS to be issued in accordance with the SEBI (SAST) Regulations.
- 1.3. **Mode of Payment:** The Offer Price will be paid in cash by the Acquirer in accordance with the SEBI (SAST) Regulations, and the terms and conditions mentioned in this Public Announcement and to be set out in the DPS and LoF that are proposed to be issued in accordance with the SEBI (SAST) Regulations.
- 1.4. **Type of Offer:** The Offer made by the Acquirer is a mandatory offer made in compliance with Regulations 3(1), 4, 5(1) and other applicable provisions of the SEBI (SAST) Regulations, pursuant to the Underlying Transaction (*as defined below*). The thresholds specified under Regulation 5(2) of the SEBI (SAST) Regulations are not met and, accordingly, this Offer will not constitute a “deemed direct acquisition” under the SEBI (SAST) Regulations. This Open Offer is not subject to any minimum level of acceptance.

## 2. Transaction which has triggered the Open Offer obligations

- 2.1. On February 21, 2022, the Acquirer entered into an Agreement and Plan of Merger with Meritor, Inc., an Indiana corporation (“**Meritor Inc.**”) and Rose NewCo Inc., an Indiana corporation and a wholly owned subsidiary of the Acquirer (“**Rose Inc.**”) (“**Merger Agreement**”) to acquire 100% (one hundred percent) of the capital stock of Meritor Inc. Meritor Inc. is a leading global supplier of drivetrains, mobility, braking, aftermarket and electric powertrain solutions to commercial vehicle and industrial markets.
- 2.2. Meritor Inc. is the parent company of Meritor Heavy Vehicle Systems LLC (“**MHVS**”), and as on the date of the PA, MHVS holds 5,367,275 (five million three hundred sixty seven thousand two hundred seventy five) Equity Shares of the Target Company constituting approximately 35.52% (thirty-five point five two percent) of the paid-up equity share capital of the Target Company. MHVS is also categorised as a promoter of the Target Company.
- 2.3. As per the terms of the Merger Agreement, on August 3, 2022, Rose Inc. merged with and into Meritor Inc., with Meritor Inc. surviving the merger as a wholly owned subsidiary of the Acquirer (“**Merger**”). Upon the Merger, each share of Meritor Inc. common stock was converted into the right to

receive US \$36.50 (United States Dollar thirty-six point five zero only) in cash.

- 2.4. As a result of the Merger, the Acquirer has acquired 100% (one hundred percent) of the issued shares of the common stock of Meritor Inc. and indirectly acquired 100% (one hundred percent) of the issued shares of the common stock of MHVS.
- 2.5. Consequently, since August 3, 2022, the Acquirer indirectly holds approximately 35.52% (thirty-five point five two percent) of Voting Share Capital associated with the 5,367,275 (five million three hundred sixty seven thousand two hundred seventy five) Equity Shares held by MHVS in the Target Company and exercises indirect joint control over the Target Company (“**Underlying Transaction**”).
- 2.6. Hence, this Open Offer is being made by the Acquirer under Regulations 3(1), 4 and 5(1) and other applicable provisions of the SEBI (SAST) Regulations.
- 2.7. A tabular summary of the Underlying Transaction is set out below:

<b>Details of Underlying Transaction</b>						
<b>Type of transaction (direct / indirect)</b>	<b>Mode of transaction (Agreement/ Allotment/ market purchase)</b>	<b>Equity Shares/ Voting rights acquired/ proposed to be acquired</b>		<b>Total consideration for shares/ voting rights acquired (INR)</b>	<b>Mode of payment (Cash/ securities)</b>	<b>Regulation which has triggered</b>
		<b>Number</b>	<b>% vis-à-vis total Equity/ Voting Share Capital</b>			
Indirect acquisition. This indirect acquisition is not a deemed direct acquisition.	<p>Execution and completion of the Merger Agreement pursuant to which the Acquirer:</p> <p>(a) has acquired 100% (one hundred percent) of the issued shares of the common stock in Meritor Inc., which is the parent company of MHVS.</p> <p>(b) indirectly holds 5,367,275 (five million</p>	<p>The Acquirer has not directly acquired any Equity Shares of the Target Company.</p> <p>However, pursuant to the Underlying Transaction, the Acquirer indirectly holds 5,367,275 (five million three hundred sixty seven thousand two hundred seventy five) Equity Shares held by MHVS in the Target Company, constituting approximately 35.52% (thirty-five point five two percent) of Voting Share Capital of the Target Company and exercises indirect joint control over the Target Company.</p>		Not applicable as this is an indirect acquisition.	Not applicable as this is an indirect acquisition.	Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations.

	<p>three hundred sixty seven thousand two hundred seventy five) Equity Shares held by MHVS in the Target Company, constituting approximately 35.52% (thirty-five point five two percent) of Voting Share Capital of the Target Company and exercises indirect joint control over the Target Company.</p>				
--	--	--	--	--	--

**3. Details of Acquirer**

Details	Acquirer
<b>Name of the Acquirer</b>	Cummins Inc.
<b>Registered Address</b>	500 Jackson Street, Box 3005, Columbus, Indiana 47202-300
<b>Name(s) of persons in control/ promoters of Acquirer, where Acquirer is a company</b>	The Acquirer is a publicly traded company on the New York Stock Exchange (NYSE: CMI) and does not have identifiable persons in control/ promoters.
<b>Name of the group, if any, to which the Acquirer belongs</b>	N/A. The Acquirer is the ultimate parent company.
<b>Pre-transaction shareholding</b> <ul style="list-style-type: none"> <li>• Number</li> <li>• % of the Voting Share Capital</li> </ul>	Nil
<b>Proposed shareholding after the acquisition of shares which triggered the Open Offer (excluding the shares that may be acquired under the Open Offer)</b>	<p>The Acquirer has not directly acquired any shares of the Target Company through the Underlying Transaction.</p> <p>However, pursuant to the completion of the Underlying Transaction, the Acquirer indirectly holds approximately 35.52% (thirty-five point five two percent) of Voting Share Capital associated with the 5,367,275 (five million three hundred sixty seven thousand two hundred seventy five) Equity Shares held by MHVS and exercises</p>

Details	Acquirer
	indirect joint control over the Target Company.
<b>Any other interest in the Target Company</b>	Nil

#### 4. Details of selling shareholders, if applicable

Not applicable as the Offer is being made as a result of an indirect acquisition of shares and voting rights of the Target Company and the Underlying Transaction does not involve any direct acquisition of Equity Shares from any existing shareholders of the Target Company.

#### 5. Target Company

**Name:** Automotive Axles Limited

**Registered Office:** Hootagalli Industrial Area, Off Hunsur Road, Mysuru, Karnataka - 570 018

**Exchanges where listed:** The Equity Shares of the Target Company are listed on the BSE Limited (Security ID: AUTOAXLES; Security Code: 505010) and the National Stock Exchange of India Limited (Symbol: AUTOAXLES). The equity shares of the Target Company were listed on the Bangalore Stock Exchange and Pune Stock Exchange, which were voluntarily delisted from each of the aforementioned stock exchanges pursuant to the approval of the shareholders of the Target Company on January 29, 2004.

**ISIN:** INE449A01011

#### 6. Other Details

- 6.1. The Underlying Transaction was completed on August 3, 2022 and this Public Announcement for the Open Offer is being made after 44 Working Days of the completion of the Underlying Transaction and after 155 Working Days of the date of entering into the Underlying Transaction.
- 6.2. The DPS regarding the Open Offer will be published by October 17, 2022 in accordance with Regulation 14(3), 15(2) and other applicable provisions of the SEBI (SAST) Regulations. The DPS shall, *inter alia*, contain details of the Open Offer including detailed information on the Offer Price, the Acquirer, the Target Company, the background to the Offer, the statutory approvals required (including for the Open Offer), details of the Underlying Transaction, financial arrangements, and other terms and conditions of the Open Offer.
- 6.3. The Acquirer accepts full responsibility for the information contained in this Public Announcement. The Acquirer undertakes that it is aware of and will comply with and fulfil its obligations under the SEBI (SAST) Regulations. The Acquirer confirms that it has adequate financial resources to meet its obligations under the Open Offer and has made firm financial arrangements for fulfilling its payment obligations under the Offer, through verifiable

means, in terms of Regulation 25(1) of the SEBI (SAST) Regulations.

- 6.4. The Offer is not conditional upon any minimum level of acceptance pursuant to the terms of Regulation 19(1) of the SEBI (SAST) Regulations. This Public Announcement is not being issued pursuant to a competing offer under the terms of Regulation 20 of the SEBI (SAST) Regulations.
- 6.5. All the information pertaining to the Target Company has been obtained from publicly available sources or confirmed by the Target Company, and the accuracy thereof has not been independently verified by the Manager to the Open Offer.
- 6.6. In this Public Announcement, all references to “**Re.**”, “**₹**”, “**Rs.**” and “**INR**” are references to Indian Rupees.
- 6.7. In this Public Announcement, any discrepancy in any amounts as a result of multiplication or totaling is due to rounding off.

**Issued by the Manager to the Offer:**

Morgan Stanley

**Morgan Stanley India Company Private Limited**  
**SEBI Registration Number:** INM000011203  
**Address:** 18F, Tower 2, One World Center, Plot 841 |  
Senapati Bapat Marg, Lower Parel,  
Mumbai, 400013, India  
**Contact Person:** Hetvee Marviya  
**Tel:** 91 22 6118 1000; **Fax:** 91 22 6118 1011  
**E-mail:** [automotiveaxles\\_openoffer@morganstanley.com](mailto:automotiveaxles_openoffer@morganstanley.com)  
**Website:** <https://www.morganstanley.com/about-us/global-offices/india>

**Signed for an on behalf of Acquirer,  
Cummins Inc.**

---

Name: Sharon Barner

Designation: Vice President – Chief Administrative Officer & Corporate Secretary

**Place:** Indianapolis, Indiana, U.S.A

**Date:** October 10, 2022