

DRAFT LETTER OF OFFER
“THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION”

The draft Letter of Offer (“**DLOF**”) is being sent to you as a Shareholder (*as defined below*) of Automotive Axles Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer (*as defined below*) or Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*) in the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance to the member of the stock exchange through whom the said sale was effected.

OPEN OFFER

BY

CUMMINS INC. (the “Acquirer”)

Registered Office: 500 Jackson Street, Box 3005, Columbus, Indiana 47202-300

Tel: 1-812-377-5000

TO ACQUIRE

Up to 3,929,114 (three million nine hundred twenty-nine thousand one hundred fourteen) fully paid-up equity shares of face value of INR 10 (Indian Rupees ten) each (“**Equity Shares**”) representing 26.00% (twenty six percent) of the Voting Share Capital (*as defined below*) from the Shareholders (“**Offer Size**”)

OF

AUTOMOTIVE AXLES LIMITED (“Target Company”)

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

Tel: 0091-821-7197500, Fax: 0091-821-2402451

Website: <https://www.autoaxle.com/>

AT A PRICE OF

INR 1,601.29 (Indian Rupees one thousand six hundred one point two nine only) per Offer Share (“**Offer Price**”) payable in cash pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations**”)

1. This Offer (*as defined below*) is being made by the Acquirer pursuant to Regulations 3(1), 4 and 5(1) and other applicable regulations of the SEBI (SAST) Regulations.

2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. The Underlying Transaction (*as defined below*) requires approval from the Competition Commission of India (“CCI”) and the Acquirer has submitted an application with the CCI to obtain such approval and is waiting CCI’s acknowledgement.
5. As on the date of this DLOF (*as defined below*), to the best of the knowledge of the Acquirer, there are no statutory or regulatory approvals required by the Acquirer to complete this Offer. In case any statutory approvals are required by the Acquirer at a later date before closure of the Tendering Period (*as defined below*), this Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals. The Acquirer shall have the right to withdraw the Offer in accordance with the provisions of Regulation 23(1) of the SEBI (SAST) Regulations if any such statutory approval, as may be required in accordance with paragraph 7.3 of this DLOF, is refused. In the event of such a withdrawal of the Offer, the Acquirer shall make an announcement of such withdrawal within 2 (two) Working Days (*as defined below*) of such withdrawal stating the grounds and reasons for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
6. The acquisition of Equity Shares under the Open Offer from all Shareholders (resident and non-resident) is subject to all approvals required to be obtained by such Shareholders in relation to the Open Offer and the transfer of Equity Shares held by them to the Acquirer. If Shareholders who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be tendered to accept this Open Offer. Such Shareholders shall also seek appropriate approvals from the RBI or any other regulatory body, if required, to tender their Equity Shares in the Open Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Open Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.
7. Where any statutory or other approval extends to some but not all of the Shareholders, the Acquirer shall have the option to make payment to such Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
8. As per Regulation 13(2)(e) of the SEBI (SAST) Regulations, in the case of indirect acquisition of shares or voting rights in, or control over the target company where none of the parameters referred to in sub-regulation (2) of Regulation 5 are met, public announcement may be made at any time within 4 (four) Working Days from the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain. Further, in terms of Regulation 13(4) of the SEBI (SAST) Regulations, in the case of an indirect acquisition which is not a deemed direct acquisition, a detailed public statement is required to be issued by the acquirer no later than 5 (five) Working Days of the completion of the primary acquisition of shares or voting rights in, or control over the company or entity holding shares or voting rights in, or control over the target company. In view of the definitive agreement for the Underlying Transaction being dated February 21, 2022, the public announcement ought to have been made by February 25, 2022. The PA was filed with BSE and NSE on October 10, 2022, and there has been a delay of 150 (one hundred fifty) Working Days in terms of Regulation 13(2)(e) of the SEBI (SAST) Regulations. Further, there has been a delay of 42 (forty two) Working Days in issue of the DPS in terms of Regulation 13(4) of the SEBI (SAST) Regulations and 41 (forty one) Working Days in issue of this DLOF in terms of Regulation 16(1) of the SEBI (SAST) Regulations read with Regulation 13(4) of the SEBI (SAST) Regulations.

9. The Acquirer shall complete all procedures relating to this Open Offer within 10 (ten) Working Days from the date of closure of the Tendering Period, including payment of consideration to those Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
10. If the aggregate number of Equity Shares validly tendered in this Open Offer by the Shareholders is more than the Offer Size, then the Equity Shares validly tendered by the Shareholders will be accepted on a proportionate basis, subject to a maximum of 3,929,114 (three million nine hundred twenty-nine thousand one hundred fourteen) Equity Shares representing 26.00% (twenty six percent) of the Voting Share Capital of the Target Company, in consultation with the Manager to the Open Offer.
11. The Offer Price may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer, at any time prior to commencement of last 1 (one) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations which is expected to be Thursday, December 1, 2022, as per the tentative schedule of activities set out hereinafter and the Acquirer shall (a) make corresponding increases to the Escrow Amounts (*as defined below*), as more particularly set out in paragraph 6.1 (*Justification of Offer Price*) and paragraph 6.2 (*Financial Arrangements*), (b) make a public announcement in the newspapers in which the DPS was published, and (c) simultaneously with the making of such announcement, inform SEBI (*as defined below*), the Stock Exchanges (*as defined below*) and the Target Company at its registered office of such revision. The Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.
12. **There has been no competing offer to the Acquirer's Offer as of the date of this DLOF. If there is a competing offer, the offers under all subsisting bids will open and close on the same date.**
13. Unless otherwise stated, the information set out in this DLOF reflects the position as of the date hereof.
14. A copy of the PA (*as defined below*), DPS, this DLOF (including the Form of Acceptance) and any other advertisement/ publication to be made in connection with this Offer will be available on the website of SEBI, at www.sebi.gov.in.

MANAGER TO THE OFFER

REGISTRAR TO THE OFFER

Morgan Stanley

Morgan Stanley India Company Private Limited

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 1040

E-mail: automotiveaxles_openoffer@morganstanley.com

Website: <https://www.morganstanley.com/about-us/global-offices/india>

SEBI Registration Number: INM000011203

CIN: U22990MH1998PTC115305

LINKIntime

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai 400 083, Maharashtra, India

Contact Person: Mr. Sumeet Deshpande

Tel: +91 810 811 4949

Fax: +91 22 4918 6195

E-mail: automotive.openoffer@linkintime.co.in

Website: www.linkintime.co.in

SEBI Registration Number: INR000004058

CIN: U67190MH1999PTC118368

DRAFT LETTER OF OFFER

Tentative Schedule of Major Activities of the Open Offer

No.	Name of Activity	Schedule of Activities (Day and Date) [#]
1.	Issue of Public Announcement	Monday, October 10, 2022
2.	Publication of the DPS in newspapers	Friday, October 14, 2022
3.	Filing of this draft Letter of Offer with SEBI	Thursday, October 20, 2022
4.	Last date for public announcement for competing offer(s)	Wednesday, November 9, 2022
5.	Last date for receipt of comments from SEBI on this draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	Tuesday, November 15, 2022
6.	Identified Date*	Thursday, November 17, 2022
7.	Last date for dispatch of the Letter of Offer to the Shareholders of the Target Company whose names appear on the Register of Members on the Identified Date	Thursday, November 24, 2022
8.	Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Shareholders of the Target Company for this Offer	Monday, November 28, 2022
9.	Last date for upward revision of the Offer Price and/or the Offer Size	Tuesday, November 29, 2022
10.	Date of publication of Offer opening public announcement, in the newspapers in which the DPS has been published	Wednesday, November 30, 2022
11.	Date of commencement of the Tendering Period (“ Offer Opening Date ”)	Thursday, December 1, 2022
12.	Date of closure of the Tendering Period (“ Offer Closing Date ”)	Wednesday, December 14, 2022
13.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Shareholders of the Target Company	Wednesday, December 28, 2022
14.	Last date for filing the post Offer report with SEBI	Wednesday, January 4, 2023
15.	Last date for publication of post-Offer public announcement in the newspapers in which the DPS has been published	Wednesday, January 4, 2023

[#]The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations and are subject to receipt of relevant approvals from statutory / regulatory authorities for the Offer, if any, and may have to be revised accordingly.

Date falling on the 10th Working Day prior to the commencement of the Tendering Period (“Identified Date**”). The Identified Date is only for the purpose of determining the Shareholders as on such date to whom the LOF will be dispatched. It is clarified that all Shareholders are eligible to*

participate in the Open Offer at any time before the closing of the Tendering Period of the Offer.

RISK FACTORS

The risk factors set forth below pertain to this Offer, the Underlying Transaction and association with the Acquirer, and do not pertain to the present or future business or operations of the Target Company or any other related matters. These risk factors are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by a Shareholder in the Offer, but are merely indicative. Shareholders are advised to consult their legal advisor, stockbroker, and investment consultant and / or tax advisors, for analysing all the risks with respect to their participation in the Offer.

A. RISKS RELATING TO THE OPEN OFFER AND THE UNDERLYING TRANSACTION

1. The Open Offer is an open offer under the SEBI (SAST) Regulations to acquire up to 3,929,114 (three million nine hundred twenty-nine thousand one hundred fourteen) Equity Shares representing 26.00% (twenty six percent) of the Voting Share Capital, from the Shareholders. If the number of Equity Shares validly tendered by the Shareholders under this Open Offer is more than the Offer Size, then the Offer Shares validly tendered by the Shareholders will be accepted on a proportionate basis, subject to acquisition of a maximum of 3,929,114 (three million nine hundred twenty-nine thousand one hundred fourteen) Equity Shares, representing 26.00% (twenty six percent) of the Voting Share Capital. Accordingly, there is no assurance that all the Equity Shares tendered by the Shareholders in the Open Offer will be accepted. The unaccepted Equity Shares will be returned to the Shareholders in accordance with the schedule of activities for the Open Offer.
2. The Underlying Transaction requires approval from the CCI and the Acquirer has submitted an application with the CCI to obtain such approval and is waiting CCI's acknowledgement. As on the date of this DLOF, to the best of the knowledge of the Acquirer, there are no statutory or regulatory approvals required by the Acquirer to complete this Offer. However, in case any statutory approvals are required by the Acquirer at a later date before closure of the Tendering Period, this Open Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals. In the event of delay of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this DLOF. Consequently, the payment of consideration to the Shareholders whose Equity Shares are validly tendered and accepted in this Offer, as well as the return of Equity Shares not validly tendered and accepted in this Offer, may be delayed. As per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not on account of any wilful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of this Open Offer, subject to the Acquirer agreeing to pay interest to the Shareholders, as may be specified by SEBI. Where the required statutory approvals apply to some but not all the Shareholders, the Acquirer will have the option to make payment to such Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer. Should any such statutory approvals be finally refused for reasons outside the reasonable control of the Acquirer, the Acquirer shall have the right to withdraw the Open Offer in terms of Regulation 23(1) of the SEBI (SAST) Regulations. In the event of a withdrawal of the Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make a public announcement, in the same newspapers in which the Detailed Public Statement was published, stating the grounds for withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulation.

3. If (i) there is any litigation that leads to a stay on the Open Offer or restricts the Acquirer from performing its obligations hereunder; or (ii) SEBI instructs the Acquirer not to proceed with the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this DLOF. Consequently, the payment of consideration to the Shareholders whose Equity Shares have been accepted in this Open Offer as well as return of the Equity Shares not accepted by the Acquirer may be delayed.
4. The acquisition of Equity Shares under the Open Offer from all Shareholders (resident and non-resident) is subject to all approvals required to be obtained by such Shareholders in relation to the Open Offer and the transfer of Equity Shares held by them to the Acquirer. If Shareholders who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be tendered to accept this Open Offer. Such Shareholders shall also seek appropriate approvals from the RBI or any other regulatory body, if required, to tender their Equity Shares in the Open Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Open Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.
5. This DLOF has not been filed, registered or approved in any jurisdiction outside India. Recipients of the LOF residing in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in any foreign jurisdictions covered under the “General Disclaimer” clause in Section II (Disclaimer Clause) of this DLOF and cannot be accepted by any means or instrumentality from within any such foreign jurisdictions.
6. Equity Shares, once tendered through the Form of Acceptance in the Open Offer, cannot be withdrawn by the Shareholders, even if the acceptance of their Equity Shares in this Open Offer and payment of consideration are delayed. The Shareholders will not be able to trade in such Equity Shares which have been tendered in the Open Offer. During such period, there may be fluctuations in the market price of the Equity Shares. Neither the Acquirer nor the Manager to the Offer make any assurance with respect to the market price of the Equity Shares, both during the period that the Open Offer is open and upon completion of the Open Offer and disclaim any responsibility with respect to any decision taken by the Shareholders with respect to whether or not to participate in the Open Offer. The Shareholders will be solely responsible for their decisions regarding their participation in this Open Offer.
7. The tendered Equity Shares and documents will be held in trust by the Registrar to the Offer until the completion of the Offer formalities. The Shareholders will not be able to trade in such Equity Shares which are in the custody of the Clearing Corporation / Registrar to the Offer. During such period, there may be fluctuations in the market price of the Equity Shares and the Shareholders will not be able to trade in such Equity Shares held in trust by the Clearing Corporation / Registrar to the Offer and that may adversely impact the Shareholders who have tendered their Equity Shares in this Offer.

8. The Shareholders are advised to consult their respective tax advisors for assessing tax liability arising from this Offer, including but not limited to the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or completeness of the tax provisions set forth in this Draft Letter of Offer.
9. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, this DLOF or in the advertisement or any materials issued by or at the instance of the Acquirer, excluding such information pertaining to the Target Company, which has been obtained from publicly available sources or provided or confirmed by the Target Company. Any person placing reliance on any source of information other than the PA, the DPS, this DLOF and the LOF, or any other advertisement or materials issued by or on behalf of the Acquirer, will be doing so at its own risk.
10. Persons in possession of this DLOF are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Shareholder who tenders his, her, or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she, or it is authorised under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.
11. The information contained in this DLOF is as of date of this DLOF unless specified otherwise. The Acquirer and the Manager to the Offer are under no obligation to update the information contained herein at any time after the date of this DLOF.
12. This Offer is subject to completion risks as would be applicable to similar transactions.

B. RISKS RELATING TO THE ACQUIRER

1. Neither the Acquirer nor the Manager to the Offer make any assurance with respect to the financial performance of the Target Company or the continuation of the past trend in the financial performance of the Target Company.
2. Neither the Acquirer nor the Manager to the Offer make any assurance with respect to the future performance of the Target Company.
3. Neither the Acquirer nor the Manager to the Offer provide any assurance with respect to the market price of the Equity Shares, before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder with respect to participation in the Offer.
4. The Acquirer makes no assurance with respect to its investment or divestment decisions relating to its shareholding in the Target Company.
5. The information pertaining to the Target Company contained in the PA, the DPS, this DLOF, the Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target

Company, as the case may be, or publicly available sources. The accuracy of such details of the Target Company have not been independently verified by the Acquirer and the Manager, and the Acquirer and the Manager do not accept any responsibility with respect to such information.

6. As per Regulation 38 of SEBI (LODR) Regulations, read with Rule 19A of the SCRR (*as defined below*), the Target Company is required to maintain at least 25.00% (twenty five percent) public shareholding (“MPS”), as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer, in the event that the public shareholding of the Target Company falls below the MPS, the Acquirer shall bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the SCRR, SEBI (SAST) Regulations and SEBI (LODR) Regulations through any such routes as may be approved by SEBI from time to time. Any failure to comply with the conditions of the SCRR and the SEBI (LODR) Regulations within the time period stated therein through permitted routes and any other such routes as may be approved by SEBI from time to time could have an adverse effect on the price and tradability of the Equity Shares.
7. Neither the Acquirer nor the Manager or the Registrar to the Offer accept any responsibility for any loss of documents during transit (including but not limited to Open Offer acceptance forms, copies of delivery instruction slips, etc.), and Shareholders are advised to adequately safeguard their interests in this regard.

The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Open Offer or in association with the Acquirer but are only indicative in nature. The risk factors set forth above pertain to the Open Offer and do not pertain to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by Shareholders in the Offer. Shareholders of the Target Company are advised to consult their stockbroker, legal advisors, tax advisors or investment consultant, for further risks with respect to their participation in the Open Offer.

C. CURRENCY OF PRESENTATION

In this DLOF, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

In this DLOF, all references to “INR” or “Rs.” or “Rupees” are references to the Indian Rupees, all references to “USD” or “US Dollar” or “US\$” are references to the United States Dollar.

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1. KEY DEFINITIONS

Acquirer	Cummins Inc.
Board of Directors/ Board	Board of Directors of the Acquirer or the Target Company, as the case may be
BSE	BSE Limited
Buying Broker	Standard Chartered Securities (India) Limited
Clearing Corporation	Indian Clearing Corporation Limited
Detailed Public Statement / DPS	Detailed Public Statement dated October 13, 2022, which was published on October 14, 2022 in Financial Express (English – All Editions), Jansatta (Hindi – All Editions), Vijayavani (Kannada – Mysuru Edition) and Navshakti (Marathi – Mumbai Edition), issued by the Manager to the Offer, on behalf of the Acquirer, in compliance with the SEBI (SAST) Regulations
Draft Letter of Offer / DLOF	This Draft Letter of Offer dated October 20, 2022
DTAA	Double Taxation Avoidance Agreement
Equity Share(s)	Fully paid-up equity shares of face value of INR 10 (Indian Rupees ten) of the Target Company
FEMA	The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended or modified from time to time
FI	Financial Institutions
FII / FPI	Foreign Institutional Investor or Foreign Portfolio Investor as defined in FEMA
Form of Acceptance	Form of Acceptance- cum-Acknowledgement accompanying the Letter of Offer
GAAR	General Anti-Avoidance Rule
Identified Date	10 th (Tenth) Working Day prior to commencement of the Tendering Period for purpose of determining the Shareholders to whom the Letter of Offer shall be sent
IT Act	Income Tax Act, 1961 as amended from time to time
Letter of Offer / LOF	Letter of Offer dated [●], which shall be dispatched to the Shareholders of the Target Company
Manager to the Offer	Morgan Stanley India Company Private Limited
Maximum Open Offer Consideration	The maximum consideration payable under this Offer, assuming full acceptance of this Offer, being of INR 6,291,650,957 (Indian Rupees six billion two hundred ninety-one million six hundred fifty thousand nine hundred fifty-seven only)
MHVS	Meritor Heavy Vehicle Systems LLC
MLI	Multilateral Investment
NRI	Non-resident Indian
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body as defined in Foreign Exchange Management (Deposit) Regulations, 2000
Offer / Open Offer	The Offer being made by the Acquirer for acquisition of up to 3,929,114 (three million nine hundred twenty-

	nine thousand one hundred fourteen) Equity Shares, constituting 26.00% (twenty six percent) of the Voting Share Capital of the Target Company
Offer Period	The period from the date of the Public Announcement (i.e., October 10, 2022) to the date on which payment of consideration to the Shareholders whose Equity Shares are accepted in this Offer is made, or the date on which this Offer is withdrawn, as the case may be
Offer Price	INR 1,601.29 (Indian Rupees one thousand six hundred one point two nine only) per Offer Share payable in cash in accordance with the SEBI (SAST) Regulations
Offer Shares	Up to 3,929,114 (three million nine hundred twenty-nine thousand one hundred fourteen) Equity Shares, constituting 26.00% (twenty six percent) of the Voting Share Capital of the Target Company
Offer Size	Offer Shares representing up to 26.00% (twenty six percent) of the Voting Share Capital of the Target Company
Public Announcement / PA	Public Announcement dated October 10, 2022 issued by the Manager to the Offer on behalf of the Acquirer, in relation to this Offer and filed with the Stock Exchange, SEBI and the Target Company in accordance with the SEBI (SAST) Regulations
RBI	Reserve Bank of India
Registrar to the Offer	Link Intime India Private Limited
Rs./Rupees/INR	The lawful currency of the Republic of India
SCRR	Securities Contracts (Regulation) Rules, 1957 and subsequent amendments thereof
SEBI	Securities and Exchange Board of India
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereof
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
Shareholders	All the holders of Equity Shares of the Target Company, other than (i) the Acquirer; (ii) the parties to the Merger Agreement (as <i>defined below</i>); and (iii) the persons deemed to be acting in concert with the persons set out in (i) and (ii) for the Underlying Transaction
Stock Exchanges	BSE and NSE
Target Company	Automotive Axles Limited
Tendering Period	The 10 (ten) Working Day period from December 1, 2022 to December 14, 2022 (both inclusive) within which the Shareholders may tender their Equity Shares in acceptance of the Offer.
Underlying Transaction	As described in paragraph 3.1 of this DLOF (<i>Background to the Offer</i>)
U.S.	United States of America
USD/ \$	United States Dollars

Voting Share Capital	Total voting equity share capital of the Target Company on a fully diluted basis as of the 10 th (tenth) Working Day from the closure of the Tendering Period for the Open Offer
Working Day	Working day as defined under the SEBI (SAST) Regulations

Note: All capitalised terms used in the Draft Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI (SAST) Regulations.

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MANAGER, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 18, 2022 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

GENERAL DISCLAIMER

THE DRAFT LETTER OF OFFER, THE DETAILED PUBLIC STATEMENT AND THE PUBLIC ANNOUNCEMENT IN CONNECTION WITH THE OFFER, HAVE BEEN PREPARED FOR THE PURPOSES OF COMPLIANCE WITH THE SEBI (SAST) REGULATIONS. ACCORDINGLY, THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD HAVE BEEN DISCLOSED IF THIS DOCUMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS AND REGULATIONS OF ANY JURISDICTION OUTSIDE OF INDIA. NEITHER THE PUBLICATION OF THE DETAILED PUBLIC STATEMENT NOR THE DELIVERY OF THE LETTER OF OFFER, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE TARGET COMPANY OR THE ACQUIRER, SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS AT ANY TIME SUBSEQUENT TO THIS DATE. IT IS NOT TO BE IMPLIED THAT THE ACQUIRER IS UNDER ANY OBLIGATION TO UPDATE THE INFORMATION CONTAINED HEREIN AT ANY TIME AFTER THIS DATE.

NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT THIS OFFER IN ANY JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE. THE LETTER OF OFFER SHALL BE DISPATCHED TO ALL SHAREHOLDERS WHOSE NAME APPEARS ON THE REGISTER OF MEMBERS OF THE TARGET COMPANY, AT THEIR STATED ADDRESS, AS OF THE

IDENTIFIED DATE. HOWEVER, RECEIPT OF THE LETTER OF OFFER BY ANY SHAREHOLDER IN A JURISDICTION IN WHICH IT WOULD BE ILLEGAL TO MAKE THIS OFFER, OR WHERE MAKING THIS OFFER WOULD REQUIRE ANY ACTION TO BE TAKEN (INCLUDING, BUT NOT RESTRICTED TO, REGISTRATION OF THE LETTER OF OFFER UNDER ANY LOCAL SECURITIES LAWS), SHALL NOT BE TREATED BY SUCH SHAREHOLDER AS AN OFFER BEING MADE TO THEM AND SHALL BE CONSTRUED BY THEM AS BEING SENT FOR INFORMATION PURPOSES ONLY.

PERSONS IN POSSESSION OF THE LETTER OF OFFER ARE REQUIRED TO INFORM THEMSELVES OF ANY RELEVANT RESTRICTIONS. ANY SHAREHOLDER WHO TENDERS HIS, HER OR ITS EQUITY SHARES IN THIS OFFER SHALL BE DEEMED TO HAVE DECLARED, REPRESENTED, WARRANTED, AND AGREED THAT HE, SHE OR IT IS AUTHORISED UNDER THE PROVISIONS OF ANY APPLICABLE LOCAL LAWS, RULES, REGULATIONS AND STATUTES TO PARTICIPATE IN THIS OFFER.

DISCLAIMER FOR PERSONS IN THE UNITED STATES

This Offer is made for the securities of an Indian company and is subject to the laws of India. The Offer is subject to disclosure requirements of India that are different from those of the United States. The financial information in relation to the Target Company included in this document was excerpted from financial statements prepared in accordance with non-US accounting standards that may not be comparable to the financial statements of United States companies. This Draft Letter of Offer has not been filed with or reviewed by the US Securities and Exchange Commission or any US state securities regulatory.

It is important for securities holders of the Target Company in the U.S. to be aware that this Draft Letter of Offer is subject to the tender offer laws and regulations of India, which are different from those in the U.S., and has been prepared in accordance with Indian laws, the format and style of which differs from customary U.S. format and style.

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES

This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. Receipt of the Draft Letter of Offer by any Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this Draft Letter of Offer under any local securities laws), shall not be treated by such Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only. This Draft Letter of Offer does not in any way constitute an offer to purchase or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Persons in possession of this Draft Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Shareholder who tenders his, her or its Equity Shares in the Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorised under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Offer.

3. DETAILS OF THE OFFER

3.1. Background to the Offer

- 3.1.1. 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, as a result of: (i) indirect acquisition of 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 the paid-up equity share capital of the Target Company; and (ii) indirect acquisition of joint control of the Target Company pursuant to completion of the Underlying Transaction (*as defined below*).
- 3.1.2. In a report dated October 8, 2022 prepared by M/s. R.D. Sarfare & Co., Chartered Accountants, (Rajesh Sarfare, Partner, Membership No. 140399), the criteria set out under Regulation 5(2) of the SEBI (SAST) Regulations have been analysed and M/s. R.D. Sarfare & Co has concluded that the Underlying Transaction does not constitute a deemed direct acquisition under Regulation 5(2) of the SEBI (SAST) Regulations.
- 3.1.3. On February 21, 2022, the Acquirer entered into an Agreement and Plan of Merger with Meritor, Inc., an Indiana corporation and Rose New Co Inc., an Indiana corporation, a wholly owned subsidiary of the Acquirer (“**Rose Inc.**”) (“**Merger Agreement**”) to acquire 100.00% (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.
- 3.1.4. Meritor Inc. is the parent company of MHVS, and as on the date of this DLOF, (i) Meritor Inc. holds 100.00% (one hundred percent) of the issued shares of the common stock MHVS; and (ii) 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.
- 3.1.5. 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.
- 3.1.6. As a result of the Merger, the Acquirer has acquired 100.00% (one hundred percent) of the issued shares of the common stock of Meritor Inc. and indirectly acquired 100.00% (one hundred percent) of the issued shares of the common stock of MHVS. As on the date of the DLOF, the Acquirer holds

100.00% (one hundred percent) of the issued shares of the common stock of Meritor Inc.

- 3.1.7. Consequently, since August 3, 2022, the Acquirer indirectly holds approximately 35.52% (thirty-five point five two percent) of the paid up equity share capital of the Target Company 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**”).
- 3.1.8. 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.
- 3.1.9. There is no person acting in concert with the Acquirer for the purpose of this Offer.
- 3.1.10. As per Regulation 13(2)(e) of the SEBI (SAST) Regulations, in the case of an indirect acquisition of shares or voting rights in, or control over the target company where none of the parameters referred to in sub-regulation (2) of Regulation 5 are met, public announcement may be made at any time within 4 (four) Working Days from the earlier of, the date on which the primary acquisition is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain. Further, in terms of Regulation 13(4) of the SEBI (SAST) Regulations, in the case of an indirect acquisition which is not a deemed direct acquisition, a detailed public statement is required to be issued by the acquirer no later than 5 (five) Working Days of the completion of the primary acquisition of shares or voting rights in, or control over the company or entity holding shares or voting rights in, or control over the target company. In view of the definitive agreement for the Underlying Transaction being dated February 21, 2022, the public announcement ought to have been made by February 25, 2022. The PA was filed with BSE and NSE on October 10, 2022, and there has been a delay of 150 (one hundred fifty) Working Days in terms of Regulation 13(2)(e) of the SEBI (SAST) Regulations and there has been a delay of 42 (forty two) Working Days in issue of the DPS in terms of Regulation 13(4) of the SEBI (SAST) Regulations. Further, there has been a delay of 41 (forty one) Working Days in publication of this DLOF in terms of Regulation 16(1) of the SEBI (SAST) Regulations read with Regulation 13(4) of the SEBI (SAST) Regulations.
- 3.1.11. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued by SEBI under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.
- 3.1.12. A committee of independent directors of the Target Company shall provide written reasoned recommendations on the Offer prior to the commencement of the Tendering Period, in due compliance with the timelines prescribed in Regulations 26(6) and 26(7) of the SEBI (SAST) Regulations.
- 3.1.13. As on the date hereof, no director has been identified/ nominated by the Acquirer to be appointed on the Board of the Target Company.

3.2. **Details of the proposed Offer**

- 3.2.1. This Offer is a mandatory offer being made by the Acquirer in compliance with Regulations 3(1), 4, 5(1) and other applicable provisions of the SEBI

(SAST) Regulations, pursuant to the Underlying Transaction. 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.

3.2.2. The Public Announcement was made and filed with the BSE and NSE on October 10, 2022 and was sent to the registered office of the Target Company on October 10, 2022 and filed with SEBI on October 10, 2022. A copy of the Public Announcement is also available on the website of SEBI (www.sebi.gov.in).

3.2.3. In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the Detailed Public Statement dated October 13, 2022 was published on October 14, 2022 in the following newspapers:

Newspaper	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Vijayavani	Kannada	Mysuru
Navshakti	Marathi	Mumbai

Simultaneously, a copy of the detailed public statement was sent through the Manager to: (a) SEBI; (b) Stock Exchanges and (c) the Target Company. A copy of the Detailed Public Statement is also available on the website of SEBI (www.sebi.gov.in).

3.2.4. As per the tentative schedule of activities set out above, the date of the opening of the Tendering Period for the Offer is December 1, 2022, Thursday.

3.2.5. This Offer is being made by the Acquirer to the Shareholders to acquire 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 26.00% (twenty six percent) of the Voting Share Capital of the Target Company (“**Offer Size**”), subject to the terms and conditions mentioned in the Public Announcement, the Detailed Public Statement and to be set out in the LOF that is proposed to be issued in accordance with the SEBI (SAST) Regulations.

3.2.6. The Offer is made at a price of INR 1,601.29 (Indian Rupees one thousand six hundred one point two nine only) per Offer Share (“**Offer Price**”) comprising of INR 1,504.43 (Indian Rupees one thousand five hundred and four point four three only) per Offer Share calculated in accordance with Regulation 8(1) read with Regulation 8(3) of the SEBI (SAST) Regulations plus interest of INR 96.86 (Indian Rupees ninety six point eight six only) per Offer Share computed at the rate of 10.00% (ten percent) per annum for the period between the date of entering into the Underlying Transaction (i.e. February 21, 2022), and the date of publication of the DPS (i.e. October 14, 2022) for the Offer pursuant to Regulation 8(12) of SEBI (SAST) Regulations. The Offer Price has been certified by M/s. R.D. Sarfare & Co., Chartered Accountants, (Rajesh Sarfare, Partner, Membership No. 140399),

vide their certificate dated October 8, 2022.

- 3.2.7. Assuming full acceptance of the Open Offer, the total consideration payable by the Acquirer, in accordance with the SEBI (SAST) Regulations will be INR 6,291,650,957 (Indian Rupees six billion two hundred ninety-one million six hundred fifty thousand nine hundred fifty-seven only) (“**Maximum Open Offer Consideration**”)
- 3.2.8. The Offer Price will be paid in cash by the Acquirer in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and the terms and conditions mentioned in the Public Announcement, DPS and to be set out in the LOF that is proposed to be issued in accordance with the SEBI (SAST) Regulations.
- 3.2.9. As on the date of this DLOF, there are no (i) partly paid-up Equity Shares; or (ii) outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures including ESOPs) issued by the Target Company.
- 3.2.10. There is no differential pricing for this Offer.
- 3.2.11. This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 3.2.12. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
- 3.2.13. Where any statutory or other approval extends to some but not all of the Shareholders, the Acquirer shall have the option to make payment to such Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
- 3.2.14. As on the date of this DLOF, to the best of the knowledge of the Acquirer, there are no statutory or regulatory approvals required by the Acquirer to complete this Open Offer. However, in case any further statutory approvals are required by the Acquirer at a later date before closure of the Tendering Period, this Open Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals. In the event that such statutory approvals are refused for any reason outside the reasonable control of the Acquirer, the Acquirer shall have the right to withdraw this Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a public announcement will be made by the Acquirer, through the Manager, stating the grounds and reasons for withdrawal of the Open Offer in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.
- 3.2.15. If the Shareholders who are not persons resident in India had required any approvals (including from the RBI or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the shares held by them in this Open Offer, along with the other documents required to be furnished to tender shares in this Open Offer. In the event such approvals and relevant documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Open Offer.

- 3.2.16. The Manager to the Offer does not hold any Equity Shares as on the date of this DLOF. The Manager to the Offer shall not deal on its own account in the Equity Shares of the Target Company during the Offer period.
- 3.2.17. The Offer Price is subject to revisions pursuant to SEBI (SAST) Regulations, if any, or at the discretion of the Acquirer at any time prior to 1 (one) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.
- 3.2.18. If the aggregate number of Equity Shares validly tendered in this Open Offer by the Shareholders is more than the Offer Size, then the Equity Shares validly tendered by the Shareholders will be accepted on a proportionate basis, subject to a maximum of 3,929,114 (three million nine hundred twenty-nine thousand one hundred fourteen) Equity Shares representing 26.00% (twenty six percent) of the Voting Share Capital of the Target Company, in consultation with the Manager to the Open Offer.
- 3.2.19. The Acquirer has not acquired any Equity Shares of the Target Company since the date of the PA (*i.e.*, October 10, 2022) and up to the date of this DLOF.
- 3.2.20. The Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. All the Equity Shares validly tendered by the Shareholders in this Open Offer will be acquired by the Acquirer, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and in accordance with the terms and conditions set forth in the PA, the DPS and as will be set out in the LoF, and the tendering Shareholders shall have obtained all necessary approvals and consents required from governmental authorities and third parties for them to sell the Offer Shares on the foregoing basis.
- 3.2.21. The Equity Shares of the Target Company are listed on the Stock Exchanges.
- 3.2.22. A copy of the PA, the DPS, this DLOF, the LOF and any other advertisement/ publications to be made in connection with this Offer are also and will be made available on the SEBI website at www.sebi.gov.in.
- 3.2.23. As per Regulation 38 of the SEBI (LODR) Regulations, read with Rule 19A of SCRR, the Target Company is required to maintain at least 25.00% (twenty five percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer, in the event that the public shareholding of the Target Company falls below the MPS, the Acquirer shall bring down the non-public shareholding in the Target Company, to the level specified within the time prescribed in, and in accordance with applicable law including the SCRR, SEBI (SAST) Regulations and other applicable SEBI guidelines/regulations, through permitted routes and any other such routes as may be approved by SEBI from time to time.

3.3. **OBJECT OF ACQUISITION/ OFFER**

- 3.3.1. The Open Offer is being made as a result of an indirect acquisition by the Acquirer of (i) 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 the paid-up equity share capital of the Target Company; and (ii) right to exercise indirect joint control over the Target Company in terms of Regulations 3(1), 4, 5(1) and other applicable provisions of the SEBI (SAST) Regulations.
- 3.3.2. Following the completion of the Underlying Transaction, the Acquirer intends to support the management of the Target Company in their efforts towards the sustained growth of the Target Company. Further, the Acquirer will strive to utilise combined resources of the Acquirer and the Target Company in an effective manner and further strengthen the partnership between the Acquirer and the Target Company. The Acquirer intends to grow the business of the Target Company.
- 3.3.3. As on the date of this DLOF, the Acquirer does not have any intention to dispose-off or otherwise encumber any material assets or investments of the Target Company or any of its subsidiaries, through sale, lease, encumbrance, reconstruction, restructuring or otherwise, other than (a) in the ordinary course of business, or (b) as already publicly disclosed and/or publicly announced by the Target Company, or (c) on account of regulatory approvals or conditions, or compliance with any law that is or becomes binding on or applicable to the operations of the Target Company. Upon completion of the Open Offer and subject to applicable law including the SEBI (SAST) Regulations, the Acquirer reserves the right to streamline/restructure the operations, assets, liabilities and/or businesses of the Target Company through arrangement/reconstruction, restructuring, buybacks, merger, demergers and/or sale of assets or undertakings. Upon completion of the Open Offer and subject to applicable law including the SEBI (SAST) Regulations, the Acquirer may also consider disposal off or otherwise encumber any assets or investments of the Target Company or any of its subsidiaries, through sale, lease, reconstruction, restructuring and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalising the assets, investments or liabilities of the Target Company and/or its subsidiaries, to improve operational efficiencies and for other commercial reasons and the Board of Directors of the Target Company will take decisions on the aforementioned matters in accordance with the requirements of the business of the Target Company and in accordance with and as permitted by applicable law including the SEBI (SAST) Regulations.
- 3.3.4. Other than the above, if the Acquirer intends to alienate any material asset of the Target Company or any of its subsidiaries within a period of 2 (two) years from the date of completion of this Open Offer, a special resolution of the shareholders of the Target Company, in accordance with proviso to Regulation 25(2) of the SEBI (SAST) Regulations would be taken before undertaking any such alienation of any material assets.

4. BACKGROUND OF THE ACQUIRER

4.1. Cummins Inc. (“Acquirer”)

- 4.1.1. The Acquirer, Cummins Inc., is a publicly listed company on the New York Stock Exchange (NYSE: CMI), incorporated under the laws of the State of Indiana and limited by shares, on February 3, 1919 as Cummins Engine Company. In 2001, the name of the Acquirer was changed to Cummins Inc. There has been no change in the name of the Acquirer since then.

- 4.1.2. The Acquirer’s principal executive offices are located at 500 Jackson Street, Box 3005, Columbus, Indiana 47202-300. The telephone number of the Acquirer is 1-812-377-5000.
- 4.1.3. The Acquirer is a global power leader that designs, manufactures, distributes and services diesel, natural gas, electric and hybrid powertrains and powertrain-related components including filtration, aftertreatment, turbochargers, fuel systems, controls systems, air handling systems, automated transmissions, electric power generation systems, batteries, electrified power systems, hydrogen generation and fuel cell products. The Acquirer sells its products to original equipment manufacturers, distributors, dealers and other customers worldwide. It serves customers through a service network of approximately 500 (five hundred) wholly owned, joint venture and independent distributor locations and more than 10,000 (ten thousand) Cummins certified dealer locations in approximately 190 (one hundred ninety) countries and territories.
- 4.1.4. The Acquirer has the authority to issue 502,000,000 (five hundred two million) shares consisting of 500,000,000 (five hundred million) shares of common stock, 1,000,000 (one million) shares of preference stock and 1,000,000 (one million) shares of preferred stock. As on June 30, 2022, 140,992,323 (one hundred forty million nine hundred ninety-two thousand three hundred twenty three) shares of the common stock are outstanding. The face value of the shares of the common stock is USD 2.50 (United States Dollars two point five zero).
- 4.1.5. The Acquirer is a publicly traded company with its securities listed on the New York Stock Exchange (NYSE: CMI). The securities of the Acquirer are not listed on any stock exchange in India.
- 4.1.6. The Acquirer does not have identifiable persons in control or promoters. As the securities of the Acquirer are listed on the New York Stock Exchange, the shareholding of the Acquirer is dispersed and changes frequently. To the Acquirer’s knowledge, based on the Acquirer’s review of certain filings with Securities and Exchange Commission (“SEC”), the details of key shareholders of the Acquirer as on June 30, 2022 are as follows:

Key Shareholder⁽¹⁾	Number of Shares	Percentage Shareholding
The Vanguard Group	12,977,058	9.20%
BlackRock, Inc.	12,215,547	8.66%

Source: *13F Filings, SEC*

Note:

1. *As on June 30, 2022, as to the Acquirer’s knowledge based on the Acquirer’s review of certain filings with SEC, there are no other shareholders holding more than 5.00% (five percent) in the Acquirer.*

- 4.1.7. The Acquirer is the ultimate parent entity and not a part of any group.
- 4.1.8. No other person is acting in concert with the Acquirer for the purpose of this Open Offer.

- 4.1.9. As on the date of this DLOF, other than the transactions detailed in Section 3 (*Detail of the Offer*) above, pursuant to which the Acquirer has indirectly acquired 5,367,275 (five million three hundred sixty-seven thousand two hundred seventy five) fully paid-up Equity Shares held by MHVS in the Target Company, constituting approximately 35.52% (thirty-five point five two percent) of the paid-up equity share capital of the Target Company and exercises indirect joint control over the Target Company, neither the Acquirer nor its directors or key employees have any relationship or interest in the Target Company.
- 4.1.10. As on the date of this DLOF, the Acquirer does not directly hold any Equity Shares or voting rights in the Target Company. Furthermore, the Acquirer has not acquired any Equity Shares after the date of the PA.
- 4.1.11. As on the date of this DLOF, none of the directors of the Acquirer are on the Board of Directors of the Target Company.
- 4.1.12. As on the date of this DLOF, the Acquirer holds 100.00% (one hundred percent) of the issued shares of the common stock of Meritor Inc., which in turn holds 100.00% (one hundred percent) of the issued shares of the common stock of MHVS. Therefore, the Acquirer indirectly holds 100.00% (one hundred percent) of the issued shares of the common stock of MHVS. Accordingly, the Acquirer has indirectly acquired 5,367,275 (five million three hundred sixty-seven thousand two hundred seventy five) fully paid-up Equity Shares held by MHVS in the Target Company, constituting approximately 35.52% (thirty-five point five two percent) of the paid-up equity share capital of the Target Company and exercises indirect joint control over the Target Company.
- 4.1.13. The Acquirer is not: (a) prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under the SEBI Act or any other regulations made under the SEBI Act; and (b) subject to any subsisting directions or pending proceedings against it under the SEBI Act, or by any other regulator.
- 4.1.14. The major contingent liabilities of the Acquirer, as described in its Quarterly Report on Form 10-Q for the period ended June 30, 2022 as filed with the SEC, are as follows:

Legal Proceedings

The Acquirer is subject to numerous lawsuits and claims arising out of the ordinary course of our business, including actions related to product liability; personal injury; the use and performance of its products; warranty matters; product recalls; patent, trademark or other intellectual property infringement; contractual liability; the conduct of its business; tax reporting in foreign jurisdictions; distributor termination; workplace safety; and environmental matters. The Acquirer also has been identified as a potentially responsible party at multiple waste disposal sites under U.S. federal and related state environmental statutes and regulations and may have joint and several liability for any investigation and remediation costs incurred with respect to such sites. The Acquirer has denied liability with respect to many of these lawsuits, claims and proceedings and is vigorously defending such lawsuits, claims and proceedings. The Acquirer carries various forms of commercial, property and casualty, product liability and other forms of insurance; however, such insurance may not be applicable or adequate to cover the costs associated with a judgment against the Acquirer with respect to these lawsuits,

claims and proceedings. The Acquirer does not believe that these lawsuits are material individually or in the aggregate. While the Acquirer believes it has also established adequate accruals for its expected future liability with respect to pending lawsuits, claims and proceedings, where the nature and extent of any such liability can be reasonably estimated based upon then presently available information, there can be no assurance that the final resolution of any existing or future lawsuits, claims or proceedings will not have a material adverse effect on our business, results of operations, financial condition or cash flows.

The Acquirer conducts significant business operations in Brazil that are subject to the Brazilian federal, state and local labor, social security, tax and customs laws. While the Acquirer believes it complies with such laws, they are complex, subject to varying interpretations and the Acquirer is often engaged in litigation regarding the application of these laws to particular circumstances.

On March 17, 2022, the Board of Directors decided to indefinitely suspend the Acquirer's operations in Russia due to the ongoing conflict in Ukraine. At the time of suspension, the Acquirer's Russian operations included a wholly-owned distributor in Russia, an unconsolidated joint venture (the Unconsolidated JV) with KAMAZ Publicly Traded Company (KAMAZ), a Russian truck manufacturer with whom the Acquirer shares the Unconsolidated JV, and direct sales into Russia from the Acquirer's other business segments. On June 28, 2022, KAMAZ was designated to the List of Specially Designated Nationals and Blocked Persons by the U.S. Department of the Treasury's Office of Foreign Assets Control. The Acquirer filed blocked property reports for relevant assets and is seeking relevant authorizations to extricate itself from its relationship with KAMAZ and its subsidiaries, including the Unconsolidated JV, in compliance with U.S. law.

On April 29, 2019, the Acquirer announced that it was conducting a formal internal review of its emissions certification process and compliance with emission standards for its pick-up truck applications, following conversations with the U.S. Environmental Protection Agency (EPA) and California Air Resources Board (CARB) regarding certification of its engines in model year 2019 RAM 2500 and 3500 trucks. This review is being conducted with external advisors as the Acquirer strives to ensure the certification and compliance processes for all of its pick-up truck applications are consistent with its internal policies, engineering standards and applicable laws. During conversations with the EPA and CARB about the effectiveness of the Acquirer's pick-up truck applications, the regulators raised concerns that certain aspects of the Acquirer's emissions systems may reduce the effectiveness of its emissions control systems and thereby act as defeat devices. As a result, the Acquirer's internal review focuses, in part, on the regulators' concerns. The Acquirer is working closely with the regulators to enhance its emissions systems to improve the effectiveness of all of its pick-up truck applications and to fully address the regulators' requirements. Based on discussions with the regulators, the Acquirer has developed a new calibration for the engines in model year 2019 RAM 2500 and 3500 trucks that has been included in all engines shipped since September 2019. During the Acquirer's ongoing discussions, the regulators turned their attention to other model years and other engines, most notably its pick-up truck applications for RAM 2500 and 3500 trucks for model years 2013 through 2018. In connection with these and other ongoing discussions with the EPA and CARB, the Acquirer is developing a new software calibration and will recall model years 2013 through 2018 RAM 2500 and 3500 trucks. The Acquirer accrued \$30 million (INR 2,472 million) for the recall during the first quarter of 2022, an amount that reflects its current estimate of the cost of the recall.

The Acquirer will continue to work together closely with the relevant regulators to develop and implement recommendations for improvement and seek

to reach further resolutions as part of its ongoing commitment to compliance. Due to the presence of many unknown facts and circumstances, the Acquirer is not yet able to estimate any further financial impact of these matters. It is possible that the consequences of any remediation plans resulting from the Acquirer's formal review and these regulatory processes could have a material adverse impact on its results of operations and cash flows.

Guarantees and Commitments

Periodically, the Acquirer enters into guarantee arrangements, including guarantees of non-U.S. distributor financings, residual value guarantees on equipment under operating leases and other miscellaneous guarantees of joint ventures or third-party obligations. At June 30, 2022, the maximum potential loss related to these guarantees was \$41 million (INR 3,378 million).

The Acquirer has arrangements with certain suppliers that require it to purchase minimum volumes or be subject to monetary penalties. At June 30, 2022, if the Acquirer were to stop purchasing from each of these suppliers, the aggregate amount of the penalty would be approximately \$126 million (INR 10,382 million). These arrangements enable the Acquirer to secure supplies of critical components and IT services. The Acquirer does not currently anticipate paying any penalties under these contracts.

The Acquirer enters into physical forward contracts with suppliers of platinum and palladium to purchase certain volumes of the commodities at contractually stated prices for various periods, which generally fall within two years. At June 30, 2022, the total commitments under these contracts were \$91 million (INR 7,498 million). These arrangements enable the Acquirer to guarantee the prices of these commodities, which otherwise are subject to market volatility.

The Acquirer has guarantees with certain customers that require it to satisfactorily honor contractual or regulatory obligations, or compensate for monetary losses related to nonperformance. These performance bonds and other performance-related guarantees were \$117 million (INR 9,641 million) at June 30, 2022.

Indemnifications

Periodically, the Acquirer enters into various contractual arrangements where the Acquirer agrees to indemnify a third-party against certain types of losses. Common types of indemnities include:

- product liability and license, patent or trademark indemnifications;
- asset sale agreements where the Acquirer agrees to indemnify the purchaser against future environmental exposures related to the asset sold; and
- any contractual agreement where the Acquirer agrees to indemnify the counterparty for losses suffered as a result of a misrepresentation in the contract.

The Acquirer regularly evaluates the probability of having to incur costs associated with these indemnities and accrue for expected losses that are probable. Because the indemnifications are not related to specified known liabilities and due to their uncertain nature, the Acquirer is unable to estimate

the maximum amount of the potential loss associated with these indemnifications.

Note: USD to INR conversion has been assumed at a rate of USD 1 = INR 82.40 as on October 7, 2022]. (Source: Reserve Bank of India (<https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>))

4.1.15. The Board of Director of the Acquirer comprises of the following members:

Name of the Director	Appointment Date	Experience & Qualification
Jennifer W. Rumsey	February 8, 2022	<p>President and Chief Executive Officer</p> <p>Prior to her current role, Ms Rumsey was President and Chief Operating Officer which she assumed in March, 2021. Ms. Rumsey was Vice President and President of the Acquirer’s Components Business from 2019-2021 after serving as Vice President and Chief Technical Officer from 2015-2019. From 2013-2015, she was the Vice President of Engineering, Engine Business, after holding a variety of engineering and product life cycle roles with the Acquirer. Ms. Rumsey is a member of the Society of Women Engineers, Society of Automotive Engineers, the Purdue Engineering Advisory Committee and Women in Trucking Association. She holds a Bachelor of Science in Mechanical Engineering from Purdue University and a Master of Science in Mechanical Engineering from Massachusetts Institute of Technology. Ms. Rumsey has been a director of Hillenbrand, Inc. since 2020.</p>
N. Thomas Linebarger	August, 2009	<p>Executive Chairman</p> <p>Mr. Linebarger assumed the role of Executive Chairman of the Acquirer in August, 2022. In this role, Tom will continue serving as Chairman of the Board. He provides strategic leadership for the Board with decades of experience with our global business.</p> <p>Prior to this role, Mr. Linebarger served as Chairman and Chief Executive Officer (CEO) for 10 (ten) years. Mr. Linebarger was previously the President and Chief Operating Officer from 2008-2011 after serving as Executive Vice President and President, Power Generation Business from 2003 to 2008 and as Vice President, Chief Financial Officer from 2000 to 2003. From 1998 to 2000, he was the Vice President, Supply Chain Management, after holding various other positions with the Acquirer.</p>

Name of the Director	Appointment Date	Experience & Qualification
		<p>Mr. Linebarger received a B.S. from Stanford University and a B.A. from Claremont McKenna College in 1986 and M.S. and M.B.A. degrees from Stanford in 1993. He has been a director of Harley-Davidson, Inc. since 2008.</p>
Robert J. Bernhard	October 14, 2008	<p>Vice President for Research and Professor in the Department of Aerospace and Mechanical Engineering, University of Notre Dame</p> <p>Mr. Bernhard joined the University of Notre Dame in 2007 and prior to that was Associate Vice President for Research at Purdue University since 2004. He also held Assistant, Associate and full Professor positions at Purdue University. He was Director of the Ray W. Herrick Laboratories at Purdue's School of Mechanical Engineering from 1994 to 2005. Mr. Bernhard is also a Professional Engineer and earned a B.S.M.E. and Ph.D., E.M. from Iowa State University in 1973 and 1982, and an M.S.M.E. from the University of Maryland in 1976. He was the Secretary General of the International Institute of Noise Control Engineering (I-INCE) from 2000 to 2015, and is currently the President of I-INCE. He is a Fellow of I-INCE, the Acoustical Society of America and the American Society of Mechanical Engineering.</p>
Franklin R. Chang Diaz	December 8, 2009	<p>Founder, Chairman and Chief Executive Officer, Ad Astra Rocket Company</p> <p>Dr. Chang Diaz is Chairman and Chief Executive Officer of Ad Astra Rocket Company, a U.S. spaceflight engineering company based in Houston, Texas and dedicated to the development of advanced in-space electric propulsion technology. Ad Astra also develops space-derived Earth applications in clean renewable hydrogen energy storage for stationary applications and electric transportation. Dr. Chang Diaz founded Ad Astra in 2005 following his retirement from NASA after a 25-year career during which he flew seven space missions and logged over 1,600 hours in space. In 1994, Dr. Chang Diaz founded and directed NASA's Advanced Space Propulsion Laboratory at the Johnson Space Center where he managed a multicenter research team developing new plasma rocket technology. Dr. Chang Diaz is a dual citizen of Costa Rica and the United States. As part of his involvement in Costa Rica's development, Dr. Chang Diaz currently leads the implementation of the "Strategy for the XXI</p>

Name of the Director	Appointment Date	Experience & Qualification
		<p>Century,” a plan to transform Costa Rica into a fully developed nation by the year 2050. Dr. Chang Diaz received the Liberty Medal in 1986 from President Ronald Reagan and is a four-time recipient of NASA’s Distinguished Service Medal, the agency’s highest honor. Dr. Chang Diaz also serves as an Adjunct Professor of Physics at Rice University and the University of Houston.</p>
Bruno V. Di Leo Allen	March 3, 2015	<p>Managing Director, Bearing-North LLC</p> <p>Mr. Di Leo has been the Managing Director of Bearing-North LLC, an independent advisory firm focused on business expansion and senior executive counseling in strategy and operations, since 2018. Prior to this role, Mr. Di Leo served as Senior Vice President of International Business Machines Corporation, or IBM, a globally integrated technology and consulting company, from January 2018 until his retirement in June 2018. He had previously served as Senior Vice President, Global Markets, for IBM since 2012. In that position, he was accountable for revenue, profit, and client satisfaction in Japan, Asia Pacific, Latin America, Greater China and the Middle East and Africa. He also oversaw IBM’s Enterprise and Commercial client segments globally. From 2008 to 2011, he was General Manager for IBM’s Growth Markets Unit based in Shanghai. Mr. Di Leo has more than 40 years of business leadership experience in multinational environments, having lived and held executive positions on four continents.</p> <p>Mr. Di Leo has served as a director of Ferrovial, S.A., since 2018. Mr. Di Leo is a member of the international advisory board of Instituto de Estudios Superiores de la Empresa (IESE Business School) as well as a member of the Deming Center Advisory Board of Columbia Business School. He holds a business administration degree from Ricardo Palma University and a postgraduate degree from Escuela Superior de Administracion de Negocios, both in his native Peru. He is fluent in Spanish, Portuguese, English and Italian.</p>
Gary L. Belske	July 10, 2022	<p>Prior to joining Cummins, he served as Deputy Managing Partner and Chief Operating Officer at Ernst and Young where he was responsible for the overall strategy and</p>

Name of the Director	Appointment Date	Experience & Qualification
		<p>operations for the Americas. He oversaw business in 16 countries with approximately \$15 billion in revenue, 50,000 employees and 4,000 partners. Prior to that, Mr. Belske served in other key leadership positions at Ernst & Young and worked with several of the firm's largest global clients.</p> <p>Mr. Belske has extensive board experience, having served on Ernst & Young's Americas and U.S. Boards for a decade. He also currently serves on the national board of College for Every Student and on the Board of Trustees at Rockhurst University. After retiring from Ernst & Young, he has also served on the Board of Williams Marston, an accounting, tax and valuation advisory firm.</p>
Stephen B. Dobbs	October 1, 2010	<p>Mr. Dobbs is a former executive of Fluor Corporation, a publicly traded professional services firm providing engineering, procurement, construction, fabrication and modularisation, commissioning and maintenance, as well as project management services on a global basis. Mr. Dobbs served as Senior Group President over Fluor's Industrial and Infrastructure Group until his retirement in 2014. In that role, Mr. Dobbs was responsible for a wide diversity of the markets served by Fluor, including infrastructure, telecommunications, mining, operations and maintenance, transportation, life sciences, heavy manufacturing, advanced technology, microelectronics, commercial, institutional, health care, water, and alternative power. Mr. Dobbs served Fluor in numerous U.S. and international locations including Southern Africa, Europe, and China. He is an industry recognised expert in project finance in Europe and the United States, particularly public private partnerships and private finance initiatives. In 2019, Mr. Dobbs retired from the Board of Directors of Lendlease Corporation Limited, an international property and infrastructure group that is publicly traded in Australia, where he had served on the Board since 2015.</p> <p>Mr. Dobbs earned his doctorate in engineering from Texas A&M University and holds two undergraduate degrees in nuclear engineering, also from Texas A&M. Until his retirement from Fluor, he served on the World Economic Forum's Global Agenda Council on Geopolitical Risk as well as the Governor's Business Council for the State of Texas. He also served as a director of the U.S. China Business Council.</p>

Name of the Director	Appointment Date	Experience & Qualification
Carla A. Harris	May 10, 2021	<p data-bbox="882 336 1868 368">Vice Chairman of Wealth Management and Senior Client Advisor, Morgan Stanley</p> <p data-bbox="882 405 1892 703">Ms. Harris is Senior Client Advisor at Morgan Stanley. She is responsible for being a co-portfolio manager of the Next Level Fund and advising the Multicultural Innovation Lab, hosting the podcast “Access & Opportunities” and acting in various client coverage capacities. Her prior experience with Morgan Stanley includes investment banking, equity capital markets, equity private placements, and initial public offerings in a number of industries such as technology, media, retail, telecommunications, transportation, healthcare, and biotechnology. In August 2013, Ms. Harris was appointed by President Barack Obama to chair the National Women’s Business Council.</p> <p data-bbox="882 740 1892 975">Ms. Harris currently serves on the board of Walmart Corporation and serves on its Compensation and Management Development, Nominating and Governance, and Strategic Planning and Finance Committees. She also serves on the boards of several nonprofit organisations including Seize Every Opportunity (SEO), the Cabrini Foundation, Sesame Street Workshop, Harvard University Board of Overseers and the Morgan Stanley Foundation. Ms. Harris received an MBA from Harvard Business School and an A.B. from Harvard University.</p>
Robert K. Herdman	February 12, 2008	<p data-bbox="882 1019 1406 1051">Managing Director, Kalorama Partners LLC</p> <p data-bbox="882 1088 1892 1382">Mr. Herdman has been Managing Director of Kalorama Partners LLC, a Washington, D.C. consulting firm specialising in providing advice regarding corporate governance, risk assessment, crisis management and related matters since 2004. He was the Chief Accountant of the SEC from October 2001 to November 2002 prior to joining Kalorama. Prior to joining the SEC, he was Ernst & Young’s Vice Chairman of Professional Practice for its Assurance and Advisory Business Services (AABS) practice in the Americas and the Global Director of AABS Professional Practice for Ernst & Young International. He was the senior Ernst & Young partner responsible for the firm’s relationships with the SEC, FASB and AICPA. Mr. Herdman served as a</p>

Name of the Director	Appointment Date	Experience & Qualification
		<p>member of the Board of Directors of WPX Energy, Inc. from 2011 to 2021 and served on its Compensation Committee. He chaired the Audit Committee of WPX Energy, Inc. through April 2018. In April 2015, he retired from the Board of Directors of HSBC Finance Corporation and HSBC USA Inc. Mr. Herdman had served on the Audit Committees of both companies through April 2013. Mr. Herdman also retired from the Board of Directors of HSBC North America Holdings, Inc. in April 2015 and was past Chairman of both its Audit and Risk Committees.</p>
Thomas J. Lynch	January, 2015	<p>Chairman, TE Connectivity Ltd.</p> <p>Mr. Lynch is the Chairman of TE Connectivity Ltd. (formerly Tyco Electronics Ltd.), a global provider of connectivity and sensor solutions, and harsh environment applications. Mr. Lynch served as the Chief Executive Officer of TE Connectivity Ltd. from January 2006 to March 2017 and has served as a member of its board of directors since 2007 and as Chairman of the Board since January 2013. From September 2004 to January 2006, Mr. Lynch was at Tyco International as the President of Tyco Engineered Products & Services, a global manufacturer of industrial valves and controls. Mr. Lynch joined Tyco from Motorola, where he served as Executive Vice President of Motorola, and President and Chief Executive Officer of Motorola's Personal Communications sector, a leading supplier of cellular handsets. Mr. Lynch has served as a director of Thermo Fisher Scientific Inc. since 2009 and as Lead Director since February 2020. He has also served as a director of Automatic Data Processing, Inc. since 2018. Mr. Lynch serves on the Board of The Franklin Institute and on the Rider University Board of Trustees.</p>
William I. Miller	February 14, 1989	<p>President, The Wallace Foundation</p> <p>Mr. Miller has served as President of The Wallace Foundation, a national philanthropy with a mission of fostering equity and improvements in learning and enrichment for young people and in the arts for everyone, since 2011. Mr. Miller was the Chairman of Irwin Management Company, a Columbus, Indiana private investment firm, from 1990 to 2011. Mr. Miller has been a director or trustee of the New Perspective Fund,</p>

Name of the Director	Appointment Date	Experience & Qualification
		Inc. and the EuroPacific Growth Fund, Inc. since 1992 and of the New World Fund, Inc. since 1999. Mr. Miller serves as independent Chairman of the Board for all three of the funds, all of which are in the same mutual fund family.
Georgia R. Nelson	July 13, 2004	Prior to her retirement in June 2019, Ms. Nelson was President and CEO of PTI Resources, LLC, an independent consulting firm, since 2005. Prior to this role, Ms. Nelson retired in 2005 from Edison International, where she had been President of Midwest Generation EME, LLC since 1999 and General Manager of Edison Mission Energy Americas since 2002. Her business responsibilities have included management of regulated and unregulated power operations and a large energy trading subsidiary as well as the construction and operation of power generation projects worldwide. She has had extensive experience in business negotiations, environmental policy matters and human resources. She has served as a director of Ball Corporation since 2006, Sims Metal Management Limited since 2014 and Custom Truck One Source, Inc. since 2021. In December 2017, she retired as a director of CH2M Hill Companies Ltd., a privately-held company, where she has served as a director since 2010. In May 2021, she retired as a director of TransAlta Corporation where she has served as a director since 2014. She serves on the advisory committee of the Center for Executive Women at Northwestern University. In November 2012, Ms. Nelson was named to the 2012 National Association of Corporate Directors (NACD) Directorship 100 in recognition of exemplary leadership in the boardroom and promoting the highest standards of corporate governance. Ms. Nelson is an NACD Board Fellow.
Kimberly A. Nelson	October 13, 2020	<p>Ms. Nelson worked for General Mills Inc. for nearly 30 years prior to her retirement in January 2018. During her career at General Mills, she held a number of senior brand and general management roles, including serving as President of the U.S. Snacks Division. Ms. Nelson became Senior Vice President, External Relations in 2010, a global role leading issues and crisis management, consumer relations, corporate branding and communications, environmental social governance, government relations and global external stakeholder relations.</p> <p>Ms. Nelson is on the board of Tate & Lyle PLC and serves on its Audit and</p>

Name of the Director	Appointment Date	Experience & Qualification
		<p>Nominations Committees. She is also on the board of Colgate-Palmolive Company and serves on its Personnel & Organization and Nominating, Governance & Corporate Responsibility Committees. Ms. Nelson holds an MBA from Columbia Business School and a B.S. in International Relations from Georgetown University. She is a member of the Executive Leadership Council, Women Corporate Directors, and a National Association of Corporate Directors (NACD) Fellow. Ms. Nelson also serves on the boards of the Northside Achievement Zone and Fair Vote Minnesota.</p>
Karen H. Quintos	July 11, 2017	<p>Prior to her retirement in June 2020, Ms. Quintos was Chief Customer Officer of Dell Technologies Inc., the world's third largest supplier of personal computers and other computer hardware items, since 2016. In addition, Ms. Quintos led Dell's global customer strategy and programs as well as Diversity and Inclusion, Corporate Responsibility and Entrepreneurship strategy and programs. From 2010 to 2016, Ms. Quintos served as Senior Vice President and Chief Marketing Officer, Vice President of public sector marketing and North America commercial marketing, and held executive roles in services, support and supply chain management. Ms. Quintos joined Dell in 2000 from Citigroup where she was Vice President of global operations and technology. Ms. Quintos earned a Master's degree in marketing and international business from New York University and a B.S. in supply chain management from Pennsylvania State University.</p> <p>Ms. Quintos is on the board of Lennox International and serves on its Compensation and Human Resources Committee and its Public Policy Committee. She is founder and executive sponsor of Dell's Women in Action employee resource group. She is Vice Chairman of the board of Penn State's Smeal College of Business and a 2014 recipient of its highest honor, the Distinguished Alumni Award. Karen also serves on the boards for The National Center for Missing and Exploited Children, as well as TGEN (Translational Genomics).</p>

4.1.16. The market price per share of the common stock of the Acquirer on the New York Stock Exchange is as follows:

Date	Market price per share of common stock of the Acquirer*	
	USD	INR
Date of PA (October 10, 2022)	219.24	18,065.38
Date of publication of DPS (October 14, 2022)	219.25	18,066.20
One Working Day prior to the date of DLoF (October 19, 2022)	224.76	18,520.22

Note: USD to INR conversion has been assumed at a rate of USD 1 = INR 82.40 as on October 7, 2022]. (Source: Reserve Bank of India (<https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>))

**Closing price as on New York Stock Exchange, NYSE*

- 4.1.17. The Acquirer is in compliance with the corporate governance rules and regulations to which it is subject under the Business Corporation Law of the State of Indiana. The compliance officer of the Acquirer is Sharon Barner, Vice President – Chief Administrative Officer & Corporate Secretary.
- 4.1.18. Neither the Acquirer nor its directors or key managerial employees (if any) are categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, and are in compliance with Regulation 6A of the SEBI (SAST) Regulations.
- 4.1.19. Neither the Acquirer nor its directors or key managerial employees (if any) are categorised/declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), and are in compliance with Regulation 6B of the SEBI (SAST) Regulations.
- 4.1.20. The key financial information of the Acquirer is based on (i) the audited consolidated financial statements of the Acquirer for the financial years ended December 31, 2019, December 31, 2020 and December 31, 2021 which have been audited by PricewaterhouseCoopers LLP, the statutory auditors of the Acquirer; and (ii) unaudited consolidated financial statements as of and for the six months ended June 30, 2022 as filed in the Acquirer’s quarterly report on Form 10-Q with the SEC. Regulation S-X of the United States Code of Federal Regulations Title 17 (Commodity and Securities Exchanges) requires interim financial statements included in quarterly report on Form 10-Q to be reviewed by an independent public accountant prior to filing with the SEC, using professional standards and procedures for conducting such reviews as established by the Public Company Accounting Oversight Board (United States).

(In Million, except per share data)

Profit & Loss for the period ended								
Particulars	31 December 2019		31 December 2020		31 December 2021		Six month period from 1 January 2022 to 30 June 2022	
	USD	INR	USD	INR	USD	INR	USD	INR
Net sales	23,571	1,942,250	19,811	1,632,426	24,021	1,979,330	12,971	1,068,810
Equity, royalty and interest income from investees	330	27,192	452	37,245	506	41,694	191	15,738
Other income, net	243	20,023	169	13,926	156	12,854	(17)	(1,401)
Total income ⁽¹⁾	24,144	1,989,466	20,432	1,683,597	24,683	2,033,879	13,145	1,083,148
Total expenditure ⁽²⁾	21,201	1,746,962	17,994	1,482,706	21,821	1,798,050	11,661	960,866
Profit before depreciation interest and tax	2,943	242,503	2,438	200,891	2,862	235,829	1,484	122,282
Interest expense	109	8,982	100	8,240	111	9,146	51	4,202
Profit before tax	2,834	233,522	2,338	192,651	2,751	226,682	1,433	118,079
Income tax expense	566	46,638	527	43,425	587	48,369	303	24,967
Profit after tax ⁽⁴⁾	2,268	186,883	1,811	149,226	2,164	178,314	1,130	93,112
Net income attributable to Cummins Inc.	2,260	186,224	1,789	147,414	2,131	175,594	1,120	92,288

Balance Sheet Statement as on								
Particulars	31 December 2019		31 December 2020		31 December 2021		Six month period from 1 January 2022 to 30 June 2022	
	USD	INR	USD	INR	USD	INR	USD	INR
Sources of funds								
Paid up share capital	2,346	193,310	2,404	198,090	2,427	199,985	2,423	199,655
Reserves and Surplus (excluding revaluation reserves) ⁽⁵⁾	5,161	425,266	5,658	466,219	6,047	498,273	6,315	520,356
Noncontrolling interests	958	78,939	927	76,385	927	76,385	917	75,561
Net worth	8,465	697,516	8,989	740,694	9,401	774,642	9,655	795,572
Secured loans	0	0	0	0	0	0	0	0
Unsecured loans ⁽⁶⁾	2,367	195,041	4,164	343,114	4,159	342,702	4,425	364,620
Current liabilities ⁽⁷⁾	5,469	450,646	5,781	476,354	6,504	535,930	6,736	555,046
Non-current liabilities ⁽⁸⁾	3,436	283,126	3,690	304,056	3,646	300,430	3,661	301,666
Total	19,737	1,626,329	22,624	1,864,218	23,710	1,953,704	24,477	2,016,905
Uses of funds								
Total current assets	9,387	773,489	11,897	980,313	12,309	1,014,262	12,762	1,051,589
Net fixed assets ⁽⁹⁾	5,248	432,435	5,218	429,963	5,322	438,533	5,443	448,503
Investments and advances related to equity method investees	1,237	101,929	1,441	118,738	1,538	126,731	1,544	127,226

Balance Sheet Statement as on								
Particulars	31 December 2019		31 December 2020		31 December 2021		Six month period from 1 January 2022 to 30 June 2022	
	Goodwill	1,286	105,966	1,293	106,543	1,287	106,049	1,391
Pension assets	1,001	82,482	1,042	85,861	1,488	122,611	1,461	120,386
Other assets	1,578	130,027	1,733	142,799	1,766	145,518	1,876	154,582
Total	19,737	1,626,329	22,624	1,864,218	23,710	1,953,704	24,477	2,016,905

Other Financial Data for the period ended								
Particulars	31 December 2019		31 December 2020		31 December 2021		Six month period from 1 January 2022 to 30 June 2022	
	USD	INR	USD	INR	USD	INR	USD	INR
Dividends Paid ⁽¹⁰⁾	761	62,706	782	64,437	809	66,662	411	33,866
Earnings Per Share - Basic	14.54	1,198	12.07	995	14.74	1,215	7.90	651
Earnings Per Share - Diluted	14.48	1,193	12.01	990	14.61	1,204	7.86	648

Notes:

1. Since the financial numbers of the Acquirer are presented in United States Dollar (USD), the financial information has been converted to Indian National Rupees (INR) for the purpose of convenience. USD to INR conversion has been assumed at a rate of USD 1 = INR 82.40 as on October 7, 2022. (Source: Reserve Bank of India (<https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>)).
2. Total income consists of: (i) Net sales; (ii) Equity, royalty and interest income from investees and (iii) Other income (net)
3. Total expenditure consists of: (i) Cost of sales; (ii) Selling, general, and administrative expenses; (iii) Research, development and engineering expenses; (iv) Restructuring actions and (v) Other operating expense, net
4. Represents Consolidated net income
5. Reserves and surplus consists of: (i) Retained earnings; (ii) Treasury stock; (iii) Common stock and (iv) Accumulated other comprehensive loss
6. Unsecured loans consists of: (i) Long-term debt; (ii) Commercial paper and (iii) Loans payable and (iv) Current maturities of long-term debt

7. *Current liabilities consists of: (i) Accounts payable (principally trade); (ii) Accrued compensation, benefits and retirement costs; (iii) Current portion of accrued product warranty; (iv) Current portion of deferred revenue and (v) Other accrued expenses*
8. *Non-current liabilities consists of: (i) Pensions and other postretirement benefits; (ii) Accrued product warranty; (iii) Deferred revenue and (iv) Other liabilities*
9. *Net fixed assets consists of: (i) Property, plant and equipment, net; and (ii) Other intangible assets, net*
10. *Represents Dividend payments on common stock*

5. BACKGROUND OF THE TARGET COMPANY

- 5.1. The Target Company is Automotive Axles Limited, a public listed company limited by shares, incorporated on April 21, 1981 having corporate identification number L51909KA1981PLC004198. There has been no change in the name of the Target Company in the last 3 (three) years.
- 5.2. The registered office of the Target Company is located at Hootagalli Industrial Area, Off Hunsur Road, Mysuru, Karnataka - 570 018.
- 5.3. All the Equity Shares of the Target Company are listed on BSE (Scrip Code: 505010) and the NSE (Symbol: AUTOAXLES). The ISIN of the Target Company is INE449A01011. The Equity Shares of the Target Company are currently not suspended from trading on BSE or NSE. Other than as mentioned above, the securities of the Target Company are not listed on any other stock exchange in or outside India. The securities of the Target Company were listed on the Bangalore Stock Exchange and Pune Stock Exchange and were voluntarily delisted from the said exchanges pursuant to the approval of the shareholders of the Target Company on January 29, 2004.
- 5.4. The Equity Shares of the Target Company are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.
- 5.5. As on the date of this DLOF, the authorised capital of the Target is INR 250,000,000 (Indian Rupees two hundred fifty million), consisting of 23,000,000 (twenty three million) Equity Shares of INR 10 (Indian Rupees ten) each and 2,000,000 (two million) preference shares of INR 10 (Indian Rupees ten) each. As on the date of this DLOF, the issued and paid-up capital is INR 151,119,750 (Indian Rupees one hundred fifty-one million one hundred nineteen thousand seven hundred fifty only) consisting of 15,111,975 (fifteen million one hundred eleven thousand nine hundred seventy five) Equity Shares of face value INR 10 (Indian Rupees ten only). As on the date of this DLOF, the Target Company has not issued any preference shares which are currently outstanding.
- 5.6. The Target Company is a joint venture between Bharat Forge Limited, Pune, India and Meritor Heavy Vehicle Systems LLC, USA. (“**MHVS**”) with its registered office and manufacturing facilities located at Mysuru (Karnataka). The Target Company is a manufacturer of drive axles, brakes & suspension products in India. It manufactures medium & heavy duty drive axles, front steer axles, non-drive axles, axles for defence and off-highway applications and drumbrakes. The Target Company also undertakes manufacturing of light duty drive axles. The Target Company has its footprints in the state of Uttarakhand, Jharkhand & Tamilnadu with its plants at Rudrapur, Jamshedpur and Hosur.
- 5.7. MHVS (wholly owned subsidiary of Meritor Inc.) holds 5,367,275 (five million three hundred sixty-seven thousand two hundred seventy five) Equity Shares in the Target Company constituting approximately 35.52% (thirty-five point five two per cent) of the paid-up equity share capital of the Target

Company and BF Investment Limited (an Indian company belonging to the Kalyani Group) holds 5,367,806 (five million three hundred sixty-seven thousand eight hundred six) Equity Shares in the Target Company constituting approximately 35.52% (thirty-five point five two per cent) of the paid-up equity share capital of the Target Company.

5.8. The Equity Share capital structure of the Target Company as on the date of this DLOF is as follows:

Paid-up Equity Shares of Target Company	No. of Equity Shares	% of shares or voting rights
Fully paid-up Equity Shares	15,111,975	100.00%
Partly paid-up Equity Shares	-	-
Total paid-up Equity Shares	15,111,975	100.00%
Total voting rights in Target Company	15,111,975	100.00%

Note:

As on the date of this DLOF, the Target Company has not issued any preference shares which are currently outstanding.

- 5.9. As on the date of this DLOF, there are no: (i) partly paid-up Equity Shares; or (ii) outstanding instruments convertible into Equity Shares at a later date (including warrants/fully convertible debentures/partially convertible debentures/ preference shares/ employee stock options) issued by the Target Company; or (iii) Equity Shares of the Target Company which are forfeited or kept in abeyance; or (iv) Equity Shares which are locked-in.
- 5.10. As on date the Voting Share Capital is 15,111,975 (fifteen million one hundred eleven thousand nine hundred seventy five) Equity Shares.
- 5.11. There is no instance nor there has been an instance of non-listing of any Equity Shares of the Target Company in any stock exchange.
- 5.12. The Target Company is in compliance with the applicable provisions of the listing agreement as well as the SEBI (LODR) Regulations. No punitive measures have been taken by the Stock Exchanges against it, except for:
- (a) a fine of an amount INR 18,880 (Indian Rupees eighteen thousand eight hundred and eighty only) imposed by each of NSE and BSE on February 21, 2022 aggregating to INR 37,760 (Indian Rupees thirty seven thousand seven hundred and sixty only), for a delay of 8 (eight) days in the reconstitution of stakeholders relationship committee under Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Target Company paid the aforesaid fine to both the Stock Exchanges as per the Standard Operating Procedure Circular of SEBI dated January 22, 2020 and complied with other conditions of the said circular, as applicable; and

(b) a fine of an amount of INR 3,371 (Indian Rupees three thousand three hundred seventy one only) was imposed by BSE, for non-compliance with clause 31 of the listing agreement by the Target Company (for late submission of the annual report of the Target Company for the half year ended September 30, 2014. The Target Company also paid the aforesaid of INR 3,371 (Indian Rupees three thousand three hundred seventy one only) to BSE on April 7, 2015.

5.13. The Target Company is neither categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI nor a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

5.14. There are no directions subsisting or proceedings pending against the Target Company under the SEBI Act and regulations made thereunder or by any other regulator.

5.15. As of the date of this DLOF, the Board of Directors of the Target Company comprises of the following directors:

Sr. No.	Name and Designation	DIN	Date of Appointment
1.	Bhoopalam Chandrashekharaiiah Prabhakar - Director	00040052	January 27, 2005
2.	Babasaheb Neelkanth Kalyani, Director	00089380	March 5, 1998
3.	Bhalachandra Basappa Hattarki - Director	00145710	January 12, 2007
4.	Rakesh Karla - Director	00780354	February 13, 2018
5.	Nagaraja Sadashiva Murthy Gargeshwari, President and Whole-time Director	00839616	April 7, 2022
6.	Shalini Sarin - Director	06604529	February 12, 2019
7.	Kenneth James Hogan - Director	09161738	May 14, 2021

5.16. The Target Company was not involved in any merger/ demerger/ spin offs during the last 3 (three) years.

5.17. The key financial information of the Target Company, based on the annual audited financial statements of the Target Company for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022, which have been audited by the Target Company's statutory auditor S.R. Batliboi & Associates LLP, as at and for the 12 (twelve) month period ended, and unaudited limited reviewed financials for the quarter ended June 30, 2022 are set out below:

(In Million, except per share data)

Profit & Loss for the period ended				
Particulars	31 March 2020⁽¹⁾	31 March 2021⁽²⁾	31 March 2022⁽²⁾	Three month period from 1 April 2022 to 30 June 2022⁽³⁾
Revenue from operations	9,520	9,056	14,906	5,002
Other income	77	71	43	11
Total income ⁽⁴⁾	9,597	9,126	14,949	5,013
Total expenditure ⁽⁵⁾	8,587	8,397	13,559	4,487
Profit before depreciation interest and tax	1,010	729	1,389	526
Depreciation	372	360	364	103
Interest	18	30	25	7
Exceptional item	(20)	(38)	0	0
Profit before tax	600	302	1,001	416
Provision for tax	189	74	257	112
Profit after tax	411	227	744	304

Balance Sheet as on			
Particulars	31 March 2020⁽¹⁾	31 March 2021⁽²⁾	31 March 2022⁽²⁾
Sources of funds			
Equity share capital	151	151	151

Balance Sheet as on			
Particulars	31 March 2020⁽¹⁾	31 March 2021⁽²⁾	31 March 2022⁽²⁾
Other equity	5,168	5,389	6,059
Net worth ⁽⁶⁾	5,319	5,541	6,211
Secured loans ⁽⁷⁾	229	188	146
Unsecured loans	0	0	0
Lease liabilities ⁽⁸⁾	124	107	89
Current liabilities ⁽⁹⁾	1,525	3,588	3,909
Non-current liabilities ⁽¹⁰⁾	87	50	97
Total	7,285	9,474	10,451
Uses of funds			
Net fixed assets ⁽¹¹⁾	2,794	2,776	2,620
Investments	0	121	167
Current assets ⁽¹²⁾	4,094	6,245	7,381
Non-current assets ⁽¹³⁾	396	332	283
Total	7,285	9,474	10,451

Other Financial Data for the period ended				
Particulars	31 March 2020⁽¹⁾	31 March 2021⁽²⁾	31 March 2022⁽²⁾	Three month period from April 1 to 30 June 2022⁽³⁾
Dividend per share ⁽¹⁴⁾	0.8	4.5	15	₹ ⁽¹⁵⁾

Earnings per share	27.22	15.04	49.20	20.12
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Notes:

1. **Source:** Audited financial statements published in the Annual Report of the Target Company for the financial year ended 31 March 2020 (<https://www.autoaxle.com/Downloads/2019-20.pdf>)
2. **Source:** Audited financial statements published in the Annual Report of the Target Company for the financial year ended 31 March 2022 (<https://www.autoaxle.com/Downloads/Annual%20Report%202021-22.pdf>)
3. **Source:** Limited review financial statements published of the Target Company for the three months ended 30 June 2022 (https://www.autoaxle.com/Downloads/30.06.2022_financiareport.pdf). The aforementioned financial statements only disclose the income statement and do not set out the balance sheet information.
4. Total revenue consists of: (i) Revenue from operations and (ii) Other income
5. Total expenditure consists of: (i) Cost of materials consumed; (ii) Changes in inventories of finished goods, stock-in-trade and work-in-progress; (iii) Employees benefits expense and (iv) Other expenses
6. Networth consists of: (i) Equity share capital and (ii) Other equity
7. Secured loans consists of: (i) Long term borrowing and (ii) Short term borrowing / Current maturities of long term debt
8. Lease liabilities consists of: (i) Current lease liabilities and (ii) Non-current lease liabilities
9. Current liabilities consists of: (i) Trade payables; (ii) Other financial liabilities; (iii) Other current liabilities; (iv) Provisions and (v) Current tax liabilities
10. Non-current liabilities consists of provisions
11. Net fixed assets consists of: (i) Property, plant and equipment; (ii) Capital work in progress; (iii) Intangible Assets and (iv) Right-of-use assets
12. Current assets consists of: (i) Inventories; (ii) Financial assets; (iii) Other current assets and (iv) Current tax assets
13. Non-current assets consists of: (i) Financial assets; (ii) Other non-current assets and (iii) Deferred tax assets
14. Represents cash dividends on equity shares declared and paid
15. Dividends paid annually by the Target Company

5.18. The Acquirer has not acquired any Equity Shares after the date of the PA till the date of this DLOF.

5.19. The shareholding pattern of the Target Company before (as on October 19, 2022) and after the Open Offer is as follows:

1.	Shareholders' category	Shareholding and voting rights prior to the agreement/acquisition and offer		Shares/voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in the open offer (assuming full acceptances) ⁽²⁾		Shareholding/voting rights after the acquisition and offer	
		(A)		(B)		(C)		(A) + (B) + (C) = (D)	
		No. of Equity Shares	% ⁽¹⁾	No. of Equity Shares	% ⁽¹⁾	No. of Equity Shares	% ⁽¹⁾	No. of Equity Shares	% ⁽¹⁾
1	Promoter group								
A	Parties to the Merger Agreement	NA	NA	NA	NA	NA	NA	NA	NA
B	Promoters other than (A) above:								
	BF Investment Limited	5,367,806	35.52	-	-	-	-	5,367,806	35.52
	Meritor Heavy Vehicle Systems LLC	5,367,275	35.52	-	-	-	-	5,367,275	35.52
	Total 1 (A+B)	10,735,081	71.04	-	-	-	-	10,735,081	71.04
2	Acquirer								
A	Cummins Inc.	-	-	-	-	3,929,114	26.00	3,929,114 ⁽²⁾	26.00 ⁽²⁾
	Total 2	-	-	-	-	3,929,114	26.00	3,929,114	26.00
C	Total (1+2)	10,735,081	71.04	-	-	3,929,114	26.00	14,664,195	97.04
3	Parties to the Merger Agreement other than 1A and 2	-	-	-	-	-	-	-	-
4	Public (other than parties to the Merger Agreement, Acquirer and persons deemed to be acting in concert)								
A	FPI/ FIIs/ MFs/ FIs/ Banks	1,996,308	13.21	-	-	(3,929,114)	(26.00)	447,780	2.96
B	Others	2,380,586	15.75	-	-				
	Total 4(A+B)	4,376,894	28.96	-	-	(3,929,114)	(26.00)	447,780	2.96

1.	Shareholders' category	Shareholding and voting rights prior to the agreement/acquisition and offer		Shares/voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in the open offer (assuming full acceptances) ⁽²⁾		Shareholding/voting rights after the acquisition and offer	
		(A)		(B)		(C)		(A) + (B) + (C) = (D)	
		No. of Equity Shares	% ⁽¹⁾	No. of Equity Shares	% ⁽¹⁾	No. of Equity Shares	% ⁽¹⁾	No. of Equity Shares	% ⁽¹⁾
	Grand Total (1+2+3+4)	15,111,975	100.00	-	-	-	-	15,111,975	100.00

Notes:

1. Calculated on the basis of Voting Share Capital.
2. Assuming full acceptance of this Offer.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

- 6.1.1. The Open Offer is being made as a result of an indirect acquisition by the Acquirer of: (i) 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 paid-up equity share capital of the Target Company; and (ii) right to exercise indirect joint control over the Target Company in terms of Regulations 3(1), 4, 5(1) and other applicable provisions of the SEBI (SAST) Regulations.
- 6.1.2. The Equity Shares of the Target Company are listed and traded on the Stock Exchanges. The ISIN of the Equity Shares is INE449A01011.
- 6.1.3. The trading turnover of the Equity Shares on the Stock Exchanges from February 2021 to January 2022, both dates included (“**Relevant Period**”) i.e. 12 (twelve) calendar months preceding the calendar month in which the PA was required to be made are set forth below:

Stock Exchange	No. of Equity Shares of the Target Company traded during the Relevant Period (A) *	Total No. of Equity Shares of the Target Company during the Relevant Period (B) *	Traded turnover percentage (A/B)

BSE	853,614	15,111,975	5.64%
NSE	7,713,317	15,111,975	51.04%

*Source: www.bseindia.com and www.nseindia.com; certified by M/s. R.D. Sarfare & Co., Chartered Accountants, (Rajesh Sarfare, Partner, Membership No. 140399), vide their certificate dated October 8, 2022.

- 6.1.4. Based on the above, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Equity Shares of the Target Company are frequently traded.
- 6.1.5. The Offer Price of INR 1,601.29 (Indian Rupees one thousand six hundred one point two nine only) per Offer Share, is justified in terms of Regulation 8(3) and 8(12) of the SEBI (SAST) Regulations, in view of the following:

Sr. No.	Particulars	Price (INR per Offer Share)
(a)	The highest negotiated price per share, if any, of the Target Company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer.	Not applicable ¹
(b)	The volume-weighted average price paid or payable for any acquisition, by the Acquirer, during the 52 (fifty-two) weeks immediately preceding February 21, 2022, i.e., the earlier of, the date on which the primary acquisition i.e. the Underlying Transaction is contracted, and the date on which the intention or the decision to make the primary acquisition is announced in the public domain.	Not applicable ²
(c)	The highest price paid or payable for any acquisition, by the Acquirer, during the 26 (twenty-six) weeks immediately preceding February 21, 2022, i.e., the earlier of, the date on which the primary acquisition i.e. the Underlying Transaction is contracted, and the date on which the intention or the decision to make the primary acquisition i.e. the Underlying Transaction is announced in the public domain.	Not applicable ³
(d)	The highest price paid or payable for any acquisition, by the Acquirer, between February 21, 2022, (i.e., the earlier of, the date on which the primary acquisition i.e. the Underlying Transaction is contracted, and the date on which the intention or the decision to make the primary acquisition i.e. the Underlying Transaction is announced in the public domain), and October 10, 2022 (i.e., the date of the public announcement of the open offer for shares of the target company made under these regulations).	Not applicable
(e)	The volume-weighted average market price of the shares for a period of 60 (sixty) trading days immediately preceding February 21, 2022, i.e., the earlier of, the date on which the primary acquisition i.e. the Underlying Transaction is contracted, and the date on which the intention or the decision to make the primary acquisition i.e. the Underlying Transaction is announced in the public domain, as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period, provided such shares are frequently traded.	INR 1,504.43 per Equity Share ⁴

(f)	The per share value computed under Regulation 8(5) of the SEBI (SAST) Regulations.	Not applicable ⁵
(g)	Price at (e) above including interest in terms of Regulation 8(12) of the SEBI (SAST) Regulations	INR 1,601.29 per Equity Share ⁶

Notes:

1. *The acquisition is an indirect acquisition under Regulation 5(1) of the SEBI (SAST) Regulations and the Acquirer has not directly acquired Equity Shares of the Target Company.*
2. *The Acquirer has not acquired any Equity Shares in the Target Company in the past 52 (fifty-two) weeks immediately preceding February 21, 2022.*
3. *The Acquirer has not acquired any Equity Shares in the Target Company in the past 26 (twenty-six) weeks immediately preceding February 21, 2022.*
4. *The Equity Shares of the Target Company are frequently traded on the NSE in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.*
5. *The acquisition does not meet the parameters specified under Regulation 5(2) and Regulation 8(5) of the SEBI (SAST) Regulations.*
6. *The Merger Agreement for the Underlying Transaction was executed on February 21, 2022, the public announcement for the Offer ought to have been made by February 25, 2022 and the PA was filed on October 10, 2022. Accordingly, the offer price per Equity Share ascribed under (e) above, has been enhanced by interest of INR 96.86 (Indian Rupees ninety-six point eight six only) per Equity Share, at the rate of 10.00% (ten percent) per annum for the period between February 21, 2022 and the date of publication of the DPS pursuant to Regulation 8(12) of the SEBI (SAST) Regulations.*

Source: Certificate dated October 8, 2022 issued by M/s. R.D. Sarfare & Co., Chartered Accountants, (Rajesh Sarfare, Partner, Membership No. 140399)

- 6.1.6. In view of the parameters considered and presented in the table above, the Offer Price is INR 1,601.29 (Indian Rupees one thousand six hundred one point two nine only) per Offer Share, comprising of INR 1,504.43 (Indian Rupees one thousand five hundred and four point four three only) per Offer Share calculated in accordance with Regulation 8(1) read with Regulation 8(3) of the SEBI (SAST) Regulations plus interest of INR 96.86 (Indian Rupees ninety six point eight six only) per Offer Share computed at the rate of 10.00% (ten percent) per annum for the period between the date of entering into the Underlying Transaction (i.e. February 21, 2022), and the date of publication of the DPS (i.e. October 14, 2022) for the Offer pursuant to Regulation 8(12) of SEBI (SAST) Regulations.
- 6.1.7. The Offer Price is arrived at in accordance with Regulations 8(3) and 8(12) of the SEBI (SAST) Regulations, and other applicable provisions of the SEBI (SAST) Regulations. Assuming full acceptance of the Open Offer, the Maximum Open Offer Consideration, in accordance with the SEBI (SAST) Regulations will be INR 6,291,650,957 (Indian Rupees six billion two hundred ninety-one million six hundred fifty thousand nine hundred fifty-seven only only). The Offer Price has been certified by M/s. R.D. Sarfare & Co., Chartered Accountants, (Rajesh Sarfare, Partner, Membership No. 140399), *vide* their certificate dated October 8, 2022. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations.
- 6.1.8. Since the date of the PA, there have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split,

etc. where the record date for effecting such corporate actions falls prior to 3 (three) Working Days before the commencement of Tendering Period of the Open Offer.

- 6.1.9. As on the date of this DLOF, there is no revision in the Offer Price or Offer Size. The Offer Price may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer, at any time prior to commencement of last 1 (one) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increases to the Escrow Amount (*as defined below*) in accordance with Regulation 17 of the SEBI (SAST) Regulations; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision.
- 6.1.10. In the event of acquisition of Equity Shares by the Acquirer during the Offer period, whether by subscription or purchase, at a price higher than the Offer Price per Offer Share, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increases to the Escrow Amount in accordance with Regulation 17 of the SEBI (SAST) Regulations; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision. However, the Acquirer shall not acquire any Equity Shares after the 3rd (third) Working Day prior to the commencement of the Tendering Period of this Open Offer and until the expiry of the Tendering Period of this Open Offer. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may be done at any time prior to the commencement of the last 1 (one) Working Day before the commencement of the Tendering Period of this Open Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.
- 6.1.11. If the Acquirer acquires Equity Shares of the Target Company during the period of 26 (twenty six) weeks after the Tendering Period at a price higher than the Offer Price per Offer Share, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the Shareholders who have tendered Equity Shares and whose Equity Shares have been accepted in the Offer, within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

6.2. Financial Arrangements

- 6.2.1. The total consideration for this Offer is INR 6,291,650,957 (Indian Rupees six billion two hundred ninety-one million six hundred fifty thousand nine hundred fifty-seven only) assuming full acceptance of this Offer, i.e., the Maximum Open Offer Consideration.
- 6.2.2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer, the Manager to the Offer and Citibank N.A (“**Escrow Bank**”) have entered into an Escrow Agreement dated October 4, 2022 (“**Escrow Agreement**”). Pursuant to the Escrow Agreement, the Acquirer has opened an

escrow account under the name and title of “**Cummins Inc Open Offer Escrow Account**” bearing account number 14337016 (“**Escrow Account**”) with the Escrow Bank and has made a cash deposit of INR 6,291,664,410 (Indian Rupees six billion two hundred ninety-one million six hundred sixty-four thousand four hundred ten only) in the Escrow Account (“**Escrow Amount**”) in accordance with the Regulation 17(1) read with 17(5) of the SEBI (SAST) Regulations. This cash deposit represents more than 100.00% (one hundred percent) of the Maximum Open Offer Consideration. The deposit of Escrow Amount has been confirmed by the Escrow Agent by way of a confirmation letter dated October 10, 2022. The Manager to the Open Offer has been solely authorised by the Acquirer to operate the Escrow Account and realise the monies lying to the credit of the Escrow Account, in terms of the SEBI (SAST) Regulations.

- 6.2.3. The source of funds for the Acquirer is internal accruals of the Acquirer.
- 6.2.4. The Acquirer has confirmed that it has adequate resources to meet the financial requirements for this Open Offer and has made firm financial arrangements for fulfilling the payment obligations under this Open Offer in terms of Regulation 25(1) of the SEBI (SAST) Regulations and the Acquirer is able to implement this Open Offer. M/s. R.D. Sarfare & Co., Chartered Accountants, (Rajesh Sarfare, Partner, Membership No. 140399), by its certificate dated October 10, 2022, has certified that the Acquirer has adequate financial resources and has made firm financial arrangements to meet its financial obligations under the Open Offer.
- 6.2.5. The Manager to the Offer has been duly authorised to operate the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.6. Based on the above, the Manager to the Open Offer is satisfied that firm arrangements have been put in place by the Acquirer to fulfil its obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.
- 6.2.7. In case of any upward revision in the Offer Price or the Offer Size, the cash in the Escrow Account, shall be increased by the Acquirer in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. Operational Terms and Conditions

- 7.1.1. The Acquirer is making this Offer to all Shareholders to acquire up to 3,929,114 (three million nine hundred twenty-nine thousand one hundred fourteen) Equity Shares, constituting 26.00% (twenty six per cent) of the Voting Share Capital of the Target Company subject to the terms and conditions mentioned in the PA, DPS, this DLOF, and the LOF.
- 7.1.2. In terms of the Schedule of Activities, the Tendering Period for the Offer is expected to commence on Thursday, December 1, 2022 and shall close on Wednesday, December, 14, 2022 (both days inclusive).

- 7.1.3. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
- 7.1.4. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 7.1.5. The Shareholders may tender their Equity Shares in the Offer at any time from the commencement of the Tendering Period but prior to the closure of the Tendering Period. The Acquirer has up to 10 (ten) Working Days from the closure of the Tendering Period to pay the consideration to the Shareholders whose Equity Shares are accepted in the Open Offer.
- 7.1.6. The Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on their Offer Shares. The Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all liens, charges, equitable interests and encumbrances and shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis. The Acquirer shall acquire the Offer Shares that are validly tendered and accepted in the Open Offer, together with all rights attached hitherto, including the rights to dividends, bonuses and rights offers declared thereof in accordance with the applicable law, and the terms set out in the PA, the DPS, this DLOF and the Letter of Offer.
- 7.1.7. The acquisition of Equity Shares under the Open Offer from all Shareholders (resident and non-resident) is subject to all approvals required to be obtained by such Shareholders in relation to the Open Offer and the transfer of Equity Shares held by them to the Acquirer. If Shareholders who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be tendered to accept this Open Offer. Such Shareholders shall also seek appropriate approvals from the RBI or any other regulatory body, if required, to tender their Equity Shares in the Open Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Open Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.
- 7.1.8. The Target Company does not have any Equity Shares which are currently locked-in.
- 7.1.9. The acceptance of this Offer by the Shareholders must be unconditional, absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 7.1.10. The acceptance of Offer Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer. If the number of Offer Shares validly tendered by the Shareholders under this Offer is more than the Offer Size, then the Offer Shares validly tendered by the Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer.
- 7.1.11. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

- 7.1.12. The instructions, authorisations and provisions contained in the Form of Acceptance constitute an integral part of the terms and conditions of this Open Offer. The Shareholders can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance. Alternatively, the Letter of Offer along with the Form of Acceptance is also expected to be available at SEBI's website, www.sebi.gov.in, and the Shareholders can also apply by downloading such forms from the website.
- 7.1.13. In terms of Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations, the Acquirer is permitted to revise the Offer Price or the Offer Size at any time prior to commencement of the last one Working Day before the commencement of the Tendering Period. In the event of such revision, the Acquirer shall (i) make corresponding increases to the amount kept in the escrow account, as set out in paragraph 6.2 (*Financial Arrangements*) above; (ii) make a public announcement in the same newspapers in which the DPS was published; and (iii) simultaneously notify the Stock exchanges, SEBI and the Target Company at its registered office of such revision.
- 7.1.14. The acceptance of this Offer is entirely at the discretion of the Shareholders of the Target Company.
- 7.1.15. None of the Acquirer, the Manager to the Offer or the Registrar to the Offer accept any responsibility for any loss of documents during transit and Shareholders are advised to adequately safeguard their interest in this regard.
- 7.1.16. Accidental omission to dispatch the LOF to any Shareholder to whom this Offer has been made or non- receipt of the LOF by any such Shareholder shall not invalidate this Offer in any way.
- 7.1.17. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/ attachment orders/ restriction from other statutory authorities wherein the Shareholder may be precluded from transferring the Equity Shares during the pendency of the said litigation, are liable to be rejected.
- 7.2. Eligibility for accepting the Offer**
- 7.2.1. The Letter of Offer shall be sent to all Shareholders holding Equity Shares in dematerialised form or physical form whose names appear in register of Target Company as on the Identified Date.
- 7.2.2. This Offer is also open to persons who own Equity Shares but are not registered Shareholders as on the Identified Date.
- 7.2.3. All Shareholders who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period, are eligible to participate in this Offer.
- 7.2.4. The Public Announcement, the DPS, the Letter of Offer and the Form of Acceptance will also be available on the SEBI website: www.sebi.gov.in. In

case of non-receipt of the Letter of Offer, all Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance from the SEBI website for applying in the Offer.

- 7.2.5. The acceptance of this Offer by the Shareholders must be absolute and unqualified and should be received by the Registrar to the Offer at the address mentioned below on or before closure of the Tendering Period. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever. In the event of any change or modification is made to the Form of Acceptance or if any condition is inserted therein by the Shareholders, the Manager to the Offer and the Acquirer reserve the right to reject the acceptance of this Offer by such Shareholder.
- 7.2.6. The acceptance of this Offer is entirely at the discretion of the Shareholder(s) of the Target Company. By accepting this Offer, the Shareholder(s) confirm that they are not persons acting in concert with the Acquirer for the purpose of this Offer.
- 7.2.7. The Acquirer, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of any share certificates, Offer acceptance documents, share transfer deeds etc. during transit and the Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.
- 7.2.8. The acceptance of Offer Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 7.2.9. The instructions, authorisations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.
- 7.2.10. For any assistance, please contact the Manager to the Offer or the Registrar to the Offer.

7.3. **Statutory and other approvals**

- 7.3.1. As on the date of this DLOF to the best knowledge of the Acquirer, there are no statutory or regulatory approvals required by the Acquirer to complete this Open Offer. However, in case of any further statutory approvals being required by the Acquirer, at a later date, this Open Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals.
- 7.3.2. The Underlying Transaction requires approval from the CCI and the Acquirer has submitted an application with the CCI to obtain such approval and is awaiting CCI's acknowledgement.
- 7.3.3. In case of delay / non receipt of any statutory approvals required by the Acquirer, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirer agreeing to pay interest to the Shareholders of the Target Company (who validly tender their Equity Shares in the Open Offer) at such rate as may be specified by SEBI. Provided where the statutory approvals extend to some but not all Shareholders of the Equity Shares, the Acquirer shall have the option to make payment to such

holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Open Offer.

- 7.3.4. If Shareholders who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be furnished to tender Equity Shares in this Open Offer. In the event such approvals and relevant documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Open Offer.
- 7.3.5. The Acquirer will have the right to withdraw this Open Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals which become applicable prior to completion of the Offer, are not received or are refused for any reasons which are outside of the reasonable control of the Acquirer. In the event of withdrawal of this Open Offer, a public announcement will be made, through the Manager, stating the grounds and reasons for withdrawal of the Open Offer in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS was published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.
- 7.3.6. Subject to the receipt of the statutory and other approvals, if any, the Acquirer shall complete all procedures relating to the Offer, including payment of consideration within 10 (ten) Working Days from the closure of the Tendering Period to those Shareholders whose share certificates or other documents are found valid and in order and are approved for acquisition by the Acquirer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 8.1. A tender of Equity Shares pursuant to any of the procedures described in the Letter of Offer will constitute a binding agreement between the Acquirer and the tendering holder, including the tendering holder's acceptance of the terms and conditions of the Letter of Offer.
- 8.2. The Open Offer will be implemented by the Acquirer, subject to applicable laws, through the stock exchange mechanism made available by the stock exchanges in the form of a separate window ("**Acquisition Window**") as provided under the SEBI (SAST) Regulations and SEBI circular bearing number CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015, as amended from time to time, read with the SEBI circular bearing number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as amended from time to time, and SEBI Circular bearing number SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 and notices/guidelines issued by the BSE and the Clearing Corporation in relation to the mechanism/process for the acquisition of shares through the stock exchange pursuant to the tender offers under takeover/buy back and delisting, as amended and updated from time to time. As per SEBI Circular bearing number SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, a lien shall be marked against the shares of the shareholders participating in the tender offer. Upon finalisation of the acceptance, only accepted quantity of shares shall be debited from the demat account of the shareholders. The lien marked against unaccepted shares shall be released. The detailed procedure for tendering and settlement of shares under the revised mechanism is specified in the Annexure to the said circular.

- 8.3. BSE shall be the designated stock exchange for the purpose of tendering shares in the Offer (“**Designated Stock Exchange**”).
- 8.4. The LOF with the Form of Acceptance will be sent to the Shareholders whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective depositories, as of the close of business on the Identified Date.
- 8.5. The Public Announcement, the Detailed Public Statement, the Draft Letter of Offer, the LOF and the Form of Acceptance, along with any corrigendum or advertisement issued thereunder will also be available on the website of SEBI at www.sebi.gov.in. In case of non-receipt of the LOF, all Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the LOF or the Form of Acceptance from SEBI’s website for applying in the Offer or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. Share Certificate(s), Transfer Deed(s), Form of Acceptance should not be sent to the Acquirer, the Target Company or the Manager to the Offer.
- 8.6. All Shareholders who desire to tender their Equity Shares under the Open Offer will have to intimate their respective stock brokers (“**Selling Broker**”) within the normal trading hours of the secondary market, during the Tendering Period. The Acquisition Window will be provided to facilitate placing of sell orders.
- 8.7. The Selling Broker can enter orders for physical and dematerialised Equity Shares.
- 8.8. The Acquirer has appointed Standard Chartered Securities (India) Limited (“**Buying Broker**”), a registered broker, as its broker for the Offer and through whom the purchases and settlements on account of the Offer Shares tendered under the Open Offer shall be made. The details of the Buying Broker are as mentioned below:

Name: Standard Chartered Securities (India) Limited
Address: 23-25 M G Road, 2nd Floor, Fort, Mumbai - 400001
Telephone No.: 022 - 61355999
Fax No.: N/A
Website: <https://standardcharteredtrade.co.in/>
CIN: U65990MH1994PLC079263
SEBI Registration: INZ00023193
Contact Person: Matilda Bhatia
Email: customercare@standardcharteredsecurities.com

- 8.9. The Acquisition Window will be provided by BSE to facilitate placing of sell orders. The Selling Broker can enter orders for Equity Shares in dematerialised form or physical form.

- 8.10. Shareholders have to ensure that their Equity Shares are made available to their seller brokers in order to mark the lien, before the closure of the Tendering Period.
- 8.11. The lien marked against unaccepted Equity Shares will be released, if any, or would be returned by registered post or by ordinary post or courier (in case of physical shares) at the Shareholders' sole risk. Shareholders should ensure that their depository account is maintained till all formalities pertaining to the Offer are completed.
- 8.12. Shareholders can tender their shares only through a broker with whom the Shareholder is registered as client (KYC Compliant). In the event Seller Broker(s) are not registered with the Stock Exchanges or if the Shareholder does not have any stock broker then that Shareholder can approach any NSE or BSE registered stock broker and can make a bid by using quick unique client code ("UCC") facility through that NSE or BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case the Shareholder is not able to bid using quick UCC facility through any other NSE or BSE registered stock broker then the Shareholder may approach Buying Broker, to bid by using quick UCC facility. The Shareholder approaching NSE or BSE registered stock broker (with whom he does not have an account) may have to submit following details:

8.12.1. **In case of Shareholder being an individual**

- (a) If shareholder is registered with KYC Registration Agency ("KRA"), the following documents and information will be required to be submitted (duly filled and completed):
- (i) Central Know Your Client (CKYC) form including Foreign Account Tax Compliance Act (FATCA), In Person Verification (IPV), Original Seen and Verified (OSV) if applicable
 - (ii) Know Your Client (KYC) form Documents required (all documents self-attested): Bank details (cancelled cheque)
 - (iii) Demat details (Demat Master /Latest Demat statement)
- (b) If Shareholder is not registered with KRA, the following documents and information will be required to be submitted (duly filled and completed):
- (i) CKYC form including FATCA, IPV, OSV if applicable
 - (ii) KRA form
 - (iii) KYC form Documents required (all documents self-attested): PAN card copy
Address proof
Bank details (cancelled cheque)
 - (iv) Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

8.12.2. **In case Shareholder is HUF:**

(a) If shareholder is registered with KYC Registration Agency (“KRA”), the following documents and information will be required to be submitted (duly filled and completed):

- (i) CKYC form of KARTA including FATCA, IPV, OSV, if applicable
- (ii) KYC form Documents required (all documents self-attested):
Bank details (cancelled cheque)
- (iii) Demat details (Demat Master /Latest Demat statement)

(b) If Shareholder is not registered with KRA, the following documents and information will be required to be submitted (duly filled and completed)::

- (i) CKYC form of KARTA including FATCA, IPV, OSV if applicable
- (ii) KRA form
- (iii) KYC form Documents required (all documents self-attested):
PAN card copy of HUF and KARTA
Address proof of HUF and KARTA
HUF declaration
Bank details (cancelled cheque)
- (iv) Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

8.12.3. **In case Shareholder is other than an Individual and HUF:**

(a) If shareholder is registered with KYC Registration Agency (“KRA”), the following documents and information will be required to be submitted (duly filled and completed):

- (i) Know Your Client (KYC) form Documents required (all documents self-attested): Bank details (cancelled cheque)
- (ii) Demat details (Demat Master /Latest Demat statement)
- (iii) FATCA, IPV, OSV if applicable
- (iv) Latest list of directors/ authorised signatories/ partners/ trustees
- (v) Latest shareholding pattern

- (vi) Board resolution
- (vii) Details of ultimate beneficial owner along with PAN card and address proof
- (viii) Last 2 years financial statements

(b) If Shareholder is not registered with KRA, the following documents and information will be required to be submitted (duly filled and completed):

- (i) KRA form
- (ii) KYC form Documents required (all documents self-attested):
PAN card copy of company/ firm/ trust
Address proof of company/ firm/ trust
Bank details (cancelled cheque)
- (iii) Demat details (Demat master /Latest Demat statement)
- (ix) FATCA, IPV, OSV if applicable
- (x) Latest list of directors/ authorised signatories/ partners/ trustees
- (xi) PAN card copies and address proof of directors/ authorised signatories/ partners/trustees
- (xii) Latest shareholding pattern
- (xiii) Board resolution/ partnership declaration
- (xiv) Details of ultimate beneficial owner along with PAN card and address proof
- (xv) Last 2 years financial statements
- (xvi) MOA/ Partnership deed/ trust deed

It may be noted that other than submission of above forms and documents in person verification may be required.

It may be noted that the above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

8.13. Procedure for Tendering Shares Held in Dematerialised Form

- 8.13.1. The Shareholders who are holding Equity Shares in electronic/ dematerialised form and who desire to tender their Equity Shares in this Offer shall approach their respective Selling Broker indicating to their Selling Broker the details of Equity Shares that such Shareholder intends to tender in this Offer. Shareholders wishing to tender their Equity Shares must tender their Equity Shares before market hours close on the last day of the Tendering Period.
- 8.13.2. The Selling Broker will be required to place an order/bid on behalf of the Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the Stock Exchange. Before placing the bid, the concerned Shareholder/Selling Broker would be required to transfer the tendered

Equity Shares to the special account of the Clearing Corporation, by using the early pay in mechanism as prescribed by the BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.

- 8.13.3. The lien shall be marked by the Selling Broker in the demat account of the Shareholder for the Equity Shares tendered in the Open Offer. Details of such Equity Shares marked as lien in the demat account of the Shareholder shall be provided by the depositories to the Clearing Corporation.
 - 8.13.4. Upon placing the order, the Selling Broker shall provide Transaction Registration Slip (“**TRS**”) generated by the stock exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
 - 8.13.5. On receipt of TRS from the respective Seller Broker, the Shareholder has successfully placed the bid in the Offer.
 - 8.13.6. Modification/cancellation of orders will not be allowed during the Tendering Period of the Offer.
 - 8.13.7. For custodian participants, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by the Stock Exchange, 4:00 PM on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
 - 8.13.8. The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchange / Clearing Corporation, before the opening of the Offer.
 - 8.13.9. The Shareholders will have to ensure that they keep their DP account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated Offer.
 - 8.13.10. The cumulative quantity tendered shall be displayed on the BSE website (www.bseindia.com) throughout the trading session at specific intervals by BSE during the Tendering Period.
 - 8.13.11. The Shareholders holding shares in Demat mode are not required to fill any Form of Acceptance, unless required by their respective Selling Broker. It is clarified that in case of dematerialised Equity Shares, if the lien is marked successfully in the depository system and a valid bid in the exchange bidding system, the tender for this Offer shall be deemed to have been accepted and receipt of the completed acceptance form and other documents is not necessary..
- 8.14. **Shareholders Who Are Holding Equity Shares in Physical Form**
- 8.14.1. As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, the Shareholders holding shares in physical form are allowed to tender their shares in the Offer with effect from July 31, 2020.

- 8.14.2. The Shareholders who are holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Offer shall approach the relevant Selling Broker and submit the following set of documents for verification:
- (i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint Shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
 - (ii) Original share certificate(s);
 - (iii) Valid share transfer deed(s) (SH-4) duly signed as transferor(s) by the sole/ joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place;
 - (iv) Self-attested PAN Card copy (in case of joint holders, PAN card copy of all transferors);
 - (v) Any other relevant document such as (but not limited to) powers of attorney and/or corporate authorisations (including board resolution(s)/specimen signature(s)), Notarised Copy of death Certificate/ succession certificate or probated will, if the original Shareholder has deceased, etc.
 - (vi) Self-attested copy of proof of address such as valid Aadhar card, voter ID, passport or driving license.
- 8.14.3. The Selling Broker(s) should place bids on the exchange platform including the relevant details as specified on the physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the exchange bidding system. The TRS will contain the details of order submitted such as Folio No., Certificate No., Dist. Nos. and number of Equity Shares.
- 8.14.4. The Selling Broker(s)/ Shareholder must deliver the share certificates relating to its Equity Shares and other documentation listed above along with the TRS to the Registrar to the Offer (*i.e.*, Link Intime India Private Limited) at the address mentioned on the cover page. The envelope should be superscribed "AUTOMOTIVE AXLES LTD.- OPEN OFFER 2022". Share certificates for physical shares must reach the Registrar to the Offer on or before Offer Closing Date.
- 8.14.5. The Shareholders holding physical shares should note that their Equity Shares will not be accepted unless the complete set of documents specified above are submitted. Acceptance of the physical shares in this Offer shall be subject to verification by the Registrar to the Offer. On receipt of the confirmation from the Registrar to the Offer, the bid will be accepted or rejected (as applicable) and accordingly depicted on the exchange platform.
- 8.14.6. Shareholders who wish to offer their physical Equity Shares in the Offer are requested to send their original documents as will be mentioned in the LOF to the Registrar to the Offer so as to reach them on or before Offer Closing Date. It is advisable to first email scanned copies of the original documents

as will be mentioned in the LOF to the Registrar to the Offer and then send physical copies to the address of the Registrar to the Offer as will be provided in the LOF. The process for tendering the Offer Shares by the Shareholders holding physical Equity Shares will be separately enumerated in the LOF.

8.14.7. Shareholders who have sent the Equity Shares held by them for dematerialisation need to ensure that the process of dematerialisation is completed in time for the credit in the Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected.

8.15. Acceptance of Shares

8.15.1. Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

8.15.2. In the event that the number of Equity Shares validly tendered by the Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Shareholder shall not be less than the minimum marketable lot. The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (one).

8.15.3. In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Acquirer will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

8.16. Procedure for tendering Equity Shares in case of non-receipt of Letter of Offer

8.16.1. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired Equity Shares after the Identified Date or those who have not received the Letter of Offer, may participate in this Open Offer.

8.16.2. Shareholders may participate in the Offer by approaching their Selling Broker and tender the Equity Shares in the Offer as per the procedure mentioned in the LOF or in the relevant Form of Acceptance.

8.16.3. The LOF along with a Form of Acceptance, will be dispatched to all the Shareholders of the Target Company (through electronic mode or physical mode), whose names appear on the register of members of the Target Company and to the beneficial owners of the Target Company in dematerialised form or physical form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date.

8.16.4. In case of non-receipt of the LOF, such Shareholders of the Target Company may download the same from the website of SEBI at www.sebi.gov.in, or obtain a physical copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the

Target Company.

8.16.5. Alternatively, in case of non-receipt of the LOF, the Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all Shareholder(s), stating name, address, number of shares held, client identification number, depository participant name, depository participant identification number, number of shares tendered, and other relevant documents as mentioned. Such Shareholders have to ensure that their order is entered in the electronic platform to be made available by the Stock Exchange before the closure of the Tendering Period.

8.17. **Settlement Process**

8.17.1. On the closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer, and the final list of accepted Equity Shares shall be provided to the Stock Exchange to facilitate settlement on the basis of the Equity Shares transferred to the Clearing Corporation.

8.17.2. The settlement of trades shall be carried out in the manner similar to settlement of trades in the Acquisition Window Circulars.

8.17.3. For Equity Shares accepted under the Offer, the Clearing Corporation will make a direct funds payout to each respective eligible Shareholder to the bank account linked to its demat account. If a Shareholder's bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.

8.17.4. In case of certain client types such as NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards.

8.17.5. The Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the shares under the Offer.

8.17.6. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Shareholders would be returned to them by the Clearing Corporation.

8.17.7. The direct credit of Equity Shares accepted in the Offer shall be given to the demat account of the Acquirer as indicated by the Buying Broker.

8.17.8. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of the Acquirer.

- 8.17.9. In case of partial or non-acceptance of orders the balance demat Equity Shares shall be returned directly to the demat accounts of the Shareholders. However, in the event of any rejection of transfer to the demat account of the Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Shareholders.
- 8.17.10. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- 8.17.11. Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Shareholders.
- 8.17.12. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Shareholders of the Target Company who have accepted the Open Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations.

8.18. **Notes on Taxation/ Compliance with tax requirements**

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 (AS AMENDED BY FINANCE ACT, 2022) AND THE RULES THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE INCOME-TAX ACT, 1961 AND INCOME-TAX RULES, 1962 . IN VIEW OF THE

PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY OF INCOME-TAX IMPLICATIONS, RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN THE OPEN OFFER OFF THE RECOGNISED STOCK EXCHANGE, AS SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

THE SUMMARY ON TAX CONSIDERATIONS IN THIS SECTION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES. THE LAW STATED BELOW IS AS PER THE INCOME-TAX ACT, 1961.

8.18.1. **General:**

- (a) The Offer is made a price of INR 1,601.29 (Indian Rupees one thousand six hundred one point two nine only) per Offer Share comprising of INR 1,504.43 (Indian Rupees one thousand five hundred four point four three only) per Offer Share plus interest of INR 96.86 (Indian Rupees ninety six point eight six only) per Offer Share at the rate of 10.00% (ten percent) per annum for the period between the date of the Underlying Transaction (i.e., February 21, 2022) and the date of publication of Detailed Public Statement (i.e., October 14, 2022), in accordance with Regulation 8(12) of the SEBI (SAST) Regulations.
- (b) The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his/her worldwide income, subject to certain tax exemptions, which are provided under the Income-tax Act, 1961 (“**IT Act**”) as amended from time to time. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e., income which accrues or arises or is deemed to accrue or arise in India) as also income received by such person in India. In case of shares of a company, the source of income from shares will depend on the “situs” of such shares. As per judicial precedents, the “situs” of the shares is where a company is “incorporated” and where its shares can be transferred. Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.

- (c) Further, the non-resident shareholder can avail beneficial treatment under the Double Taxation Avoidance Agreement (“**DTAA**”) between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including but not limited to (a) conditions (if any) present in the said DTAA read with the relevant provisions of the Multilateral Instrument (“**MLI**”) as ratified by India with the respective country of which the said shareholder is a tax resident and (b) non-applicability of General Anti-Avoidance Rule (“**GAAR**”) and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- (d) The IT Act also provides for different income-tax regimes/rates applicable to the gains arising from the acceptance of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- (e) In case of any Shareholder who furnishes a valid certificate u/s. 197 of the IT Act and on that basis claims that either no tax should be deducted or tax at the lower rate as specified in the certificate should be deducted, tax (including applicable surcharge and health and education cess) will be deducted as per the mandate of the certificate.
- (f) Any Shareholder claiming eligibility for non – deduction of tax in accordance with provisions of Section 197A of IT Act will need to demonstrate such an eligibility with documentary evidence.
- (g) The Shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income-tax authorities, reporting their income for the relevant year.
- (h) The summary of income-tax implications on tendering of listed equity shares is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

8.18.2. **Classification of Shareholders:** Shareholders can be classified under the following categories:

- (a) Resident Shareholders being:
 - (i) Individuals, Hindu Undivided Family (“**HUF**”), Association of Persons (“**AOP**”) and Body of Individuals (“**BOI**”)
 - (ii) Others
 - Company
 - Other Than Company
- (b) Non-Resident Shareholders being:
 - (i) Non-Resident Indians (NRIs)
 - (ii) Foreign Institution Investors (FIIs) / Foreign Portfolio Investors (FPIs)
 - (iii) Others:
 - Company

- Other Than Company

8.18.3. **Classification of Income:** Shares can be classified under the following two categories:

- (a) Shares held as investment (Income from transfer of such shares taxable under the head “Capital Gains”)
- (b) Shares held as stock-in-trade (Income from transfer of such shares taxable under the head “Profits and Gains from Business or Profession”)

8.18.4. **Taxability of Capital Gains in the hands of shareholders**

- (a) Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for income-tax purposes, unless specifically exempted, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade).
- (b) As per the current provisions of the IT Act, where the shares are held as investments (i.e. capital assets), income arising from the transfer of such shares is taxable under the head “Capital Gains”. Further, Section 2(14) of the IT Act has provided for deemed characterisation of securities held by FPIs as capital assets, whether or not such assets have been held as a capital asset; and therefore, the gains arising in the hands of FPIs will be taxable in India as capital gains.
- (c) Capital Gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act.
- (d) Period of holding: Depending on the period for which the shares are held, the gains would be taxable as “short-term capital gain/ STCG” or “long-term capital gain/ LTCG”:
 - (i) In respect of equity shares held for a period less than or equal to 12 (twelve) months prior to the date of transfer, the same should be treated as a “short-term capital asset”, and accordingly the gains arising therefrom should be taxable as “STCG”.
 - (ii) Similarly, where equity shares are held for a period more than 12 (twelve) months prior to the date of transfer, the same should be treated as a “long-term capital asset”, and accordingly the gains arising therefrom should be taxable as “LTCG”.
- (e) LTCG arising from tendering of Equity Shares in the Offer shall be subject to tax as follows
 - (i) As per Section 112A of the IT Act, where STT has been paid on acquisition and transfer of equity share of a company, then LTCG in excess of INR 100,000 (Indian Rupees one hundred thousand) on such transfer shall be taxable in the hands of the transferor (both resident and non-resident) at the rate of 10.00% (ten percent) (plus applicable surcharge and health and education cess). Further, Central Government has issued a notification (no. 60/2018/F. No.370142/9/2017-TPL) providing certain situations wherein Section 112A of the IT Act will continue

to be applicable even if STT is not paid at the time of acquisition of equity shares. In case where STT has not been paid on acquisition of equity shares and the situation is not covered under the aforementioned notification, then LTCG shall be chargeable at the rate of upto 20.00% (twenty percent) (plus applicable surcharge and health and education cess) in the case of a non-resident Shareholder (other than a FPI / FII, or a NRI who is governed by the provisions of Chapter XII-A of the IT Act) in accordance with provisions of Section 112 of the IT Act.

- (ii) In the case of FIIs / FPIs, LTCG in excess of INR 100,000 (Indian Rupees one hundred thousand) would be taxable at the rate of 10.00% (ten percent) (plus applicable surcharge and health and education cess) in accordance with provisions of Section 115AD read with Section 112A of the IT Act.
 - (iii) For a NRI who is governed by the provisions of Chapter XII-A of the IT Act, LTCG would be taxable at the rate of 10.00% (ten percent) (plus applicable surcharge and health and education cess) under Section 115E of the IT Act on meeting certain conditions. While computing the LTCG, the benefit of indexation of cost may not be available.
- (f) Further, any gain realised on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are accepted under the Offer, will be subject to short term capital gains tax at the rate of 15.00% (fifteen percent) (plus applicable surcharge and health and education cess) as per Section 111A of the IT Act.
 - (g) Taxability of capital gain arising to a non-resident in India from the transfer of equity shares shall be determined basis the provisions of the IT Act or the DTAA entered between India and the country of which the non-resident seller is resident, whichever is more beneficial, subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the IT Act, as discussed in para 8.18.1 (d) above.
 - (h) As per Section 70 of the IT Act, short-term capital loss computed for a given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set-off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.
 - (i) Long-term capital loss computed for a given year is allowed to be set-off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.

Investment Funds

- (j) Under Section 10 (23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head, "Profits and gains of business or profession" would be exempt from income tax but would be taxable in the hands of their investors. For this purpose, an "Investment Fund" means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board

of India (Alternate Investment Fund) Regulations, 2012 or under the International Financial Services Centres Authority Act, 2019.

Mutual Funds

- (k) Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

8.18.5. Taxability of business income in hands of shareholders (Shares held as Stock-in-Trade):

If the shares are held as stock-in-trade by any of the eligible Shareholders of the Target Company, then the gains will be characterised as business income and taxable under the head “Profits and Gains from Business or Profession”.

(a) Resident Shareholders:

(i) Profits of:

- A. Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.
- B. Domestic companies having turnover or gross receipts not exceeding INR 4,000,000,000 (Indian Rupees four billion) in the prescribed financial year, will be taxable at the rate of 25.00% (twenty five percent).
- C. Domestic companies which have opted for concessional tax regime under Section 115BAA and 115BAB of the IT Act will be taxable at the rate of 22.00% (twenty two percent) upon meeting certain conditions.
For persons other than stated in (A), (B) and (C) above, profits will be taxable at the rate of 30.00% (thirty percent).

- (ii) No benefit of indexation by virtue of period of holding will be available in any case.

(b) Non-Resident Shareholders

- (i) Non-resident Shareholders can avail beneficial provisions of the applicable DTAA entered into by India with the relevant country of residence of the shareholder but subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the IT Act, as discussed in para 8.18.1 (d) above.
- (ii) Where DTAA provisions are not applicable:
 - For non-resident individuals, HUF, AOP and BOI, profits (as determined in accordance with the provisions of the IT Act) will be taxable at slab rates.
 - For foreign companies, profits (as determined in accordance with the provisions of the IT Act) will be taxed in India at the rate of 40.00%

(forty percent).

- For other non-resident Shareholders, such as foreign firms, profits (as determined in accordance with the provisions of the IT Act) will be taxed in India at the rate of 30.00% (thirty percent).

In addition to the above, applicable Surcharge, Health and Education Cess are leviable for Resident and Non-Resident Shareholders.

8.18.6. Other matters

- (a) Minimum alternate tax (“MAT”) implications as per Section 115JB of the IT Act will get triggered in the hands of a resident corporate Shareholder (other than resident company which has opted for concessional tax regime under Section 115BAA or Section 115BAB of the IT Act). Foreign companies will not be subject to MAT if the country of residence of such of the foreign country has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA. In case where the said conditions are not satisfied, MAT will be applicable to the foreign company. In case of non-corporate Shareholders, applicability of the provisions of Alternative Minimum Tax as per Section 115JC of the IT Act will also need to be analysed depending on the facts of each case.
- (b) Submission of PAN and other details
 - (i) All Shareholders are required to submit their PAN along with self-attested copy of the PAN card for income-tax purposes.
 - (ii) In absence of PAN for non-resident Shareholders, as per Notification No. 53/2016, F.No.370 142/16/2016-TPL, they shall furnish self-attested copy of documents containing the following details (“PAN Substitute Information”):
 - Name, email id, contact number;
 - Address in the country of residence;
 - TRC from the government of the country of residence, if the law of such country provides for issuance of such certificate; and
 - Tax identification number in the country of residence, and in case no such number is available, then a unique number on the basis of which such non-resident is identified by the government of the country of which he claims to be a resident.

8.18.7. Tax Deduction at Source (“TDS”)

- (a) In case of Resident Shareholders

- (i) On payment of consideration [i.e., base offer price]

The Acquirer is not required to deduct tax on the consideration payable to resident Shareholders for purchase of shares pursuant to the said Offer.

- (ii) On payment of interest in accordance with Regulation 8(12) of the SEBI (SAST) Regulations

Section 194A of the IT Act provides any person not being an individual or a Hindu undivided family, who is responsible for paying to a resident any income by way of interest other than income by way of interest on securities, shall deduct TDS at earlier of time of credit of such income to the account of the payee or at the time of payment at the rates in force. Such resident Shareholder may submit a valid and effective certificate u/s. 197 of IT Act for deduction of tax at a nil/lower rate issued by the income tax authorities, along with the Form of Acceptance, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer shall deduct tax in accordance with such certificate. In case a valid certificate is not submitted, the Acquirer will arrange to deduct tax as per the Section 194A of the IT Act at the rates in force, on the gross amount of interest paid as per Regulation 8(12) of SEBI (SAST) Regulations.

The resident Shareholders undertake to file their tax returns in India after inter alia considering gains arising pursuant to this Offer. The resident Shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India, evidence of the tax paid etc.

(b) In case of Non-resident Shareholders

(i) On payment of consideration [i.e., base offer price]

In case of FIIs / FPIs:

- Section 196D of the IT Act provides for specific exemption from withholding tax in case of Capital Gains arising in hands of FIIs / FPIs. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs. The Acquirer would not deduct tax at source on the payments to FIIs/FPIs, subject to the following conditions:
 - FIIs/FPIs furnishing the copy of the registration certificate issued by SEBI (including for subaccount of FII/FPI, if any);
 - FIIs/FPIs declaring that they have invested in the Equity Shares in accordance with the applicable SEBI regulations and will be liable to pay tax on their income as per the provisions of the IT Act.
- If the above conditions are not satisfied, FIIs/FPIs may submit a valid and effective certificate u/s. 197 of IT Act for deduction of tax at a nil/lower rate issued by the income tax authorities, along with the Form of Acceptance, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer shall deduct tax in accordance with such certificate. In case a valid certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable, on the gross consideration towards acquisition of shares.

In case of other non-resident Shareholders (other than FIIs/FPIs) holding Equity Shares of the Target Company:

- Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to

deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the IT Act read with the provisions of the relevant DTAA, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in the records of the Registrar to the Offer except in cases where the non-resident Shareholders provide a specific mandate in this regard.

- In case any non-resident Shareholder who furnishes a valid certificate u/s.197 along with the Form of Acceptance and on that basis claims that either no tax should be deducted or tax at the lower rate as specified in the certificate should be deducted, tax (including applicable surcharge and health and education cess) will be deducted as per the mandate of the certificate.

(ii) On payment of interest amount in accordance with Regulation 8(12) of the SEBI (SAST) Regulations to all non-resident Shareholders

- The Acquirer shall deduct TDS at maximum marginal rate as may be applicable from the interest amount payable to the non-resident Shareholders as per Regulation 8(12) of the SEBI (SAST) Regulations.
- In case any non-resident Shareholder who furnishes a valid certificate u/s.197 along with the Form of Acceptance and on that basis claims that either no tax should be deducted or tax at the lower rate as specified in the certificate should be deducted, tax (including applicable surcharge and health and education cess) will be deducted as per the mandate of the certificate.
- In absence of a valid certificate u/s. 197 of the IT Act or sufficient information being available to ascertain the category of investor and / or the category of income, then the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act (i.e., 40.00% (forty percent) in case of foreign company, 30.00% (thirty percent) in case of all other category of persons, plus applicable surcharge and health and education cess), on the gross consideration towards acquisition of shares, payable to such Shareholder under the Offer.
- The Shareholders (including both residents and non-residents) undertake to indemnify the Acquirer if any tax demand is raised on the Acquirer on account of any amounts paid by the Acquirer to such Shareholder pursuant to this Offer. The Shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India, evidence of the tax paid, documents, etc.

In the event the Acquirer is held liable for the tax liability of the Shareholder, the same shall be to the account of the Shareholder and to that extent the Acquirer should be indemnified.

Other withholding related provisions

- (c) If PAN is not furnished by a resident Shareholder or in case of non-resident Shareholders not having a PAN, the PAN Substitute Information is not furnished, the Acquirer will arrange to deduct tax at least at the rate of 20.00% (twenty percent) as per Section 206AA of the IT Act or at such rate as applicable and provided above for each category of the Shareholders, whichever is higher.
- (d) With effect from April 1, 2022, in terms of Section 206AB of the IT Act, where a person (i) has not filed Indian income-tax return for the previous financial year preceding the relevant financial year in which tax is required to be deducted; (ii) has an aggregate of tax deducted at source/tax collected at source of INR. 50,000 (Indian Rupees fifty thousand) or more in the said previous year and (iii) the time limit for filing India income-tax return under Section 139(1) of the IT Act has expired, then the deductor is required to withhold taxes at higher of the following rates (a) at twice the rate specified in the relevant provision of the IT Act; (b) at twice the rates in force; or (c) at the rate of 5.00% (five percent). It is clarified that the provisions of Section 206AB of the IT Act are not applicable where the payee is a non-resident, which does not have a permanent establishment in India.
- (e) Further, it is also clarified that where the provisions of both Section 206AA and Section 206AB of the IT Act are applicable, then taxes shall be deducted at higher of the two rates provided in Section 206AA and Section 206AB of the IT Act.

In addition to the tax deducted at source as per the para above, Surcharge, Health and Education Cess as applicable will be levied, as applicable.

8.18.8. Tax Collected at Source (“TCS”)

- (a) Section 206C(1H) of the IT Act also creates an obligation on the seller of ‘goods’ (which expression may also include shares) to collect TCS at the rate of 0.1% (zero point one percent) (plus applicable surcharge and cess) on the sale consideration exceeding INR 5,000,000 (Indian Rupees five million), subject to cumulative satisfaction of the following conditions:
 - (i) The transaction is not subject to TDS (as discussed above under para 8.18.7)); and
 - (ii) Total turnover of the shareholder/seller during the immediately preceding financial year exceeds INR 100,000,000 (Indian Rupees one hundred million); and
 - (iii) Sale consideration exceeds INR 5,000,000 (Indian Rupees five million)
- (b) Accordingly, in appropriate cases, where the aforesaid conditions are satisfied, the TCS obligation may arise in the hands of Shareholders, and they may be required to collect TCS at the rate of 0.1% (zero point one percent) (plus applicable surcharge and cess) on the consideration received from Acquirer exceeding INR 5,000,000 (Indian Rupees five million), in addition to such consideration.
- (c) The Shareholders who are obligated to collect such TCS undertake to indemnify the Acquirer for any losses that may arise to the Acquirer by

virtue of any default by such Shareholder in relation to collection of TCS or deposit of the same with the government within the prescribed timelines or otherwise impeding ability of Acquirer to claim refund/credit of TCS, so collected by the Shareholder. The Shareholders also undertake to provide to the Acquirer, on demand, the relevant details, as may be required to assess or verify the TCS obligation of the Shareholder and such certificates, challans, evidence etc., as prescribed, to evidence the timely deposit of TCS to the Indian Government and to enable the Acquirer to claim credit/refund of such TCS.

8.18.9. **Other points for consideration**

- (a) Shareholders who wish to tender their Equity Shares must submit the information/documents, as applicable, all at once along with the Form of Acceptance and those that may be additionally requested for by the Acquirer. The documents submitted by the Shareholders along with the Form of Acceptance will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirer, may not be accepted.
- (b) The Acquirer will not take into consideration any other details and documents (including self-certified computation of tax liability or the computation of tax liability certified by any tax professionals including a chartered accountant, etc.) submitted by the Shareholder for deducting a lower amount of tax at source. In case of ambiguity, incomplete or conflicting information, the Acquirer will arrange to deduct tax at the applicable rate under the IT Act on the gross amount.
- (c) Based on the documents and information submitted by the Shareholder, the final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirer.
- (d) Taxes once deducted will not be refunded by the Acquirer under any circumstances.
- (e) The Acquirer shall deduct tax (if required) as per the information provided and representation made by the Shareholders. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Shareholders, such Shareholders will be responsible to pay such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority. The Shareholders undertake to indemnify the Acquirer if any tax demand is raised on the Acquirer on account of gains arising to the Shareholders pursuant to this Offer.
- (f) The tax deducted by the Acquirer while making the payment to a Shareholder under this Offer may not be the final liability of such Shareholders and shall in no way discharge the obligation of the Shareholders to appropriately disclose the amount received by it, pursuant to this Offer, before the income tax authorities. The rate at which tax is required to be deducted is based on the tax laws prevailing as on the date of this Letter of offer. If there is any change in the tax laws with regards to withholding tax rates as on the date of deduction of tax, the tax will be deducted at the rates applicable at the time of deduction of tax.

- (g) All Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.
- (h) The Acquirer and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

8.18.10. Rate of Surcharge and Cess

In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

(a) Surcharge

- (i) In case of domestic companies: Surcharge at the rate of 12.00% (twelve percent) is leviable where the total income exceeds INR 100,000,000 (Indian Rupees one hundred million) and at the rate of 7.00% (seven percent) where the total income exceeds INR 10,000,000 (Indian Rupees ten million) but less than INR 100,000,000 (Indian Rupees one hundred million) for companies not opting for tax regime u/s. 115BAA and 115BAB.
- (ii) In case of domestic companies which have opted for concessional tax regime either under Section 115BAA or Section 115BAB: Surcharge at the rate of 10.00% (ten percent) is leviable.
- (iii) In case of companies other than domestic companies: Surcharge at the rate of 5.00% (five percent) is leviable where the total income exceeds INR 100,000,000 (Indian Rupees one hundred million) and at the rate of 2.00% (two percent) where the total income INR 10,000,000 (Indian Rupees ten million) but less than INR 100,000,000 (Indian Rupees one hundred million).
- (iv) In case of individuals, HUF, AOP, BOI:
- Surcharge at the rate of 10.00% (ten percent) is leviable where the total income exceeds INR 5000,000 (Indian Rupees five hundred thousand) but less than INR 10,000,000 (Indian Rupees ten million);
 - Surcharge at the rate of 15.00% (fifteen percent) is leviable where the total income exceeds INR 10,000,000 (Indian Rupees ten million) but does exceed INR 20,000,000 (Indian Rupees twenty million);
 - Surcharge at the rate of 25.00% (twenty five percent) is leviable where the total income exceeds INR 20,000,000 (Indian Rupees twenty million).

million) but does exceed INR 50,000,000 (Indian Rupees fifty million). However, rate of surcharge will be restricted to 15.00% (fifteen percent) in case of LTCG;

- Surcharge at the rate of 37.00% (thirty seven percent) is leviable where the total income exceeds INR 50,000,000 (Indian Rupees fifty million). However, rate of surcharge will be restricted to 15.00% (fifteen percent) in case of LTCG;
- In case of Firm and Local Authority: Surcharge at the rate of 12.00% (twelve percent) is leviable where the total income exceeds INR 10,000,000 (Indian Rupees ten million).

(b) Cess

- (i) Health and Education Cess at the rate of 4.00% (four percent) is currently leviable in all cases.

The rates of deduction of TDS in case of non-resident to be increased by the aforementioned surcharge and cess. It is further clarified that for the purpose of TDS to be deducted for a resident shareholder under section 194A of the IT Act, the applicable rate of TDS shall not be increased by surcharge and / or cess.

8.18.11. Tax Deducted Certificate

The Acquirer will issue a certificate in the prescribed form to the Shareholders (resident and non-resident) who have been paid the consideration and interest for delay in payment of consideration, if any, after deduction of tax on the same, certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of the IT Act read with the Income- tax Rules, 1962 made thereunder.

8.18.12. Tax Collected Certificate

The Shareholders collecting TCS, will issue a certificate in the prescribed form to the Acquirer, certifying the amount of tax collected and other prescribed particulars in accordance with the provisions of the IT Act read with the Income-Tax Rules, 1962 made thereunder.

The tax rate and other provisions may undergo changes.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by electronically on all Working Days during the Tendering Period, upon making a prior request to the Manager. The Shareholders interested in electronically inspecting the documents, can send an email, from their registered email address, to the Manager on automotiveaxles_openoffer@morganstanley.com with the subject line “Documents for Inspection – Automotive Axles Limited”. Upon receipt and processing of the received request, access to electronic inspection of the documents shall be provided to the respective

shareholder. They will also be available for inspection to the Shareholders at the registered office of the Manager to the Offer at Morgan Stanley India Company Private Limited, 18F, Tower 2, One World Center, Plot 841, Senapati Bapat Marg, Lower Parel, Mumbai, 400013, India, between 10:30 AM and 5:00 PM on any Working Day (except Saturdays, Sundays and public holidays) during the period from the date of commencement of the Tendering Period until the date of closure of the Tendering Period;

- 9.1. Copies of Articles of Incorporation and Bylaws of the Acquirer;
- 9.2. Copies of the Certificate of Incorporation, Memorandum and Articles of Association and Certificate for Commencement of Business of the Target Company;
- 9.3. Certificate dated October 10, 2022 by M/s. R.D. Sarfare & Co., Chartered Accountants, (Rajesh Sarfare, Partner, Membership No. 140399), certifying that the Acquirer has adequate financial resources to fulfill their obligations under this Offer;
- 9.4. Certificate dated October 8, 2022 by M/s. R.D. Sarfare & Co., Chartered Accountants, (Rajesh Sarfare, Partner, Membership No. 140399), certifying the Offer Price computation;
- 9.5. Certified copies of audited financial statements of the Target Company for the financial years ending March 31, 2020, March 31, 2021 and March 31, 2022, audited by the Target Company's Statutory Auditor S.R. Batliboi & Associates LLP and unaudited limited review financial statements for the 3 (three) month period from April 1, 2022 to June 30, 2022;
- 9.6. Copy of the annual audited consolidated financial statements pertaining to the Acquirer as on and for the financial years ended on 31 December 2019, 31 December 2020 and 31 December 2021, audited by PricewaterhouseCoopers LLP, the statutory auditors of the Acquirer and unaudited consolidated financials for the six months period from January 1, 2022 to June 30, 2022 as filed in the Acquirer's quarterly report on Form 10-Q with the SEC;
- 9.7. Copy of the Escrow Agreement dated October 4, 2022 entered into by and among the Acquirer, Escrow Agent and Manager to the Offer;
- 9.8. Copy of the Registrar Agreement dated October 7, 2022 entered into by and among the Acquirer, Registrar and Manager to the Offer;
- 9.9. Copy of executed Merger Agreement dated February 21, 2022;
- 9.10. Copy of the letter dated October 10, 2022 from Escrow Agent confirming the receipt of cash amount of INR 6,291,664,410 (Indian Rupees six billion two hundred ninety-one million six hundred sixty-four thousand four hundred ten) in the Escrow Account;
- 9.11. Copy of PA dated October 10, 2022 and published copy of the Detailed Public Statement dated October 13, 2022;

- 9.12. A published copy of the recommendation made by the Target Company's committee of independent directors constituted by the Board of Directors of the Target Company published in the newspapers; and
- 9.13. [A copy of the observation letter no. [●] from SEBI dated [●].]

10. DECLARATION BY THE ACQUIRER

- 10.1. The Acquirer and its directors accept full responsibility for the information contained in the Public Announcement, the DPS and this DLOF (other than such information as has been obtained from public sources or provided or relating to and confirmed by the Target Company).
- 10.2. The information pertaining to the Target Company contained in the PA, DPS and this DLOF or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company or publicly available sources which has not been independently verified by the Acquirer or the Manager. The Acquirer and the Manager do not accept any responsibility with respect to the information provided by the Target Company.
- 10.3. The Acquirer and its directors are aware of and will comply with their obligations under the SEBI (SAST) Regulations in respect of this Open Offer.
- 10.4. The persons signing this Draft Letter of Offer, are duly and legally authorized by the Acquirer to sign this Draft Letter of Offer.

Issued by the Manager to the Offer

Morgan Stanley India Company Private Limited

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

Name: Sharon Barner

Designation: Vice President – Chief Administrative Officer &
Corporate Secretary

Date: October 20, 2022

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

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Shareholders holding shares in demat mode are not required to fill the Form of Acceptance, unless required by their respective Selling Broker. The Shareholders holding physical shares (resident and non-resident) are required to send this Form of Acceptance along with the enclosures to the Registrar to the Offer, at its registered office address provided in the Letter of Offer. Capitalized terms and expressions used herein but not defined, shall have the same meaning as ascribed to them in the Letter of Offer)

TENDERING PERIOD FOR THE OFFER	
OPENS ON	December 1, 2022
CLOSES ON	December 14, 2022

To,

The Acquirer

C/o Link Intime India Private Limited
Unit: Automotive Axles Limited – Open Offer
C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli West,
Mumbai – 400 083, Maharashtra, India
Contact Person: Sumeet Deshpande
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
Email: automotive.openoffer@linkintime.co.in

Dear Sir/Madam,

SUB: Open Offer of INR 1,601.29 per Equity Share payable in cash to acquire up to for 3,929,114 fully paid-up equity shares of face value INR 10 (Indian Rupees Ten) each (the “Shares”), constituting 26.00% (twenty six percent) (the “Offer”) of the fully diluted equity share capital of Automotive Axles Limited (the “Target Company”) pursuant to the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the “Takeover Regulations”).

I/We refer to the Letter of Offer for acquiring the Equity Shares held by me/us in Automotive Axles Limited.

I/We, the undersigned, have read the Public Announcement, the Detailed Public Statement, Letter of Offer and the Offer opening public announcement cum corrigendum, and understood its contents, terms and conditions, and unconditionally accept these terms and conditions.

I/We acknowledge and confirm that all the particulars/statements given by me/us, herein are true and correct.

Details of Shareholder:

Name (in BLOCK LETTERS)	Holder	Name of the Shareholder	Permanent Account Number (PAN)
(Please write names of the joint holders in the same order as appearing in the Equity Share certificate(s)/demat account)	Sole/First		
	Second		
	Third		
Contact Number(s) of the First Holder	Tel No. (with ISD/STD Code):		Mobile No.:
Full Address of the First Holder (with pin code)			
Email address of the First Holder			
Date &Place of incorporation (if applicable)			

FOR EQUITY SHARES HELD IN PHYSICAL MODE:

I/We, confirm that our residential status under the Income Tax Act is as below (tick whichever is applicable).

- Resident
 Non-Resident

I / We, holding physical shares, accept this Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our Equity Shares as detailed below along with enclosures as mentioned herein:

S r	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		No. of Equity
			From	To	
1					
2					
3					

(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)	TOTAL	
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Enclosures (whichever is applicable)

- Duly attested power of attorney, if any person apart from the Shareholder, has signed the Form of Acceptance-cum-Acknowledgement or Equity Share transfer deed(s)
- Original Equity Share certificate(s)
- Valid Equity Share transfer deed(s)
- Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorized signatories
- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder), in case the original Shareholder has expired
- Self-attested copy of PAN card of all the transferor(s)
- Other relevant documents (please specify)

FOR ALL SHAREHOLDERS:

I/We confirm that the Equity Shares which are being tendered herewith by me/us under this Open Offer, are free from any pledges, liens, charges, equitable interests, non-disposal undertakings or any other form of encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.

I/We confirm that the sale and transfer of the Equity shares held by me/us will not contravene any applicable law and will not breach the terms of any agreement (written or otherwise) that I/we are a party to.

My/Our execution of this Form of Acceptance-cum-Acknowledgement shall constitute my/our warranty that the Equity Shares comprised in this application are owned by me/us and are sold and transferred by me/us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said Equity Shares, I/we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these Equity Shares.

I/We have obtained any and all necessary consents to tender the Offer Shares on the foregoing basis.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Offer Shares in this Open Offer and that I/we am/are legally entitled to tender the Offer Shares in this Open Offer.

I/We agree that the Acquirer will pay the consideration as per secondary market mechanism, only after verification of the certifications, documents and signatures, as applicable submitted along with this Form of Acceptance-cum-Acknowledgment by the Shareholders, and subject to the adherence of the aforementioned Instructions. I/We undertake to return to the Acquirer any Open Offer consideration that may be wrongfully received by me/us.

I/We declare that regulatory approvals, if applicable, for holding the Offer Shares and/or for tendering the Offer Shares in this Open Offer are enclosed

herewith.

I/We confirm that I/We am/are not persons acting in concert with the Acquirer.

I/We give my/our consent to the Acquirer, to file any statutory documents, if any, on my/our behalf in relation to accepting the Offer Shares in this Open Offer.

I/We confirm that I/we am/are in compliance with the terms of the Open Offer set out in the Public Announcement, the Detailed Public Statement, and the Letter of Offer.

I/We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer, to effectuate this Open Offer in accordance with the SEBI (SAST) Regulations.

I/We am/are not debarred from dealing in shares or securities.

I/We confirm that there are no taxes or other claims pending against me/us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, including but not limited to Section 281 of the Income Tax Act. I/We confirm that no notice has been issued by the income tax authorities impacting the rights to transfer the shares.

I/We note and understand that the Offer Shares will be held by the Registrar to the Offer/Clearing Corporation in trust for me/us till the date the Acquirer make payment of consideration as mentioned in the Letter of Offer, or the date by which other documents are dispatched to the Shareholders, as the case may be.

I/We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by me/us, or as a result of income tax (including any consequent interest and penalty) on the income arising from tendering of the Offer Shares, I/We will indemnify the Acquirer for such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority.

I/We authorize the Acquirer to acquire all the Equity Shares so tendered by me/us or such lesser number of Equity Shares, which it/they may decide to accept, in consultation with the Manager to the Offer, and in terms of the Letter of Offer.

I/We authorize the Acquirer, and the Registrar to the Offer to return to me/us by registered post or ordinary post, unaccepted documents, if any, at my/our sole risk, without specifying the reasons thereof.

I/We, confirm that our residential status for the purposes of tax is:

Resident Non-resident, if yes please state country of tax residency: _____

(If none of the above box is ticked, the residential status of the Shareholder will be considered as non-resident, for withholding tax purposes).

I/We, confirm that my/our status as a shareholder is: *(Please tick whichever is applicable)*

<input type="checkbox"/> Individual	<input type="checkbox"/> Domestic	<input type="checkbox"/> Foreign Company	<input type="checkbox"/> FII/FPI - Corporate	<input type="checkbox"/> FII/FPI - Others
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	Company			
<input type="checkbox"/> QFI	<input type="checkbox"/> FVCI	<input type="checkbox"/> Partnership/Proprietorship firm/LLP	<input type="checkbox"/> Private Equity Fund/AIF	<input type="checkbox"/> Pension/Provident Fund
<input type="checkbox"/> Sovereign Wealth Fund	<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> Financial Institution	<input type="checkbox"/> NRIs/PIOs - repatriable	<input type="checkbox"/> NRIs/PIOs - non- repatriable
<input type="checkbox"/> Insurance Company	<input type="checkbox"/> OCB	<input type="checkbox"/> Domestic Trust	<input type="checkbox"/> Banks	<input type="checkbox"/> Association of person/Body of Individual
<input type="checkbox"/> Any others, please specify:	_____			

FOR NRIs/OCBs/FIIs, FPIs AND SUB-ACCOUNTS/OTHER NON-RESIDENT SHAREHOLDERS:

I/We, confirm that my/our investment status is: *(Please provide supporting documents and tick whichever is applicable)*

- FDI Route
- PIS Route
- Any other - please specify _____

I/We, confirm that the Offer Shares tendered by me/us are held on: *(Please tick whichever is applicable)*

- Repatriable basis
- Non-Repatriable basis

I/We, confirm that: *(Please tick whichever is applicable)*

- No RBI or other regulatory approval was required by me for holding Offer Shares that have been tendered in this Open Offer and the Offer Shares are held under the general permission of the RBI
- Copies of all approvals required by me for holding Offer Shares that have been tendered in this Open Offer are enclosed herewith
- Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith

I/We, confirm that: *(Please tick whichever is applicable)*

- No RBI or other regulatory approval is required by me for tendering the Offer Shares in this Open Offer
- Copies of all approvals required by me for tendering Offer Shares in this Open Offer are enclosed herewith

-----Tear along this line -----

All future correspondence, if any, should be addressed to the respective Selling Broker, or the Registrar to the

Offer at:

Link Intime India Private Limited Unit: Automotive Axles Limited – Open Offer
C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083, Maharashtra, India

Contact person: Sumeet Deshpande
Tel: +91 22 4918 6200, Fax: +91 22 4918 6195
Email: automotive.openoffer@linkintime.co.in

Additional confirmations and enclosures for all Shareholders, as applicable:

I/We, have enclosed the following documents: *(Please tick whichever is applicable)*

- Self-attested copy of PAN card
- Self-declaration form in Form 15G/Form 15H, if applicable to be obtained in duplicate copy (applicable only for interest payment, if any)
- Duly attested power of attorney if any person apart from the Shareholder has signed the Form-of-Acceptance-cum- Acknowledgement
- Corporate authorization, in case of Companies along with certified copy of the Board Resolution and Specimen Signatures of Authorised Signatories
- For Mutual funds/Banks/Notified Institutions under Section 194A (3) (iii) of the Income Tax Act, attested copy of relevant registration or notification
- Declaration that the investment in the Equity Shares is in accordance with the applicable SEBI regulations (mandatory to be submitted by FIIs/FPIs).
- SEBI Registration Certificate for FIIs/FPIs (mandatory to be submitted by FIIs/FPIs).
- 'Valid Tax Residency Certificate' issued by the income tax authority of a foreign country of which he/it claims to be a tax resident, in case the Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which the Shareholder claims to be resident and a duly filled in 'Form 10F' as prescribed under the Income Tax Act. Such other information and documentation as may be required depending upon specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India.
- NOC/Tax clearance certificate from income tax authorities, for deduction of tax at a lower rate/NIL rate on income from sale of shares and interest income, if any, wherever applicable
- Other relevant documents (Please specify) _____

BANK DETAILS

In case of Shareholders holding Equity Shares in dematerialised form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depositories.

In case of interest payments, if any, by the Acquirer for delay in payment of Offer consideration or a part thereof, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments.

Yours faithfully, Signed and Delivered,

	Full name(s) of the holder	PAN	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed, and certified copies of the necessary Board resolutions/Corporate authorizations should be attached.

Place: _____ Date: _____

-----Tear along this line -----

Acknowledgement Slip – Automotive Axles Limited - Open Offer

Received from Mr./Ms./M/s. _____

Address: _____

Form of Acceptance-cum-Acknowledgement for [Automotive Axles Limited – Open Offer] as per details below:

Copy of delivery instruction to depository participant of DP ID/Client ID/Folio No. _____ for _____

Equity Shares

Date of Receipt: _____ Place of Receipt: _____

Stamp of Selling Broker: _____ Signature of Official: _____

INSTRUCTIONS

Capitalized terms used and not defined in these instructions will have the same meaning as provided in the Letter of Offer dated [●].

1. **PLEASE NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT OR ANY OTHER DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRER, THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER.**
2. The Form of Acceptance-cum-Acknowledgement should be legible and should be filled-up in English only.
3. All queries pertaining to this Open Offer may be directed to the Registrar to the Offer.
4. **AS PER THE PROVISIONS OF REGULATION 40(1) OF THE SEBI LODR REGULATIONS AND SEBI PR 49/2018 DATED 3 DECEMBER 2018, REQUESTS FOR TRANSFER OF SECURITIES SHALL NOT BE PROCESSED UNLESS THE SECURITIES ARE HELD IN DEMATERIALIZED FORM WITH A DEPOSITORY W.E.F. 1 APRIL 2019. HOWEVER, IN ACCORDANCE WITH THE CIRCULAR ISSUED BY SEBI BEARING REFERENCE NUMBER SEBI/HO/CFD/CMD1/CIR/P/2020/144 DATED 31 JULY 2020, SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL FORM ARE ALLOWED TO TENDER SHARES IN AN OPEN OFFER. SUCH TENDERING SHALL BE AS PER THE PROVISIONS OF THE SEBI (SAST) REGULATIONS.**
5. The Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach the and submit the following set of documents for verification procedure as mentioned below:
 - a) Original share certificate(s)
 - b) Valid share transfer deed(s) duly filled, stamped and signed by the transferor(s) (i.e. by all registered shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
 - c) Self-attested copy of the Shareholder's PAN Card (in case of joint holders, the PAN card copy of all transferors)
 - d) This Form - for Shareholders holding Equity Shares in physical mode, duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
 - e) A self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar card, voter identity card, passport or driving license.
 - f) Any other relevant document including (but not limited to) such as power of attorney, corporate authorization (including board resolution(s)/ specimen signature(s)), notarised copy/(ies) of death certificate(s) and succession certificate(s) or probated will(s), if the original shareholder is deceased, etc., as applicable.**Shareholders holding physical shares should note that such Equity Shares will not be accepted unless the complete set of documents is submitted.**
6. In case of unregistered owners of Equity Shares in physical mode, the Shareholder should provide an additional valid share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures and witness details. **PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.**
7. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to issue the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.

8. In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/ its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgment with, or receipt by, the Target Company / its transfer agents, of the share certificate(s) and the transfer deed(s).
9. The Shareholder should ensure that the certificate(s) and above documents should be sent only to the Registrar to the Offer either by registered post or courier or hand delivery so as to reach the Registrar to the Offer : i.e. Link Intime India Private Limited on or before the date of closure of the Tendering Period, at the following address:
C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli West,
Mumbai – 400 083, Maharashtra, India.
10. The Selling Broker should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s).The Selling Broker(s) shall print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. The TRS will contain the details of order submitted including Folio No., Certificate No. Dist. Nos., number of Equity Shares, etc
11. Eligible Shareholders who desire to tender their Equity Shares in the dematerialized form under the Offer would have to do so through their respective selling member by indicating the details of Equity Shares they intend to tender under the Offer.
12. In case of Equity Shares held in joint names, names should be filled up in the same order in the On Market Form of Acceptance-cum-Acknowledgement as the order in which they hold the Equity Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
13. If the Offer Shares tendered are rejected for any reason, the Offer Shares will be returned to the sole/first named Shareholder(s) along with all the documents received at the time of submission.
14. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the Letter of Offer in Section 8 (*Procedure for Acceptance and Settlement*).
15. The Letter of Offer along with the Form of Acceptance-cum-Acknowledgement is being dispatched/sent through electronic mail to all the Shareholders as on the Identified Date, who have registered their email ids with the Depositories and through speed post / registered post to shareholders who do not have registered email id and/or the Target Company. In case of non-receipt of the Letter of Offer, the Shareholders of the Target Company may download the same from the respective websites of SEBI (www.sebi.gov.in), the Registrar to the Offer (www.linkintime.co.in), and BSE (www.bseindia.com) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Offer Shares.
16. All the Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
17. All the Shareholders are advised to refer to Section 8.11 (*Compliance with Tax Requirements*) in the Letter of Offer. However, it may be noted that Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances, as the details provided in Section 8.11 (*Compliance with Tax Requirements*), as referred to above, are indicative and for guidance purposes only.
18. All documents/remittances sent by or to Shareholders will be at their own risk. Shareholders are advised to adequately safeguard their interests in this regard.

19. The Selling Broker(s) shall print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System.
20. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.
21. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the Letter of Offer at Section 8 (*Procedure for Acceptance and Settlement*).
22. The Letter of Offer along with the Form of Acceptance-cum-Acknowledgement is being dispatched to all the Shareholders as on the Identified Date. In case of non-receipt of the Letter of Offer, such Shareholders may download the same from the SEBI website (www.sebi.gov.in), or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Offer Shares. The Letter of Offer will also be available on the website of the Registrar to the Offer (<https://web.linkintime.co.in/client-downloads.html>), and BSE (www.bseindia.com).
23. The Tender Form and TRS is not required to be submitted to the Acquirer, , the Manager to the Offer or the Registrar to the Offer. Shareholders holding shares in demat mode are not required to fill the On Market Form of Acceptance-cum-Acknowledgment unless required by their respective selling broker. Equity Shares under lock-in will be required to fill the respective On Market Form of Acceptance-cum-Acknowledgment.
24. If non-resident Shareholders had required any approval from the RBI or any other regulatory body in respect of the Offer Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Offer Shares, to tender the Offer Shares held by them pursuant to this Open Offer. Further, non-resident Shareholders must obtain all approvals required, if any, to tender the Offer Shares in this Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the Letter of Offer, and provide such other consents, documents and confirmations as may be required to enable the Acquirer to purchase the Offer Shares so tendered. In the event any such approvals are not submitted, the Acquirer reserve the right to reject such Offer Shares tendered in this Open Offer. If the Offer Shares are held under general permission of RBI, the non-resident Shareholder should state that the Offer Shares are held under general permission and whether they are held on repatriable basis or non-repatriable basis.
25. Interest payment, if any: In case of interest payments by the Acquirer for delay in payment of Offer consideration or a part thereof, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments.
26. Shareholders who wish to tender their Equity Shares must submit the following documents to the Registrar to the Offer.
27. For resident Shareholders:
 - Self-attested copy of PAN card
 - Certificate from the income tax authorities under Section 197 of the Income Tax Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of consideration (certificate for deduction of tax at lower rate)
 - Self-declaration in Form 15G/Form 15H (in duplicate), if applicable
 - For specified entities under Section 194A(3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification (applicable only for

interest payment, if any)

- Self-attested declaration in respect of residential status and tax status of Shareholders (e.g. individual, Hindu Undivided Family (HUF), firm, company, Association of Persons (AOP), Body of Individuals (BOI), trust or any other – please specify);

28. For non-resident Shareholders:

- Self-attested copy of PAN card
- Certificate under Section 195(3) or Section 197 of the Income Tax Act, wherever applicable (certificate for deduction of tax at lower rate) from the income tax authorities under the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer before remitting the amount of interest
- Tax Residency Certificate and Form 10F and other information or documents as may be required to claim relief under the provisions of applicable double taxation avoidance agreement
- Self-attested declaration that it does not have a Permanent Establishment in India either under the IT Act or applicable between India and any other foreign country or specified Territory (as notified under Section 90 or Section 90A of the Income Tax Act) of which the Shareholder claims to be a tax resident
- Self-attested declaration in respect of residential status and tax status of Shareholders (e.g. individual, Hindu Undivided Family (HUF), firm, company, Association of Persons (AOP), Body of Individuals (BOI), trust or any other – please specify)
- Tax certificate issued by the income tax/statutory authorities of the overseas jurisdiction where the non-resident Shareholder is a resident for tax purposes, indicating the quantum of Overseas Tax along with any other information as may be relevant for this transaction.

In an event of non-submission of NOC or certificate for deduction of tax at nil/lower rate, tax will be deducted up to the maximum marginal rate as may be applicable to the relevant category, to which the Shareholder belongs, by the Acquirer.

FOR DETAILED PROCEDURE IN RESPECT OF TENDERING OFFER SHARES IN THIS OPEN OFFER, PLEASE REFER TO THE LETTER OF OFFER.

All future correspondence, if any, should be addressed to the respective Selling Broker, or to the Registrar to the Offer at the following address:

Link Intime India Private Limited
Unit: Automotive Axles Limited – Open Offer
C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083, Maharashtra, India
Tel: +91 22 4918 6200, Fax: +91 22 4918 6195
Email: automotive.openoffer@linkintime.co.in
Contact Person: Sumeet Deshpande
SEBI Registration No.: INR000004058

FORM OF TRANSFER DEED

Form No. SH-4 - Securities Transfer Form

(Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies
(Share Capital and Debentures) Rules 2014)

Date of execution: ____/____/____

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN

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Name of the company (in full): AUTOMOTIVE AXLES LIMITEDName of the Stock Exchange where the company is listed, (if any): BSE Limited and National Stock Exchange of India Limited**DESCRIPTION OF SECURITIES:**

Kind/Class of securities (1)		Nominal value of each unit of security (2)		Amount called up per unit of security (3)		Amount paid up per unit of security (4)	
Equity		₹ 10.00		₹ 10.00		₹ 10.00	
No. of Securities being Transferred				Consideration received (Rs.)			
In figures		In words		In words		In figures	
Distinctive Number	For						
	To						
Corresponding Certificate Nos.							
Transferors' Particulars							

Registered Folio Number: _____

Name(s) in full

Pan No.

Signature(s)

1. _____

2. _____

3. _____

I, hereby conform that the transferor has signed before me.

Signature of the Witness: _____

Name of the Witness: _____

Address of the Witness: _____

_____ Pincode: _____

Transferees' Particulars

Name in full (1)	Father's/Mother's/Spouse Name (2)	Address & E-mail id (3)
[●]	N/A	Registered Office: [●] Email: [●]
Occupation (4)	Existing Folio No., if any (5)	Signature (6)
Business		

Folio No. of Transferee

Value of Stamp affixed: Rs. _____

Specimen Signature of Transferee(s)

1. _____

2. _____

3. _____

Enclosures:

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Copy of PAN Card of all the Transferees (For all listed Cos.)
4. Others, Specify, _____

STAMPS

For Office Use Only

Checked by

Signature Talled by

Entered in the Register of Transfer on

_____ vide Transfer no _____

Approval Date

Power of attorney/Probate/Death certificate/Letter of
Administration

Registered on

_____ at No

—

