

SEC/BSE/34/2020-21

September 22, 2020

The Manager
Corporate Relationship Department,
BSE Limited, Rotunda Building,
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001

Kind Attn : Mr. Abhay Mungekar/ Mr. Amol Hosalkar
Scrip Code : 517449
ISIN : INE437D01010

Dear Sirs,

Sub: Submission of Public Announcement for Buyback of equity shares by Magna Electro Castings Limited ("the Company")

This is further to our intimated dated September 18, 2020, where the Company has informed that the Board of Directors of the Company have approved the proposal for Buyback of fully paid up Equity Shares of the Company from the existing shareholders/ beneficial owners as on Record Date on a proportionate basis through the Tender Offer process.

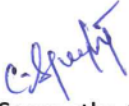
In this connection please note that pursuant to the provisions of Regulation 7 of the Securities & Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("Buyback Regulations"), the Company has published the Public Announcement of Buyback today i.e. September 22, 2020 in the following newspapers:

Publication	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Makkal Kural	Tamil	Coimbatore Edition

We enclose the extract of paper publications for your kind perusal.

Thanking you,

For Magna Electro Castings Limited


Sangeetha C
Company Secretary and Compliance Officer
ACS-34056

Encl.: As above.

MAGNA ELECTRO CASTINGS LIMITED

CIN: L31103TZ1990PLC002836

Registered Office: 43 (Old No 62), Balasundaram Road, Coimbatore - 641018, Tamilnadu.

Tel.: +91 422 2240109 | Fax: +91 422 2246209 | E-mail: info@magnacast.com | Website: www.magnacast.com

Company Secretary and Compliance Officer: Sangeetha C

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF MAGNA ELECTRO CASTINGS LIMITED FOR BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA(BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED.

This Public Announcement (the "Public Announcement") is being made in relation to the Buyback (as defined hereinafter) of Equity Shares (as defined hereinafter) of MAGNA ELECTRO CASTINGS LIMITED through the tender offer process made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "Buyback Regulations"), for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Schedule II to the Buyback Regulations read with Schedule I of the SEBI Buyback Regulations.

CASH OFFER FOR BUYBACK OF NOT EXCEEDING 4,00,000 (FOUR LAKH) FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 175/- (RUPEES ONE HUNDRED AND SEVENTY FIVE ONLY) PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE

1. DETAILS OF THE BUYBACK OFFER AND BUYBACK PRICE

1.1 The Board of Directors (the "Board") of MAGNA ELECTRO CASTINGS LIMITED ("MAGNA" / "Company") passed a resolution on Friday, September 18, 2020 ("Board Meeting") to approve the buyback by the Company of fully paid-up equity shares of face value of ₹ 10/- each ("Shares" or "Equity Shares") of the Company not exceeding 4,00,000 (Four Lakh) Equity Shares from the equity shareholders/beneficial owners of Equity Shares of the Company as on Record Date i.e. Thursday, October 1, 2020 (the "Record Date") and such equity shareholders/beneficial owners (the "Eligible Shareholders") (for further details in relation to the Record Date, refer to Paragraph 9 of this Public Announcement), on a proportionate basis, through tender offer route (the "Buyback" / "Buyback Offer") at a price of ₹ 175/- (Rupees One Hundred and Seventy Five Only) per Equity Share ("Buyback Price") / "Buyback Offer Price" payable in cash, for an aggregate maximum consideration not exceeding ₹ 7,00,00,000 (Rupees Seven Crores Only) (the "Buyback Offer Size"). The Buyback Offer Size represents 9.52% of the aggregate of the Company's paid-up capital and free reserves as per the standalone audited financial statements of the Company for the financial year ended March 31, 2020. The Buyback is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws including but not limited to Securities and Exchange Board of India ("SEBI") and BSE Limited (the "BSE") (the "Stock Exchange").

1.2 The Buyback Offer Size and the buyback Offer Price do not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, advisors fees, public announcement publication expenses, printing and dispatch expenses, taxes *inter alia* including buy back taxes, securities transaction tax, goods and services tax, stamp duty and other incidental and related expenses.

1.3 The Buyback is in accordance with the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act 2013, as amended (the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014, as amended (the "Share Capital Rules") to the extent applicable and in accordance with Article 39 of the Articles of Association of the Company, and subject to the provisions of the Buyback Regulations and such other approvals, permissions as may be required from time to time from the Stock Exchange where the Equity Shares of the Company are listed and from any other statutory and/or regulatory authority, as may be required and which may be agreed to by the Board and/or any committee thereof. The Buyback would be undertaken in accordance with SEBI circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 (the "SEBI Circulars"), which prescribes mechanism for acquisition of shares through stock exchange. In this regard, the Company will request BSE to provide the acquisition window.

1.4 The Buyback Offer Size represents 9.52% of the aggregate of the fully paid-up equity share capital and free reserves as per the standalone audited financial statements of the Company for the financial year ended March 31, 2020 (the last standalone audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 10% of the aggregate of the fully paid-up equity share capital and free reserves under the Board of Directors approval route as per the provisions of the Companies Act. Since the Company proposes to Buyback up to 4,00,000 (Four Lakh) Equity Shares representing approximately 8.73 % of the total number of Equity Shares in the total paid-up share capital of the Company, the same is within the 25% limit as per the provisions of the Companies Act.

1.5 The maximum amount required by the Company for the Buyback aggregating to ₹ 7,00,00,000 (Rupees Seven Crores Only), is within permitted limits. The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company confirms that as required under Section 68(2)(d) of the Companies Act and Regulation 4(ii) of Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owing by the Company shall not be more than twice the fully paid-up share capital and free reserves after the Buyback.

1.6 The Buyback Offer Price of ₹ 175/- (Rupees One Hundred and Seventy Five Only) per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares on the Stock Exchange where the Equity Shares of the Company are listed, the net-worth of the Company and the impact of the Buyback on the key financial ratios of the Company. The Buyback Offer Price of ₹ 175/- (Rupees One Hundred and Seventy Five Only) per Equity Share represents (i) a premium of 45.65% over the volume weighted average price of the Equity Shares on BSE for 3 months preceding September 14, 2020 being the date of intimation to the Stock Exchange for the Board Meeting to consider the proposal of the Buyback ("Intimation Date"); (ii) premium of 39.91% over the volume weighted average price of the Equity Shares on BSE for 2 weeks preceding Intimation Date; and (iii) premium of 23.50% over the closing market price of the Equity Shares on BSE on Intimation Date.

1.7 The Buyback shall be on a proportionate basis from all the Eligible Shareholders of the Company through the "Tender Offer" route, as prescribed under Regulation 4(v)(a) of the Buyback Regulations. Please see paragraph 9 below for details regarding Record Date and share entitlement for tender in the Buyback.

1.8 A copy of this Public Announcement is available on the Company's website (www.magnacast.com) and is expected to be available on the website of SEBI (www.sebi.gov.in) during the period of the Buyback and on the website of Stock Exchange (www.bseindia.com).

2. NECESSITY FOR BUY BACK

Buyback is the acquisition by a company of its own shares. Buyback is an efficient form of returning surplus cash to the members holding Equity Shares of the Company, *inter-alia*, for the following reasons:

- The Buyback will help the Company to return surplus cash to its members holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher of number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder";
- The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value; and
- The Buyback gives an option to the members holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the buyback Offer or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment.

After considering several factors and benefits to the shareholders holding Equity Shares of the Company, the Board decided to recommend Buyback not exceeding 4,00,000 (Four Lakh) Equity Shares representing 8.73% of the total paid-up equity capital of the Company at a price of ₹ 175 (Rupees One Hundred and Seventy Five Only) per Equity Share, payable in cash, for an aggregate maximum amount not exceeding ₹ 7,00,00,000 (Rupees Seven Crores Only) excluding filing fees payable to the Securities and Exchange Board of India, advisors fees, public announcement publication expenses, printing and dispatch expenses, taxes *inter alia* including buy back taxes, securities transaction tax, goods and services tax, stamp duty and other incidental and related expenses, which represents 9.52% of the aggregate of the Company's paid-up capital and free reserves as per the standalone audited financials of the Company for the financial year ended March 31, 2020.

3. DETAILS OF PROMOTERS SHAREHOLDING AND INTENTION TO PARTICIPATE IN THE BUYBACK

3.1 The aggregate shareholding of the promoters, promoter group and person who are control of Company as on the date of the Board Meeting i.e. Friday, September 18, 2020 is given below:

Name of the promoters and promoter group	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
*N Krishna Samaraj	7,70,000	7,70,000	16.80
N Muthulakshmi	8,07,091	8,07,091	17.61
Ranganayaki N	1,95,000	1,95,000	4.26
Mahitha Vijayakumar	22,600	22,600	0.49
Janardhana Naidu Vijayakumar	10,100	10,100	0.22
Vijayakumar Venkatkumar	45,000	45,000	0.98
Nivedita Lakshmi Narayanaswamy	2,30,000	2,30,000	5.02
Ajeya Vel Narayanaswamy	8,000	8,000	0.17
Aditya Vijayakumar	55,255	55,255	1.21
N Krishna Samaraj	77,000	77,000	1.68
Total	22,20,046	22,20,046	48.45

*Shares held by N Krishnasamaraj HUF where N Krishna Samaraj is Karta

3.2 Aggregate Equity Shares purchased or sold by the promoters, promoter group and person who are control of Company during a period of six months preceding the date of the Board Meeting, i.e. Friday, September 18, 2020:

Name of the promoters and promoter group	Aggregate number of Equity Shares purchased	Nature of transaction	Maximum Price (₹)	Date of maximum price	Minimum price (₹)	Date of minimum price
*N Krishna Samaraj	5,000	Market Purchase	138.00	19/03/2020	125.00	20/03/2020 23/03/2020
Nivedita Lakshmi Narayanaswamy	7,000	Market Purchase	140.00	18/03/2020	124.00	19/03/2020
Ajeya Vel Narayanaswamy	3,000	Market Purchase	134.00	19/03/2020	95.00	30/03/2020
N Krishna Samaraj	15,850	Market Purchase	140.00	18/03/2020	96.90	30/03/2020

*Shares held by N Krishnasamaraj HUF where N Krishna Samaraj is Karta

3.3 In terms of the Buyback Regulations, under the Tender Offer route, the promoters and promoter group of Company have an option to participate in the Buyback. In this regard, the promoters and promoter group have vide their letters dated Friday, September 18, 2020 expressed they do not intend to participate in the Buyback.

4. NO DEFAULTS

The Board confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

5. CONFIRMATION BY THE BOARD OF DIRECTORS

The Board has confirmed on the date of Board Meeting (i.e. Friday, September 18, 2020) that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

- Immediately following the date of this Board meeting, there will be no grounds on which the Company could be found unable to pay its debts;
- As regards the Company's prospects for the year immediately following the date of this Board meeting, and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will be in the Board's view available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting; and
- In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company were being wound up under the provisions of the Companies Act, 1956 or Companies Act, 2013 or Insolvency and Bankruptcy Code 2016, as the case may be, including prospective and contingent liabilities.

6. REPORT BY THE COMPANY'S STATUTORY AUDITOR

The text of the report dated Friday, September 18, 2020 received from M/s. Srikanth & Co., Chartered Accountants, Statutory Auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

Quote

Auditor's Report as prescribed in the Clause (xi) of Schedule I of the Buyback Regulations

To
The Board of Directors,
Magna Electro Castings Limited
43, (Old No.62) Balasundaram Road,
Coimbatore - 641 018

Dear Sirs,

Sub: Report in terms of Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

We, Srikanth & Co., Chartered Accountants, the Statutory Auditors of the Company, have been informed that the Board of Directors of Magna Electro Castings Limited (the "Company") in their meeting held on 18th, September, 2020, have decided to buy back Company's fully paid up equity shares as allowed under Section 68, 69 and 70 of the Companies Act, 2013, the Companies (Share Capital and Debenture) Rules, 2014 and subsequent amendments thereof and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ("Buyback Regulations") at a price of Rs. 175 (Rupees One Hundred and Seventy Five only) per share. In terms of the requirements of Clause (x) of Schedule I of the Buyback Regulations, we confirm as under:

(i) We have inquired into the state of affairs of the Company in relation to its audited financials statements for the year ended March 31, 2020, as approved by the Board of Directors in the meeting held on 1st June, 2020 and unaudited limited reviewed results for the three months ended June 30, 2020 as approved by the Board of Directors in their meeting held on 31st July, 2020;

(ii) The amount of permissible capital payment towards buy-back of equity shares (including premium) in question as ascertained below in our view has been properly determined in accordance with Section 68(2)(c) of the Companies Act, 2013 and Regulation 4 of Buyback Regulations:

Particulars	Amount (Rs. in Lakhs) As on March 31, 2020 Standalone
Issued, subscribed and fully paid up equity shares:	
45,82,200 Equity Shares of Rs. 10/- each, fully paid up	458.22
Total- A	458.22
Free Reserves	
General reserve	3400.00
Retained Earnings	3491.58
Total- B	6891.58
Total C = A + B	7349.81
Maximum amount permissible for the Buy-back i.e. 10% of the aggregate fully paid-up equity share capital and free reserves pursuant to Section 68(2) (b) of the Companies Act requiring Board Resolution.	734.98
Amount approved by the Board of Directors for buy-back in the meeting held on 18.09.2020.	700.00

(iii) Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on 18.09.2020, is unreasonable in all the circumstances in the present context.

(iv) The Board of Directors in their meeting held on 18.09.2020 have formed the opinion in terms of Clause (x) of Schedule I of the Buyback Regulations, on reasonable grounds that the Company, having regard to its state of affairs, shall not be rendered insolvent within a period of one year from that date.

(v) We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration. The compliance with the provisions of the Companies Act, 2013 and Buyback Regulations is the responsibility of the Company's management. Our responsibility is to report on the amount of permissible capital for the buyback and report that the audited accounts on the basis of which calculation with reference to buyback is done and read the resolution of the Board of Directors for the meeting held on 18.09.2020 referred to in paragraph (i) and (iv) above. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable the Board of Directors of the Company to include it in public announcement, draft letter of offer and letter of offer to be circulated to the shareholders and filed with various regulatory agencies and providing to parties including the Manager to the offer, in connection with Buyback and should not be used for any other purpose or by any other person.

Yours faithfully,

For Srikanth & Co.
Chartered Accountants
Firm Regn. No. 004009S
Sd/-
K.Murall Mohan
Proprietor, Auditor
UDIN : 20014328AAAAJF8303
Place: Coimbatore
Date: 18.09.2020

Unquote

7. PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUYBACK

7.1 The Buyback is open to all Eligible Shareholders of the Company, holding Shares in physical form ("Physical Shares") and the beneficial owners holding Equity Shares in the dematerialized form ("Demat Shares"), on the Record Date as per the records made available to the Company by the Depositories/Registrar.

7.2 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

7.3 For implementation of the Buyback, the Company has appointed IDBI Capital Markets & Securities Limited as the registered broker to the Company (the "Company's Broker") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:



IDBI Capital Markets & Securities Limited
6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400005
Contact Person: Ms. Charushila Parkar
Tel No.: +91 (22) 2217 1700 | **Fax No.:** +91 (22) 2215 1787;
Email: charushila.parkar@idbicapital.com | **Website:** www.idbicapital.com
SEBI Registration Number: IN2000007237
Corporate Identity Number: U65990MH1993G0I075578

7.4 The Company will request BSE to provide a separate acquisition window (the "Acquisition Window") to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buyback. The details of the platform will be as specified by BSE from time to time.

7.5 At the beginning of the tendering period, the order for buying Equity Shares will be placed by the Company through Company's Broker. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window of BSE by Eligible Shareholders through their respective stock brokers ("Shareholder Broker") during normal trading hours of the secondary market. The Shareholder Broker can enter orders for Demat Shares as well as Physical Shares. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders.

7.6 The reporting requirements for Non-Resident Shareholders under the Foreign Exchange Management Act, 1999 and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholder and/or the Shareholder Broker through which the Eligible Shareholder places the bid.

7.7 Modification/cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the tendering period of the Buyback. Multiple bids made by a single Eligible Shareholder for selling Equity Shares shall be clubbed and considered as "one bid" for the purposes of acceptance.

7.8 The cumulative quantity tendered shall be made available on the website of BSE (www.bseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.

7.9 Procedure to be followed by shareholders holding Demat Shares

a. Eligible Shareholders holding Demat Shares who desire to tender their Demat Shares under the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback.

b. The Shareholder Broker would be required to place an order/bid on behalf of the Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of the BSE. Before placing the order/bid, the Eligible Shareholder would require to transfer the number of Equity Shares tendered to the special account of Indian Clearing Corporation Limited ("Clearing Corporation" / "ICCL"), by using the early pay in mechanism as prescribed by BSE or ICCL prior to placing the bid by the Shareholder Broker. This shall be validated at the time of order/bid entry.

c. The details of the settlement number for the Buyback will be provided in separate circular which shall be issued at the time of issue opening by Stock Exchange/ Clearing Corporation.

d. For custodian participant orders for Demat Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period (i.e. date of closing of the Buyback offer). Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

e. Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip ("TRS") generated by the stock exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like bid ID No., DP ID, client ID, No. of Demat Shares tendered etc.

f. In case of non-receipt of the completed tender form and other documents, but receipt of Demat Shares in the accounts of the Clearing Corporation and a valid bid in the exchange bidding system, the bid by such Equity Shareholder shall be deemed to have been accepted.

7.10 Procedure to be followed by the shareholders holding Physical Shares

a. In accordance with the SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, the physical shareholders are allowed to tender their shares in the Buyback. However, such tendering shall be as per the provisions of the SEBI Buyback Regulations.

b. Eligible Shareholders who are holding Physical Shares and intend to participate in the Buyback will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (i) tender form duly signed by all Eligible Shareholders (in case shares are in joint names, in the same order in which they hold the shares), (ii) original share certificate(s), (iii) valid share transfer form(s)/Form SH-4 duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of PAN Card(s) of all Eligible Shareholders, (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder is deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the register of members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar card, voter identity card or passport.

c. Based on these documents, the concerned Shareholder Broker shall place an order/bid on behalf of the Eligible Shareholders holding Equity Shares in physical form who wish to tender Equity Shares in the Buyback, using the Acquisition Window of BSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.

d. Any Shareholder Broker/Eligible Shareholder who places a bid for Physical Shares, is required to deliver the original share certificate(s) & documents (as mentioned above) along with TRS generated by exchange bidding system upon placing the bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback i.e. S.K.D.C. Consultants Limited (at the address mentioned at paragraph 11 below) not later than 2 (two) days from the offer closing date. The envelope should be super scribed as "Magna Electro Castings Limited Buyback 2020". One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Shareholder Broker in case of hand delivery.

e. The Eligible Shareholders holding Physical Shares should note that Physical Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the Physical Shares for Buyback by the Company shall be subject to verification as per the SEBI Buyback Regulations and any further directions issued in this regard. The Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such verification, BSE shall display such bids as "unconfirmed physical bids". Once Registrar to the Buyback confirms the bids, they will be treated as "confirmed bids".

f. In case any Eligible Shareholder has submitted Physical Shares for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buyback before the closure of the tendering period of the Buyback.

8. METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per Buyback Regulations:

8.1 The Company will transfer the funds pertaining to the Buyback to the Company's Broker bank account, who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Equity Shareholders will receive funds pay-out in their bank account from the Clearing Corporation.

8.2 The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the "Demat Escrow Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the BSE.

8.3 The Eligible Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance.

8.4 If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the Shareholder. Excess Demat Shares or unaccepted Demat Shares, if any, tendered by the Eligible Shareholders would be returned to them by ICCL. In case of custodian participant orders, excess Demat Shares or unaccepted Demat Shares, if any, will be returned to the respective custodian participant. Any excess Physical Shares pursuant to proportionate acceptance/rejection will be returned back to the concerned Eligible Shareholders directly by the Registrar to the Buyback. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Physical Shares, in case the Physical Shares accepted by the Company are less than the Physical Shares tendered by the shareholder in the Buyback.

8.5 In case of certain shareholders viz., NRIs, non-residents etc. (where there are specific regulatory requirements pertaining to funds payout including those prescribed by the RBI) who do not opt to settle through custodians, the funds payout would be given to their respective Shareholder Broker's settlement accounts for releasing the same to such shareholder's account.

8.6 The settlements of fund obligation for Demat Shares and Physical Shares shall be affected as per the SEBI circulars and as prescribed by BSE and ICCL from time to time. For Demat Shares accepted under the Buyback, such beneficial owners will receive funds payout in their bank account as provided by the depository system directly to the ICCL and in case of Physical Shares, the ICCL will release the funds to the Shareholder Broker(s) as per secondary market payout mechanism. If such shareholder's bank account details are not available or if the funds transfer instruction is rejected by the Reserve Bank of India ("RBI")/bank(s), due to any reasons, then the amount payable to the concerned shareholders will be transferred to the Shareholder Broker for onward transfer to such shareholders.

8.7 The Shareholder Broker would issue contract note to the Company for the Equity Shares accepted under the Buyback. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

8.8 Eligible Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling 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 selling Eligible Shareholders.

8.9 The Equity Shares bought will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

9. RECORD DATE AND SHAREHOLDER ENTITLEMENT

9.1 As required under the Buyback Regulations, the Company has fixed Thursday, October 1, 2020 as the record date (the "Record Date") for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buyback.

9.2 The Equity Shares proposed to be bought back by the Company, as part of this Buyback Offer shall be divided into two categories: (a) reserved category for Small Shareholders (A "Small Shareholder" is defined in the Buyback Regulations as a shareholder, who holds equity shares having market value, on the basis of closing price of the Equity Shares on the recognized stock exchange registering the highest trading volume in respect of such shares, as on record date, of not more than ₹ 2,00,000 (Rupees Two Lakh Only)) and (b) the General Category for all other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.

9.3 In accordance with Regulation 6 of the Buyback Regulations, 15% (fifteen per cent) of the number of Equity Shares which the Company proposes to buy back, or number of shares entitled as per shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.

9.4 On the basis of shareholding as on the Record Date, the Company will determine the entitlement of each shareholder to tender their Equity Shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

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MAGNA ELECTRO CASTINGS LIMITED

CIN: L31103T1990PLC002836

Registered Office: 43 (Old No 62), Balasundaram Road, Coimbatore - 641018, Tamilnadu.

Tel.: +91 422 2240109 | Fax: +91 422 2246209 | E-mail: info@magnacast.com | Website: www.magnacast.com

Company Secretary and Compliance Officer: Sangeetha C

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF MAGNA ELECTRO CASTINGS LIMITED FOR BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED.

This Public Announcement (the "Public Announcement") is being made in relation to the Buyback (as defined hereinafter) of Equity Shares (as defined hereinafter) of MAGNA ELECTRO CASTINGS LIMITED through the tender offer process made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "Buyback Regulations") for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Schedule II to the Buyback Regulations read with Schedule I of the SEBI Buyback Regulations.

CASH OFFER FOR BUYBACK OF NOT EXCEEDING 4,00,000 (FOUR LAKH) FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 175/- (RUPEES ONE HUNDRED AND SEVENTY FIVE ONLY) PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE

1. DETAILS OF THE BUYBACK OFFER AND BUYBACK PRICE

1.1 The Board of Directors (the "Board") of MAGNA ELECTRO CASTINGS LIMITED ("MAGNA" / "Company") passed a resolution on Friday, September 18, 2020 ("Board Meeting") to approve the buyback by the Company of fully paid-up equity shares of face value of ₹ 10/- each ("Shares" or "Equity Shares") of the Company not exceeding 4,00,000 (Four Lakh) Equity Shares from the equity shareholders/beneficial owners of Equity Shares of the Company as on Record Date, i.e. Thursday, October 1, 2020 (the "Record Date") and such equity shareholders/beneficial owners (the "Eligible Shareholders") (for further details in relation to the Record Date, refer to Paragraph 9 of this Public Announcement), on a proportionate basis, through tender offer route (the "Buyback" / "Buyback Offer") at a price of ₹ 175/- (Rupees One Hundred and Seventy Five only) per Equity Share ("Buyback Price" / "Buyback Offer Price") payable in cash, for an aggregate maximum consideration not exceeding ₹ 7,00,00,000 (Rupees Seven Crores Only) (the "Buyback Offer Size"). The Buyback Offer Size represents 9.52% of the aggregate of the Company's paid-up capital and free reserves as per the standalone audited financial statements of the Company for the financial year ended March 31, 2020. The Buyback is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws including but not limited to Securities and Exchange Board of India ("SEBI") and BSE Limited (the "BSE") (the "Stock Exchange").

1.2 The Buyback Offer Size and the Buyback Offer Price do not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, advisors fees, public announcement publication expenses, printing and dispatch expenses, taxes *inter alia* including buy back taxes, securities transaction tax, goods and services tax, stamp duty and other incidental and related expenses.

1.3 The Buyback is in accordance with the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act 2013, as amended (the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014, as amended (the "Share Capital Rules") to the extent applicable and in accordance with Article 39 of the Articles of Association of the Company, and subject to the provisions of the Buyback Regulations and such other approvals, permissions as may be required from time to time from the Stock Exchange where the Equity Shares of the Company are listed and from any other statutory and/or regulatory authority, as may be required and which may be agreed to by the Board and/or any committee thereof. The Buyback will be undertaken in accordance with SEBI circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 (the "SEBI Circulars"), which prescribes mechanism for acquisition of shares through stock exchange. In this regard, the Company will request BSE to provide the acquisition window.

1.4 The Buyback Offer Size represents 9.52% of the aggregate of the fully paid-up equity share capital and free reserves as per the standalone audited financial statements of the Company for the financial year ended March 31, 2020 (the last standalone audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 10% of the aggregate of the fully paid-up equity share capital and free reserves under the Board of Directors approval route as per the provisions of the Companies Act. Since the Company proposes to buyback up to 4,00,000 (Four Lakh) Equity Shares representing approximately 8.73% of the total number of Equity Shares in the total paid-up share capital of the Company, the same is within the 25% limit as per the provisions of the Companies Act.

1.5 The maximum amount required by the Company for the Buyback aggregating to ₹ 7,00,00,000 (Rupees Seven Crores Only), is within permitted limits. The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company confirms that as required under Section 68(2)(d) of the Companies Act and Regulation 4(ii) of Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the fully paid-up share capital and free reserves after the Buyback.

1.6 The Buyback Offer Price of ₹ 175/- (Rupees One Hundred and Seventy Five Only) per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares on the Stock Exchange where the Equity Shares of the Company are listed, the net-worth of the Company and the impact of the Buyback on the key financial ratios of the Company. The Buyback Offer Price of ₹ 175/- (Rupees One Hundred and Seventy Five Only) per Equity Share represents (i) a premium of 45.65% over the volume weighted average price of the Equity Shares on BSE for 3 months preceding September 14, 2020 being the date of intimation to the Stock Exchange for the Board Meeting to consider the proposal of the Buyback ("Intimation Date"); (ii) premium of 39.91% over the volume weighted average price of the Equity Shares on BSE for 2 weeks preceding Intimation Date; and (iii) premium of 23.50% over the closing market price of the Equity Shares on BSE on Intimation Date.

1.7 The Buyback shall be on a proportionate basis from all the Eligible Shareholders of the Company through the "Tender Offer" route, as prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Please see paragraph 9 below for details regarding Record Date and share entitlement for tender in the Buyback.

1.8 A copy of this Public Announcement is available on the Company's website (www.magnacast.com) and is expected to be available on the website of SEBI (www.sebi.gov.in) during the period of the Buyback and on the website of Stock Exchange (www.bseindia.com).

2. NECESSITY FOR BUYBACK

Buyback is the acquisition by a company of its own shares. Buyback is an efficient form of returning surplus cash to the members holding Equity Shares of the Company, *inter-alia*, for the following reasons:

i. The Buyback will help the Company to return surplus cash to its members holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;

ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher of number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder";

iii. The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value; and

iv. The Buyback gives an option to the members holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback Offer or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment.

After considering various factors and benefits to the shareholders holding Equity Shares of the Company, the Board decided to recommend Buyback not exceeding 4,00,000 (Four Lakh) Equity Shares representing 8.73% of the total paid-up equity capital of the Company at a price of ₹ 175 (Rupees One Hundred and Seventy Five only) per Equity Share, payable in cash, for an aggregate maximum amount not exceeding ₹ 7,00,00,000 (Rupees Seven Crores only) excluding filing fees payable to the Securities and Exchange Board of India, advisors fees, public announcement publication expenses, printing and dispatch expenses, taxes *inter alia* including buy back taxes, securities transaction tax, goods and services tax, stamp duty and other incidental and related expenses, which represents 9.52% of the aggregate of the Company's paid-up capital and free reserves as per the standalone audited financials of the Company for the financial year ended March 31, 2020.

3. DETAILS OF PROMOTERS SHAREHOLDING AND INTENTION TO PARTICIPATE IN THE BUYBACK

3.1 The aggregate shareholding of the promoters, promoter group and person who are control of Company as on the date of the Board Meeting i.e. Friday, September 18, 2020 is given below:

Name of the promoters and promoter group	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
*N Krishna Samaraj	7,70,000	7,70,000	16.80
N Muthulakshmi	8,07,091	8,07,091	17.61
Ranganayaki N	1,95,000	1,95,000	4.26
Mahitha Vijayakumar	22,600	22,600	0.49
Janardhana Naidu Vijayakumar	10,100	10,100	0.22
Vijayakumar Venkatikumar	45,000	45,000	0.98
Nivedita Lakshmi Narayanaswamy	2,30,000	2,30,000	5.02
Ajeya Vel Narayanaswamy	8,000	8,000	0.17
Aditya Vijayakumar	55,255	55,255	1.21
N Krishna Samaraj	77,000	77,000	1.68
Total	22,20,046	22,20,046	48.45

*Shares held by N Krishnasamaraj HUF where N Krishna Samaraj is Karta

3.2 Aggregate Equity Shares purchased or sold by the promoters, promoter group and person who are control of Company during a period of six months preceding the date of the Board Meeting, i.e. Friday, September 18, 2020:

Name of the promoters and promoter group	Aggregate number of Equity Shares purchased	Nature of transaction	Maximum Price (₹)	Date of maximum price	Minimum price (₹)	Date of minimum price
*N Krishna Samaraj	5,000	Market Purchase	138.00	19/03/2020	125.00	20/03/2020
Nivedita Lakshmi Narayanaswamy	7,000	Market Purchase	140.00	18/03/2020	124.00	19/03/2020
Ajeya Vel Narayanaswamy	3,000	Market Purchase	134.00	19/03/2020	95.00	30/03/2020
N Krishna Samaraj	15,850	Market Purchase	140.00	18/03/2020	96.90	30/03/2020

*Shares held by N Krishnasamaraj HUF where N Krishna Samaraj is Karta

3.3 In terms of the Buyback Regulations, under the Tender Offer route, the promoters and promoter group of Company have an option to participate in the Buyback. In this regard, the promoters and promoter group have vide their letters dated Friday, September 18, 2020 expressed their do not intend to participate in the Buyback.

4. NO DEFAULTS

The Board confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

5. CONFIRMATION BY THE BOARD OF DIRECTORS

The Board has confirmed on the date of Board Meeting (i.e. Friday, September 18, 2020) that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

a) Immediately following the date of this Board meeting, there will be no grounds on which the Company could be found unable to pay its debts;

b) As regards the Company's prospects for the year immediately following the date of this Board meeting, and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting; and

c) In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company were being wound up under the provisions of the Companies Act, 1956 or Companies Act, 2013 or Insolvency and Bankruptcy Code 2016, as the case may be, including prospective and contingent liabilities.

6. REPORT BY THE COMPANY'S STATUTORY AUDITOR

The text of the report dated Friday, September 18, 2020 received from M/s. Srikanth & Co., Chartered Accountants, Statutory Auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

Quote

Auditor's Report as prescribed in the Clause (xi) of Schedule I of the Buyback Regulations

To
The Board of Directors,
Magna Electro Castings Limited
43, (Old No.62) Balasundaram Road,
Coimbatore - 641 018

Dear Sirs,

Sub: Report in terms of Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

We, Srikanth & Co., Chartered Accountants, the Statutory Auditors of the Company, have been informed that the Board of Directors of Magna Electro Castings Limited (the "Company") in their meeting held on 18th, September, 2020, have decided to buy back Company's fully paid up equity shares as allowed under Section 68, 69 and 70 of the Companies Act, 2013, the Companies (Share Capital and Debenture) Rules, 2014 and subsequent amendments thereof and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ("Buyback Regulations") at a price of Rs. 175 (Rupees One Hundred and Seventy Five only) per share. In terms of the requirements of Clause (xi) of Schedule I of the Buyback Regulations, we confirm as under:

(i) We have inquired into the state of affairs of the Company in relation to its audited financials statements for the year ended March 31, 2020, as approved by the Board of Directors in the meeting held on 1st June, 2020 and unaudited limited reviewed results for the three months ended June 30, 2020 as approved by the Board of Directors in their meeting held on 31st July, 2020;

(ii) The amount of permissible capital payment towards buy-back of equity shares (including premium) in question as ascertained below in our view has been properly determined in accordance with Section 68(2)(c) of the Companies Act, 2013 and Regulation 4 of Buyback Regulations:

Particulars	Amount (Rs. in Lakhs) As on March 31, 2020 Standalone
Issued, subscribed and fully paid up equity shares:	
45,82,200 Equity Shares of Rs. 10/- each, fully paid up	458.22
Total- A	458.22
Free Reserves	
General reserve	3400.00
Retained Earnings	3491.58
Total- B	6891.58
Total C= A+B	7349.81
Maximum amount permissible for the Buy-back i.e. 10% of the aggregate fully paid-up equity share capital and free reserves pursuant to Section 68(2) (b) of the Companies Act requiring Board Resolution.	734.98
Amount approved by the Board of Directors for buy-back in the meeting held on 18.09.2020.	700.00

(iii) Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on 18.09.2020, is unreasonable in all the circumstances in the present context.

(iv) The Board of Directors in their meeting held on 18.09.2020 have formed the opinion in terms of Clause (x) of Schedule I of the Buyback Regulations, on reasonable grounds that the Company, having regard to its state of affairs, shall not be rendered insolvent within a period of one year from that date.

(v) We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration. The compliance with the provisions of the Companies Act, 2013 and Buyback Regulations is the responsibility of the Company's management. Our responsibility is to report on the amount of permissible capital for the buyback and report that the audited accounts on the basis of which calculation with reference to buyback is done and read the resolution of the Board of Directors for the meeting held on 18.09.2020 referred to in paragraph (i) and (iv) above. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable the Board of Directors of the Company to include it in public announcement, draft letter of offer and letter of offer to be circulated to the shareholders and filed with various regulatory agencies and providing to parties including the Manager to the offer, in connection with Buyback and should not be used for any other purpose or by any other person.

Yours faithfully,

For Srikanth & Co.
Chartered Accountants
Firm Regn. No. 004009S
Sd/-
K. Murali Mohan
Proprietor, Auditor
UDIN : 20014328AAA4F8303
Place: Coimbatore
Date: 18.09.2020

Unquote

7. PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUYBACK

7.1 The Buyback is open to all Eligible Shareholders of the Company, holding Shares in physical form ("Physical Shares") and the beneficial owners holding Equity Shares in the dematerialized form ("Demat Shares"), on the Record Date as per the records made available to the Company by the Depositories/Registrar.

7.2 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

7.3 For implementation of the Buyback, the Company has appointed IDBI Capital Markets & Securities Limited as the registered broker to the Company (the "Company's Broker") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:



IDBI Capital Markets & Securities Limited
6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400005
Contact Person: Ms. Charushila Parkar
Tel No.: +91 (22) 2217 1700 | Fax No.: +91 (22) 2215 1787;
Email: charushila.parkar@idbicapital.com | Website: www.idbicapital.com
SEBI Registration Number: IN0000007237

7.4 The Company will request BSE to provide a separate acquisition window (the "Acquisition Window") to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buyback. The details of the platform will be as specified by BSE from time to time.

7.5 At the beginning of the tendering period, the order for buying Equity Shares will be placed by the Company through Company's Broker. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window of BSE by Eligible Shareholders through their respective stock brokers ("Shareholder Broker") during normal trading hours of the secondary market. The Shareholder Broker can enter orders for Demat Shares as well as Physical Shares. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders.

7.6 The reporting requirements for Non-Resident Shareholders under the Foreign Exchange Management Act, 1999 and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholder and/or the Shareholder Broker through which the Eligible Shareholder places the bid.

7.7 Modification/cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the tendering period of the Buyback. Multiple bids made by a single Eligible Shareholder for selling Equity Shares shall be clubbed and considered as "one bid" for the purposes of acceptance.

7.8 The cumulative quantity tendered shall be made available on the website of BSE (www.bseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.

7.9 Procedure to be followed by shareholders holding Demat Shares

a. Eligible Shareholders holding Demat Shares who desire to tender their Demat Shares under the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback.

b. The Shareholder Broker would be required to place an order/bid on behalf of the Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of the BSE. Before placing the order/bid, the Eligible Shareholder would require to transfer the number of Equity Shares tendered to the special account of Indian Clearing Corporation Limited ("Clearing Corporation" / "ICCL"), by using the early pay in mechanism as prescribed by BSE or ICCL prior to placing the bid by the Shareholder Broker. This shall be validated at the time of order/ bid entry.

c. The details of the settlement number for the Buyback will be provided in separate circular which shall be issued at the time of issue opening by Stock Exchange/Clearing Corporation.

d. For custodian participant orders for Demat Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period (i.e. date of closing of the Buyback offer). Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

e. Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip ("TRS") generated by the stock exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like bid ID No., DP ID, client ID, No. of Demat Shares tendered etc.

f. In case of non-receipt of the completed tender form and other documents, but receipt of Demat Shares in the accounts of the Clearing Corporation and a valid bid in the exchange bidding system, the bid by such Equity Shareholder shall be deemed to have been accepted.

7.10 Procedure to be followed by the shareholders holding Physical Shares

a. In accordance with the SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, the physical shareholders are allowed to tender their shares in the Buyback. However, such tendering shall be as per the provisions of the SEBI Buyback Regulations.

b. Eligible Shareholders who are holding Physical Shares and intend to participate in the Buyback will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (i) tender form duly signed by all Eligible Shareholders (in case shares are in joint names, in the same order in which they hold the shares), (ii) original share certificate(s), (iii) valid share transfer form(s)/Form SH-4 duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of PAN Card(s) of all Eligible Shareholders, (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder is deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the register of members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar card, voter identity card or passport.

c. Based on these documents, the concerned Shareholder Broker shall place an order/ bid on behalf of the Eligible Shareholders holding Equity Shares in physical form who wish to tender Equity Shares in the Buyback, using the Acquisition Window of BSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.

d. Any Shareholder Broker/Eligible Shareholder who places a bid for Physical Shares, is required to deliver the original share certificate(s) & documents (as mentioned above) along with TRS generated by exchange bidding system upon placing the bid, either by registered post, speed post or courier or hand delivery to the Registrar to Buyback i.e. S.K.D.C. Consultants Limited (at the address mentioned at paragraph 11 below) not later than 2 (two) days from the offer closing date. The envelope should be super scripted as "Magna Electro Castings Limited Buyback 2020". One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Shareholder Broker in case of hand delivery.

e. The Eligible Shareholders holding Physical Shares should note that Physical Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the Physical Shares for Buyback by the Company shall be subject to verification as per the SEBI Buyback Regulations and any further directions issued in this regard. The Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till verification, BSE shall display such bids as "unconfirmed physical bids". Once Registrar to the Buyback confirms the bids, they will be treated as "confirmed bids".

f. In case any Eligible Shareholder has submitted Physical Shares for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buyback before the closure of the tendering period of the Buyback.

8. METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per Buyback Regulations:

8.1 The Company will transfer the funds pertaining to the Buyback to the Company's Broker bank account, who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Equity Shareholders will receive funds pay-out in their bank account from the Clearing Corporation.

8.2 The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the "Demat Escrow Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the BSE.

8.3 The Eligible Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance.

8.4 If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the Shareholder. Excess Demat Shares or unaccepted Demat Shares, if any, tendered by the Eligible Shareholders would be returned to them by ICCL. In case of custodian participant orders, excess Demat Shares or unaccepted Demat Shares, if any, will be returned to the respective custodian participant. Any excess Physical Shares pursuant to proportionate acceptance/rejection will be returned back to the concerned Eligible Shareholders directly by the Registrar to the Buyback. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Physical Shares, in case the Physical Shares accepted by the Company are less than the Physical Shares tendered by the shareholder in the Buyback.

8.5 In case of certain shareholders viz., NRIs, non-residents etc. (where there are specific regulatory requirements pertaining to funds payout including those prescribed by the RBI) who do not opt to settle through custodians, the funds payout would be given to their respective Shareholder Broker's settlement accounts for releasing the same to such shareholder's account.

8.6 The settlements of fund obligation for Demat Shares and Physical Shares shall be affected as per the SEBI circulars and as prescribed by BSE and ICCL from time to time. For Demat Shares accepted under the Buyback, such beneficial owners will receive funds payout in their bank account as provided by the depository system directly to the ICCL and in case of Physical Shares, the ICCL will release the funds to the Shareholder Broker(s) as per secondary market payout mechanism. If such shareholder's bank account details are not available or if the funds transfer instruction is rejected by the Reserve Bank of India ("RBI"/banks), due to any reasons, then the amount payable to the concerned shareholders will be transferred to the Shareholder Broker for onward transfer to such shareholders.

8.7 The Shareholder Broker would issue contract note to the Company for the Equity Shares accepted under the Buyback. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

8.8 Eligible Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling 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 selling Eligible Shareholders.

8.9 The Equity Shares bought will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

9. RECORD DATE AND SHAREHOLDER ENTITLEMENT

9.1 As required under the Buyback Regulations, the Company has fixed Thursday, October 1, 2020 as the record date (the "Record Date") for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buyback.

9.2 The Equity Shares proposed to be bought back by the Company, as part of this Buyback Offer shall be divided into two categories: (a) reserved category for Small Shareholders (A "Small Shareholder" is defined in the Buyback Regulations as a shareholder, who holds equity shares having market value, on the basis of closing price of the Equity Shares on the recognized stock exchange registering the highest trading volume in respect of such shares, as on record date, of not more than ₹ 2,00,000 (Rupees Two Lakh Only)) and (b) the General Category for all other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.

9.3 In accordance with Regulation 6 of the Buyback Regulations, 15% (fifteen per cent) of the number of Equity Shares which the Company proposes to buy back, or number of shares entitled as per shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.

9.4 On the basis of shareholding as on the Record Date, the Company will determine the entitlement of each shareholder to tender their Equity Shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

9.5 In order to ensure that the same Eligible

MAGNA ELECTRO CASTINGS LIMITED

CIN: L31103TZ1990PLC002836
Registered Office: 43 (Old No 62), Balasundaram Road, Coimbatore - 641018, Tamilnadu.
Tel.: +91 422 2240109 | **Fax:** +91 422 2246209 | **E-mail:** info@magnacast.com | **Website:** www.magnacast.com
Company Secretary and Compliance Officer: Sangeetha C

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF MAGNA ELECTRO CASTINGS LIMITED FOR BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA(BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED.

This Public Announcement (the "Public Announcement") is being made in relation to the Buyback (as defined hereinafter) of Equity Shares (as defined hereinafter) of MAGNA ELECTRO CASTINGS LIMITED through the tender offer process made pursuant to the provisions of Regulation 70 of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "Buyback Regulations"), for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Schedule II to the Buyback Regulations read with Schedule I of the SEBI Buyback Regulations. **CASH OFFER FOR BUYBACK OF NOT EXCEEDING 4,00,000 (FOUR LAKH) FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 175/- (RUPEES ONE HUNDRED AND SEVENTY FIVE ONLY) PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE**

1. DETAILS OF THE BUYBACK OFFER AND BUYBACK PRICE
 1.1 The Board of Directors (the "Board") of MAGNA ELECTRO CASTINGS LIMITED ("MAGNA" / "Company") passed a resolution on Friday, September 18, 2020 ("Board Meeting") to approve the buyback by the Company of fully paid-up equity shares of face value of ₹ 10/- each ("Shares" or "Equity Shares") of the Company not exceeding 4,00,000 (Four Lakh) Equity Shares from the equity shareholders/beneficial owners of Equity Shares of the Company as on Record Date i.e. Thursday, October 1, 2020 (the "Record Date") and such equity shareholders/ beneficial owners (the "Eligible Shareholders") (for further details in relation to the Record Date, refer to Paragraph 9 of this Public Announcement), on a proportionate basis, through tender offer route (the "Buyback" / "Buyback Offer") at a price of ₹ 175/- (Rupees One Hundred and Seventy Five only) per Equity Share ("Buyback Price" / "Buyback Offer Price") payable in cash, for an aggregate maximum consideration not exceeding ₹ 7,00,00,000 (Rupees Seven Crores Only) (the "Buyback Offer Size"). The Buyback Offer Size represents 9.52% of the aggregate of the Company's paid-up capital and free reserves as per the standalone audited financial statements of the Company for the financial year ended March 31, 2020. The Buyback is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws including but not limited to Securities and Exchange Board of India ("SEBI") and BSE Limited (the "BSE") (the "Stock Exchange").

1.2 The Buyback Offer Size and the Buyback Offer Price do not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, advisors fees, public announcement publication expenses, printing and dispatch expenses, taxes *inter alia* including but not limited to Securities transaction tax, goods and services tax, stamp duty and other incidental and related expenses.

1.3 The Buyback is in accordance with the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act 2013, as amended (the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014, as amended (the "Share Capital Rules"), to the extent applicable and in accordance with Article 39 of the Articles of Association of the Company, and subject to the provisions of the Buyback Regulations and such other approvals, permissions as may be required from time to time from the Stock Exchange where the Equity Shares of the Company are listed and from any other statutory and/or regulatory authority, as may be required and which may be agreed to by the Board and/or any committee thereof. The Buyback would be undertaken in accordance with SEBI circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 (the "SEBI Circulars"), which prescribes mechanism for acquisition of shares through stock exchange. In this regard, the Company will request BSE to provide the acquisition window.

1.4 The Buyback Offer Size represents 9.52% of the aggregate of the fully paid-up equity share capital and free reserves as per the standalone audited financial statements of the Company for the financial year ended March 31, 2020 (the last standalone audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 10% of the aggregate of the fully paid-up equity share capital and free reserves under the Board of Directors approval route as per the provisions of the Companies Act. Since the Company proposes to Buyback up to 4,00,000 (Four Lakh) Equity Shares representing approximately 8.73 % of the total number of Equity Shares in the total paid-up share capital of the Company, the same is within the 25% limit as per the provisions of the Companies Act.

1.5 The maximum amount required by the Company for the Buyback aggregating to ₹ 7,00,00,000 (Rupees Seven Crores Only), is within permitted limits. The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company confirms that as required under Section 68(2)(c) of the Companies Act and Regulation 4(i) of Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the fully paid-up share capital and free reserves after the Buyback.

1.6 The Buyback Offer Price of ₹ 175/- (Rupees One Hundred and Seventy Five Only) per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares on the Stock Exchange where the Equity Shares of the Company are listed, the net-worth of the Company and the impact of the Buyback on the key financial ratios of the Company. The Buyback Offer Price of ₹ 175/- (Rupees One Hundred and Seventy Five only) per Equity Share represents (i) a premium of 45.65% over the volume weighted average price of the Equity Shares on BSE for 3 months preceding September 14, 2020 being the date of intimation to the Stock Exchange for the Board Meeting to consider the proposal of the Buyback ("Intimation Date"); (ii) premium of 39.91% over the volume weighted average price of the Equity Shares on BSE for 2 weeks preceding Intimation Date; and (iii) premium of 23.50% over the closing market price of the Equity Shares on BSE on Intimation Date.

1.7 The Buyback shall be on a proportionate basis from all the Eligible Shareholders of the Company through the "Tender Offer" route, as prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Please see paragraph 9 below for details regarding Record Date and share entitlement for tender in the Buyback.

1.8 A copy of this Public Announcement is available on the Company's website (www.magnacast.com) and is expected to be available on the website of SEBI (www.sebi.gov.in) during the period of the Buyback and on the website of Stock Exchange (www.bseindia.com).

2. NECESSITY FOR BUY BACK

- Buyback is the acquisition by a company of its own shares. Buyback is an efficient form of returning surplus cash to the members holding Equity Shares of the Company, *inter-alia*, for the following reasons:
 - The Buyback will help the Company to return surplus cash to its members holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
 - The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher of number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder";
 - The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value; and
 - The Buyback gives an option to the members holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback Offer or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment.

After considering several factors and benefits to the shareholders holding Equity Shares of the Company, the Board decided to recommend Buyback not exceeding 4,00,000 (Four Lakh) Equity Shares representing 8.73% of the total paid-up equity capital of the Company at a price of ₹ 175 (Rupees One Hundred and Seventy Five only) per Equity Share, payable in cash, for an aggregate maximum amount not exceeding ₹ 7,00,00,000 (Rupees Seven Crores Only) excluding filing fees payable to the Securities and Exchange Board of India, advisors fees, public announcement publication expenses, printing and dispatch expenses, taxes *inter alia* including but not limited to Securities transaction tax, goods and services tax, stamp duty and other incidental and related expenses, which represents 9.52% of the aggregate of the Company's paid-up capital and free reserves as per the standalone audited financials of the Company for the financial year ended March 31, 2020.

3. DETAILS OF PROMOTERS SHAREHOLDING AND INTENTION TO PARTICIPATE IN THE BUYBACK

3.1 The aggregate shareholding of the promoters, promoter group and person who are control of Company as on the date of the Board Meeting i.e. Friday, September 18, 2020 is given below:

Name of the promoters and promoter group	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
*N Krishna Samaraj	7,70,000	7,70,000	16.80
N Muthulakshmi	8,07,091	8,07,091	17.61
Ranganayaki N	1,95,000	1,95,000	4.26
Mahitha Vijayakumar	22,600	22,600	0.49
Janardhana Naidu Vijayakumar	10,100	10,100	0.22
Vijayakumar Venkatkumar	45,000	45,000	0.98
Nivedita Lakshmi Narayanaswamy	2,30,000	2,30,000	5.02
Ajeaya Vel Narayanaswamy	8,000	8,000	0.17
Aditya Vijayakumar	55,255	55,255	1.21
N Krishna Samaraj	77,000	77,000	1.68
Total	22,20,046	22,20,046	48.45

*Shares held by N Krishnasamaraj HUF where N Krishna Samaraj is Karta
 3.2 Aggregate Equity Shares purchased or sold by the promoters, promoter group and person who are control of Company during a period of six months preceding the date of the Board Meeting, i.e. Friday, September 18, 2020:

Name of the promoters and promoter group	Aggregate number of Equity Shares purchased	Nature of transaction	Maximum Price (₹)	Date of maximum price	Minimum price (₹)	Date of minimum price
*N Krishna Samaraj	5,000	Market Purchase	138.00	19/03/2020	125.00	20/03/2020 23/03/2020
Nivedita Lakshmi Narayanaswamy	7,000	Market Purchase	140.00	18/03/2020	124.00	19/03/2020
Ajeaya Vel Narayanaswamy	3,000	Market Purchase	134.00	19/03/2020	95.00	30/03/2020
N Krishna Samaraj	15,850	Market Purchase	140.00	18/03/2020	96.90	30/03/2020

3.3 In terms of the Buyback Regulations, under the Tender Offer route, the promoters and promoter group of Company have an option to participate in the Buyback. In this regard, the promoters and promoter group have *vide* their letters dated Friday, September 18, 2020 expressed they do not intend to participate in the Buyback.

4. NO DEFAULTS
 The Board confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

5. CONFIRMATION BY THE BOARD OF DIRECTORS
 The Board has confirmed on the date of Board Meeting (i.e. Friday, September 18, 2020) that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:
 a) Immediately following the date of this Board meeting, there will be no grounds on which the Company could be found unable to pay its debts;
 b) As regards the Company's prospects for the year immediately following the date of this Board meeting, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting; and
 c) In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company were being wound up under the provisions of the Companies Act, 1956 or Companies Act, 2013 or Insolvency and Bankruptcy Code 2016, as the case may be, including prospective and contingent liabilities.

6. REPORT BY THE COMPANY'S STATUTORY AUDITOR
 The text of the report dated Friday, September 18, 2020 received from M/s. Srikishan & Co., Chartered Accountants, Statutory Auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

Quote
Auditor's Report as prescribed in the Clause (xi) of Schedule I of the Buyback Regulations
To
The Board of Directors,
Magna Electro Castings Limited
 43, (Old No.62) Balasundaram Road,
 Coimbatore - 641 018

Dear Sirs,
Sub: Report in terms of Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

We, Srikishan & Co, Chartered Accountants, the Statutory Auditors of the Company, have been informed that the Board of Directors of **Magna Electro Castings Limited** (the "Company") in their meeting held on 18th, September, 2020, have decided to buy back Company's fully paid up equity shares as allowed under Section 68, 69 and 70 of the Companies Act, 2013, the Companies (Share Capital and Debenture) Rules, 2014 and subsequent amendments thereof and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ("Buyback Regulations") at a price of Rs. 175 (Rupees One Hundred and Seventy Five only) per share. In terms of the requirements of Clause (xi) of Schedule I of the Buyback Regulations, we confirm as under:
 (i) We have enquired into the state of affairs of the Company in relation to its audited financials statements for the year ended March 31, 2020, as approved by the Board of Directors in the meeting held on 1st June, 2020 and unaudited limited reviewed results for the three months ended June 30, 2020 as approved by the Board of Directors in their meeting held on 31st July, 2020;
 (ii) The amount of permissible capital payment towards buy-back of equity shares (including premium) in question as ascertained below in our view has been properly determined in accordance with Section 68(2)(c) of the Companies Act, 2013 and Regulation 4 of Buyback Regulations:

Particulars	Amount (Rs. in Lakhs) As on March 31, 2020 Standalone
Issued, subscribed and fully paid up equity shares:	
45,82,200 Equity Shares of Rs. 10/- each, fully paid up	458.22
Total- A	458.22
Free Reserves	
General reserve	3400.00
Retained Earnings	3491.58
Total- B	6891.58
Total C = A+B	7349.81
Maximum amount permissible for the Buy-back i.e. 10% of the aggregate fully paid-up equity share capital and free reserves pursuant to Section 68(2)(b) of the Companies Act requiring Board Resolution.	734.98
Amount approved by the Board of Directors for buy-back in the meeting held on 18.09.2020.	700.00

- (iii) Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on 18.09.2020, is unreasonable in all the circumstances in the present context.
 (iv) The Board of Directors in their meeting held on 18.09.2020 have formed the opinion in terms of Clause (x) of Schedule I of the Buyback Regulations, on reasonable grounds that the Company, having regard to its state of affairs, shall not be rendered insolvent within a period of one year from that date.
 (v) We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration. The compliance with the provisions of the Companies Act, 2013 and Buyback Regulations is the responsibility of the Company's management. Our responsibility is to report on the amount of permissible capital for the buyback and report that the audited accounts on the basis of which calculation with reference to buyback is done and read the resolution of the Board of Directors for the meeting held on 18.09.2020 referred to in paragraph (i) and (iv) above. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable the Board of Directors of the Company to include it in public announcement, draft letter of offer and letter of offer to be circularised to the shareholders and filed with various regulatory agencies and providing to parties including the Manager to the offer, in connection with Buyback and should not be used for any other purpose or by any other person.

Yours faithfully,
 For Srikishan & Co.
 Chartered Accountants
 Firm Regn. No. 004009S
 Sd/-
 K. Murali Mohan
 Proprietor, Auditor
 UDIN : 20014328AAAAJF8303
 Place: Coimbatore
 Date: 18.09.2020

UNQUOTE

7. PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUYBACK

- 7.1 The Buyback is open to all Eligible Shareholders of the Company, holding Shares in physical form ("Physical Shares") and the beneficial owners holding Equity Shares in the dematerialized form ("Demat Shares"), on the Record Date as per the records made available to the Company by the Depositories/Registrar.
 7.2 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI *vide* circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
 7.3 For implementation of the Buyback, the Company has appointed IDBI Capital Markets & Securities Limited as the registered broker to the Company (the "Company's Broker") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:



IDBI Capital Markets & Securities Limited
 6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400005
Contact Person: Ms. Charushila Parkar
Tel No.: +91 (22) 2217 1700 | **Fax No.:** +91 (22) 2215 1787;
Email: charushila.parkar@idbicapital.com | **Website:** www.idbicapital.com
SEBI Registration Number: INZ00007237
Corporate Identity Number: U65990MH1993GI075578

- 7.4 The Company will request BSE to provide a separate acquisition window (the "Acquisition Window") to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buyback. The details of the platform will be as specified by BSE from time to time.
 7.5 At the beginning of the tendering period, the order for buying Equity Shares will be placed by the Company through Company's Broker. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window of BSE by Eligible Shareholders through their respective stock brokers ("Shareholder Broker") during normal trading hours of the secondary market. The Shareholder Broker can enter orders for Demat Shares as well as Physical Shares. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders.

- 7.6 The reporting requirements for Non-Resident Shareholders under the Foreign Exchange Management Act, 1999 and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholder and/or the Shareholder Broker through which the Eligible Shareholder places the bid.
 7.7 Modification/cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the tendering period of the Buyback. Multiple bids made by a single Eligible Shareholder for selling Equity Shares shall be clubbed and considered as "one bid" for the purposes of acceptance.
 7.8 The cumulative quantity tendered shall be made available on the website of BSE (www.bseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.

7.9 Procedure to be followed by shareholders holding Demat Shares

- a. Eligible Shareholders holding Demat Shares who desire to tender their Demat Shares under the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback.
 b. The Shareholder Broker would be required to place an order/bid on behalf of the Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of the BSE. Before placing the order/bid, the Eligible Shareholder would require to transfer the number of Equity Shares tendered to the special account of Indian Clearing Corporation Limited ("Clearing Corporation" / "ICCL"), by using the early pay mechanism as prescribed by BSE or ICCL prior to placing the bid in the Shareholder Broker. This shall be validated at the time of order/ bid entry.
 c. The details of the settlement number for the Buyback will be provided in separate circular which shall be issued at the time of issue opening by Stock Exchange/ Clearing Corporation.
 d. For custodian participant orders for Demat Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period (i.e. date of closing of the Buyback offer). Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
 e. Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip ("TRS") generated by the stock exchange bidding system to the Eligible Shareholder, on whose behalf the bid has been placed. TRS will contain details of order submitted like bid ID No., DP ID, client ID, No. of Demat Shares tendered etc.
 f. In case of non-receipt of the completed tender form and other documents, but receipt of Demat Shares in the accounts of the Clearing Corporation and a valid bid in the exchange bidding system, the bid by such Equity Shareholder shall be deemed to have been accepted.

7.10 Procedure to be followed by the shareholders holding Physical Shares

- a. In accordance with the SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, the physical shareholders are allowed to tender their shares in the Buyback. However, such tendering shall be as per the provisions of the SEBI Buyback Regulations.
 b. Eligible Shareholders who are holding Physical Shares and intend to participate in the Buyback will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (i) tender form duly signed by all Eligible Shareholders (in case shares are in joint names, in the same order in which they hold the shares), (ii) original share certificate(s), (iii) valid share transfer form(s)/Form SH-4 duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of PAN Card(s) of all Eligible Shareholders, (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Shareholder is deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the register of members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar card, voter identity card or passport.
 c. Based on these documents, the concerned Shareholder Broker shall place an order/ bid on behalf of the Eligible Shareholders holding Equity Shares in physical form who wish to tender Equity Shares in the Buyback, using the Acquisition Window of BSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
 d. Any Shareholder Broker/Eligible Shareholder who places a bid for Physical Shares, is required to deliver the original share certificate(s) & documents (as mentioned above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback i.e. S.K.D.C. Consultants Limited (at the address mentioned in paragraph 11 below) not later than 2 (two) days from the offer closing date. The envelope should be scrip subscribed as "Magna Electro Castings Limited Buyback 2020". One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Shareholder Broker in case of hand delivery.

e. The Eligible Shareholders holding Physical Shares should note that Physical Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the Physical Shares for Buyback by the Company shall be subject to verification as per the SEBI Buyback Regulations and any further directions issued in this regard. The Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such verification, BSE shall display such bids as 'unconfirmed physical bids'. Once Registrar to the Buyback confirms the bids, they will be treated as 'confirmed bids'.
 f. In case any Eligible Shareholder has submitted Physical Shares for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buyback before the closure of the tendering period of the Buyback.

8. METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per Buyback Regulations:
 8.1 The Company will transfer the funds pertaining to the Buyback to the Company's Broker bank account, who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Equity Shareholders will receive funds pay-out in their bank account from the Clearing Corporation.
 8.2 The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the "Demat Escrow Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the BSE.

8.3 The Eligible Shareholders will have to ensure that they keep the depository participant ("DP") account active and unlocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance.
 8.4 If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the Shareholder. Excess Demat Shares or unaccepted Demat Shares, if any, tendered by the Eligible Shareholders would be returned to them by ICCL. In case of custodian participant orders, excess Demat Shares or unaccepted Demat Shares, if any, will be returned to the respective custodian participant. Any excess Physical Shares pursuant to proportionate acceptance/rejection will be returned back to the concerned Eligible Shareholders directly by the Registrar to the Buyback. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Physical Shares, in case the Physical Shares accepted by the Company are less than the Physical Shares tendered by the shareholder in the Buyback.

8.5 In case of certain shareholders viz., NRIs, non-residents etc. (where there are specific regulatory requirements pertaining to funds payout including those prescribed by the RBI) who do not opt to settle through custodians, the funds payout would be given to their respective Shareholder Broker's settlement accounts for releasing the same to such shareholder's account.
 8.6 The settlements of fund obligation for Demat Shares and Physical Shares shall be affected as per the SEBI circulars and as prescribed by BSE and ICCL from time to time. For Demat Shares accepted under the Buyback, such beneficial owners will receive funds payout in their bank account as provided by the depository system directly to the ICCL and in case of Physical Shares, the ICCL will release the funds to the Shareholder Broker(s) as per secondary market payout mechanism. If such shareholder's bank account details are not available or if the funds transfer instruction is rejected by the Reserve Bank of India ("RBI"/bank/s), due to any reasons, then the amount payable to the concerned shareholder will be transferred to the Shareholder Broker for onward transfer to such shareholders.

8.7 The Shareholder Broker would issue contract note to the Company for the Equity Shares accepted under the Buyback. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
 8.8 Eligible Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling 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 selling Eligible Shareholders.
 8.9 The Equity Shares bought will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

9. RECORD DATE AND SHAREHOLDER ENTITLEMENT

- 9.1 As required under the Buyback Regulations, the Company has fixed Thursday, October 1, 2020 as the record date (the "Record Date") for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buyback.
 9.2 The Equity Shares proposed to be bought back by the Company, as part of this Buyback Offer shall be divided into two categories: (a) reserved category for Small Shareholders (A "Small Shareholder" is defined in the Buyback Regulations as a shareholder who holds equity shares having market value, on the basis of closing price of the Equity Shares on the recognized stock exchange registering the highest trading volume in respect of such shares, as on record date, of not more than ₹ 2,00,000 (Rupees Two Lakh Only)) and (b) the General Category for all other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.
 9.3 In accordance with Regulation 6 of the Buyback Regulations, 15% (fifteen per cent) of the number of Equity Shares which the Company proposes to buy back, or number of shares entitled as per shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.
 9.4 On the basis of shareholding as on the Record Date, the Company will determine the entitlement of each shareholder to tender their Equity Shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.
 9.5 In order to ensure that the same Eligible Shareholder with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Shareholder with a common PAN shall be clubbed together for determining the category (Small Shareholder or General Category) and the Buyback entitlement. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Shareholders holding physical shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar to the Buyback will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different demat account nomenclature based on information prepared by the Registrar to the Buyback as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of "clearing members" or "corporate body margin account" or "corporate body - broker" as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.
 9.6 After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by shareholders in that category, and thereafter from shareholders who have tendered over and above their entitlement in that category.

9.7 The Eligible Shareholders' participation in the Buyback will be voluntary. The Eligible Shareholders can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. The Eligible Shareholders may also tender a part of their entitlement. The Eligible Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any.
 9.8 The maximum tender under the Buyback by any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date.
 9.9 The Equity Shares tendered as per the entitlement by shareholders as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations.

9.10 Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible Shareholders as on the Record Date and the Company shall comply with the SEBI circular No SEBI/CIR/CFD/DCR1/CIR/P/2020/83 on "Relaxations relating to procedural matters - Takeovers and buy-back" dated May 14, 2020, read with SEBI circular No. SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated July 27, 2020, as applicable.

10. COMPLIANCE OFFICER

Sangeetha C,
 Company Secretary and Compliance Officer
MAGNA ELECTRO CASTINGS LIMITED
 43 (Old No 62) Balasundaram Road Coimbatore 641018 Tamilnadu
Tel: +91 422 2240109 | Fax: +91 422 2246209
Email: sangeetha.c@magnacast.com | **Website:** www.magnacast.com
 Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10:00 a.m. IST to 5:00 p.m. IST on all working days except Sunday and public holidays.

11. REGISTRAR TO THE BUYBACK OFFER/ INVESTOR SERVICE CENTRE

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