Super Spinning Mills Limited

Regd. & Central Office : "Elgi Towers" P.B. 7113, Green Fields, 737-D, Puliakulam Road, Coimbatore - 641 045.

24th November 2016

To

The Manager National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra East Mumbai – 400 051 **Scrip Code : SUPERSPIN**	The Manager BSE Limited 25th Floor, Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 **SCRIP CODE : 521180**

Dear Sir,

SUB: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding amalgamation of Sara Elgi Arteriors Limited and Elgi Building Products Limited (the Subsidiaries) with Super Spinning Mills Limited (the company)

We wish to inform that, the Board of Directors of the Company at their meeting held on Thursday, 24th November 2016, on the recommendation of the Audit Committee has inter alia approved the Scheme of Amalgamation of Sara Elgi Arteriors Limited and Elgi Building Products Limited (the Subsidiaries) with Super Spinning Mills Limited (the company) with effect from 1st April 2016 ("Appointed Date") pursuant to Section 391 to 394 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 2013 subject to the necessary approvals as may be required from the authorities.

The disclosure as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September 2015 is given as Annexure – 1 to this letter.

We request you to kindly take note of the same.

Thanking you

Yours faithfully

For Super Spinning Mills Ltd

Ramaa Krishnakumar
Company Secretary

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Super Spinning Mills Limited

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ANNEXURE – 1

DISCLOSURE UNDER REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH SEBI CIRCULAR NO. CIR/CFD/CMD/4/2015 DATED 9TH SEPTEMBER 2015

a) Name of the entities forming part of the amalgamation/merger, details in brief such as, size, turnover etc.

The Scheme of Amalgamation approved by the Board of Directors of Company at their meeting held on 24th November 2016 proposes the amalgamation of Sara Elgi Arteriors Limited and Elgi Building Products Limited, the subsidiaries with Super Spinning Mills Limited, the Holding Company pursuant to Section 391 to 394 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 2013.

A brief of the entities involved in the amalgamation is as follows.

TRANSFEROR COMPANY – 1

SARA ELGI ARTERIORS LIMITED (CIN: U28111TZ2003PLC010797) was incorporated on the 16th day of October, 2003 under the Companies Act, 1956, in the State of Tamil Nadu. The entire issued, subscribed and paid-up share capital of Sara Elgi Arteriors Limited is held by "Super Spinning Mills Limited", the Holding Company, in its own name and jointly with its nominees and as such, it is the wholly-owned subsidiary of Super Spinning Mills Limited.

The details as to size and turnover of Sara Elgi Arteriors Limited are as follows

Size	Turnover
Issued, Subscribed and Paid-up Share Capital Rs.2,50,00,000/- divided into 25,00,000 Equity Shares of Rs.10/- each	Rs.178.40 lakhs for the financial year ended 31.03.2016

TRANSFEROR COMPANY – 2

ELGI BUILDING PRODUCTS LIMITED (CIN: U45201TZ1996PLC007037) was incorporated on the 15th day of March, 1996 under the Companies Act, 1956, in the State of Tamil Nadu under the name and style of ELGI WIESSNER AIR TECHNIC LIMITED. Subsequently, the name was changed to ELGI BUILDING PRODUCTS LIMITED on 15th June 1999.

The issued, subscribed and paid-up share capital of the Elgi Building Products Limited is held by "Sara Elgi Arteriors Limited" and "Super Spinning Mills Limited". As such, Elgi Building Products Limited is the subsidiary of Sara Elgi Arteriors Limited and step-down subsidiary of Super Spinning Mills Limited.

The details as to size and turnover of Elgi Building Products Limited are as follows

Size		**Turnover**
Issued, Subscribed and Paid-up Share Capital		Rs.42.51 lakhs for the financial year ended 31.03.2016
71,96,000 Equity Shares of Rs.10/- each	7,19,60,000	
70,00,000 10% 8 years Non-Cumulative Redeemable Preference Shares of Rs.10/- each	7,00,00,000	
5,00,000 10% 8 years Cumulative Redeemable Preference Shares of Rs.10/- each	50,00,000	
Total	**14,69,60,000**	

TRANSFEREE COMPANY

SUPER SPINNING MILLS LIMITED (CIN: L17111TZ1962PLC001200), was incorporated on 6th day of June, 1962 under the Companies Act, 1956, in the State of Andhra Pradesh and obtained the certificate of commencement of business on 23rd July, 1962.

The details as to size and turnover of Super Spinning Mills Limited are as follows

Size	**Turnover**
Issued, Subscribed and Paid-up Share Capital Rs.5,50,00,000/- divided into 5,50,00,000 Equity Shares of Re.1/- each	Rs.35027.14 lakhs for the financial year ended 31.03.2016

b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"

The transaction would fall within the ambit of related party transaction. However, as the Scheme of Amalgamation proposes the amalgamation of Sara Elgi Arteriors Limited, a wholly-owned subsidiary of Super Spinning Mills Limited and Elgi Building Products Limited, a step-down subsidiary which is jointly owned by Super Spinning Mills Limited and Sara Elgi Arteriors Limited there will not be any issue of shares as a result of the amalgamation. As such, the question of arms' length transaction does not arise.

c) Area of business of the entity(ies);

Sara Elgi Arteriors Limited, a wholly-owned subsidiary of Super Spinning Mills Limited is engaged in the business of manufacturing and dealing in doors, windows and their frames, shutters and rolling shutters; fire escapes, gates and similar articles of iron or steel used on buildings.

Elgi Building Products Limited, a step-down subsidiary of Super Spinning Mills Limited is engaged in the business of manufacturing of all kinds of air conditioning equipment and waste removal equipment and manufacturing of doors, windows and window frames and all other building materials which are used in buildings.

Super Spinning Mills Limited, the listed holding company is engaged in the business of manufacturing and dealing in cotton yarn, cotton fiber including blended cotton and other fabrics.

d) Rationale for amalgamation/ merger

The Scheme of Amalgamation is being proposed on account of the following reasons

(i) Enable consolidation of the business of the three companies into one entity which will facilitate in focused growth, operational efficiencies, business synergies and better supervision of the business of the group.

(ii) Pooling of resources (including manpower, management and administration and marketing resources) of the aforesaid companies resulting in, synergies of operations and optimization of logistics, resulting in more productive utilization of said resources, savings in cost and operational efficiencies.

(iii) Strengthening financial position and increased leverage capacity of the merged entity

(iv) Concentrated management focus, improved organizational capacity, integration, rationalization and streamlining of the management structure of the merged entity, seamless implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities.

(v) Facilitating internal transfer of resources and optimum utilization of assets

(vi) Avoiding duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances

(vii) Enable the creation of a platform for a new business segment and to act as a gateway for growth and expansion of business operations

e) In case of cash consideration – amount or otherwise share exchange ratio

Not Applicable as the Scheme proposes the amalgamation of the wholly-owned subsidiaries with the Holding Company.

f) Brief details of change in shareholding pattern (if any) of listed entity

The Scheme of Amalgamation proposes the amalgamation of Sara Elgi Arteriors Limited, a wholly-owned subsidiary of Super Spinning Mills Limited and Elgi Building Products Limited, a step-down subsidiary which is jointly owned by Super Spinning Mills Limited and Sara Elgi Arteriors Limited. Therefore, there will not be any issue of shares as a result of the amalgamation and hence there will not be any change in the shareholding pattern of the listed entity after the proposed amalgamation.

For Super Spinning Mills Ltd

Ramaa Krishnakumar
Company Secretary