The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd.

Regd. Office : Block No.15, Devkaran Mansion, Gate No.2, 3rd Floor, 63 Princess Street, Mumbai – 400002
Corporate Office : Post Box No.1, HINGANGHAT – 442 301; Dist. Wardha (M.S.) Ph.:07153-244282/244039
CIN: L99999MH1946PLC005261 ; Website: www.rsrmm.com ; E-Mail : info@rsrmm.com

Dated: 27/09/2017

The Manager (Listing), ***BSE Ltd.,*** ***Rotunda Building, 1st Floor,*** ***Dalal Street, Fort,*** ***Mumbai – 440 001*** ***Code : 530047***	***The Manager (Listing),*** ***National Stock Exchange of India Ltd.,*** ***Exchange Plaza, 5th Floor,*** ***Bandra Kurla Complex,*** ***Bandra (East),*** ***Mumbai – 440 001*** ***Code : MOHOTAMILL***

Sub: Chairman's Speech at the 70th Annual General Meeting of the Company.

Dear Sir/Madam,

We enclosed here with, The Chairman's speech delivered at the **70th Annual General Meeting** held on **Wednesday the 27th day of September, 2017** at 10.30 A.M. (IST) at Devkaran Mansion, Gate No.2, Block No.15, 3rd Floor, 63 Princess Street, Mumbai - 400 002.

This is for your kind information and record.

Thanking you

Yours faithfully
For The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd

Sachin Kanojiya
Company Secretary and Compliance Officer
Mo. 9049754940

Encl: Chairman's Speech

The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd.

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CHAIRMAN SPEECH

Good Morning and welcome to the 70th Annual General Meeting of your Company. The Annual Report of the Company comprising the notice convening this meeting, the Director's Report and the Audited Accounts for the year ended 2016-17 were dispatched in time and trust that the same have reached you. With your permission, I shall take them as read.

I am pleased to convey that the Company has finally gained a relief from the Hon'Ble Supreme Court of India to finally close down the 120 years old unviable weaving machines which were a big drain on the profitability of the Company. This will further improve the profitability of the Company in the future years.

We have been realigning our strategic initiatives and expansion plans in line with the aggressive promotion and focus of the Central and State Government on the TEXTILE SECTOR for setting up new units, expansion and modernisation of units, setting up Textile Parks, 100% FDI under the automatic route, capital subsidy etc., because of the ability of the sector to create employment and its export potential.

We, at RSR, have undertaken ambitious and far reaching long term wealth creating initiatives to take the more than 120 years of our history to the next level. Some of the initiatives that we are taking:

1. To unlock the values in our more than 200 acres of land bank.
2. To aggressively look at options to acquire stressed assets.
3. To set up a fully integrated textile mill as a Greenfield project with the latest state of the art machines for manufacturing high value yarn, fabrics including denim fabrics.
4. To enter into strategic partnership with other companies to enter into the real estate and infrastructure business.
5. Vidharbha is the second largest cotton producing region of the country. We plan to leverage this natural bounty by setting up a Textile Park to attract units engaged in textiles and related businesses to the area.

Under these initiatives, we are planning as under:

1. For unlocking the values in our land bank, we shall take up for development land which is lying vacant and has commercial value on an immediate basis. These will be development of shops, offices and warehouses.
2. We are looking at acquisitions of stressed assets. These acquisitions will enable us to augment our capacities on an immediate basis and add to the top and bottom lines in a shorter period at a lower CAPEX. For funding such acquisitions the promoters shall infuse capital in the range of Rs.80-100 crores. Such acquisitions shall also enable the Company to market a wide variety of Yarns and fabrics under its own brands – MOHOTA YARNS, RAISAHEB COLLECTION, RSR YARN, MOHOTA FABRICS via multiple marketing channels including electronic, social media, strong dealer network of over 2000 dealers all across the country as well as more joint ventures for exporting its products. The company is expected to see an augmentation of operating margins as well as perceived value due to foray into B2C through its registered retail brands from its existing B2B business model.
3. The company has 12,00,000 sq feet of urban property. Out of which 2,00,000 sq feet urban property across the Metro Station Nagpur abutting the Metro Rail Project and directly opposite the Metro Rail Station at that point. This property development would start from the next month i.e October 2017, through Joint Venture SPV & expected to be completed in 18 months. This is likely to contribute a profit to the Company. On completion this will give us a foothold in the infrastructure sector. We are also scouting for more distressed assets in the sector. The infrastructure development will start in Nagpur, Maharashtra and then will be taken up in other cities.

   The turnovers and profits of the real estate SPVs will be taken into consideration on the completion of the projects. The effect of this will be reflected on the top and bottom lines at that time.
4. A township under the Pradhan Mantri Gram Awas Yojana is also being planned with state of the art inputs from around the world.
5. Under the Greenfield project – an integrated textile mill with spinning, weaving, with state of the art machines – spread over 50 acres of land is under development.
6. The Greenfield project and the acquisitions shall together require a CAPEX of Rs.650 crores. This CAPEX would be funded through an FDI of Rs.250 crores by way of equity with a lock-in period of minimum 3 years, a term loan of Rs.200 crores from domestic financial institutions and the balance through contributions from promoters and issue of equity on a private placement basis. The promoters have also brought down their stake in the Company to fund new projects and capital infusion.

7. Despite the adverse impact of GST on the textile industry the current year working is projected to rise to turnover of Rs. 350.00 crores and profit of approximately Rs. 10.00 crores. On completion of the Greenfield project and acquisitions and start of commercial production, the net accruals to the top and bottom lines is projected at Rs. 750 cr taking the topline to Rs.1100 cr from that of a current year projected topline of Rs.350 cr. The projected EBITDA yield is Rs.166 Cr.

Ladies and gentlemen these are some broad projections for the future and I trust that you are as excited as we in the management are with these growth prospects and with your good wishes we shall be delivering on this.

The Company as a part of rebranding and its broader vision, proposes to change its name from "The Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd" to **"Mohota Industries Ltd".** This is subject to the necessary approvals from the regulatory authorities.

Your Company is pleased to inform that the Board recommended dividend @ 1% i.e. Rs.0.10 per equity share of Rs.10/- each to its equity shareholders whose name appears on the Register of Members on 19th Sept., 2017 for the Financial Year 2016-17, subject to the approval of Shareholders in this Annual General Meeting.

Lastly I wish to place on records my sincere thanks and appreciation for the unstinted efforts and cooperation that has been received from the workers, staff and management for the progress and achievements of the Company throughout the year and also to our Agents, Dealers & Suppliers for their services and their contribution to your Company's success.

I shall be failing in my duty if I forget to thank the management of our banks for their co-operation in helping us achieve this. I solicit and am assured that such cooperation shall be extended by them in future also.

Thanking you.

Rai Saheb Rekhchand Mohota Spg. & Wvg. Mills Ltd. BOMBAY-2

Vinodkumar Mohota
Managing Director