

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

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CIN: L99999MH1946PLC005261 ; Website: www.rsrmm.com ; E-Mail : info@rsrmm.com

Dated: 23/10/2017

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
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Sub: Investors Representation- October 2017.

Sir/ Madam,

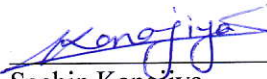
Pursuant to regulation 30 and schedule III of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, We are enclosing herewith an "Investor Presentation - October 2017" of the Company with respect to financial performance of FY 2016-17 and upcoming projects in the areas of textile and construction.

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.: As above

The Rai Saheb Rekhchand Mohota Spinning & Weaving Mills Ltd.

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Clothing the Nation Since 1898

Investor Presentation
October 2017



Rai Saheb
Collection

MOHOTA FABRICS

MOHOTA YARN

RSR
MOHOTA MILLS

rsrmm.com

DISCLAIMER

- This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to The Rai Saheb Rekhchand Mohota Spinning & Weaving Mills Ltd. future business developments and economic performance.
- While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.
- These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.
- The Rai Saheb Rekhchand Mohota Spinning & Weaving Mills Ltd. undertakes no obligation to publicly revise any forward looking statements to reflect future likely events or circumstances.

AGENDA

Textile Sector

- FY17 Highlights**
Performance amid market uncertainty
- Expansion Plans**
Greenfield, Acquisitions
- Marketing Strategy**
Brands, B2C, Retailers, E-tailers, Ecommerce
- Capital Structure**
Funding plans, FDI, Deploying lower leverage
- Projections**
Management expectations, growth patterns

Real Estate, Infrastructure

- Foraying into RE, Infra**
Huge Land Bank for development projects
- Affordable housing, warehousing**
Special zones, SPV route

RSR Mills is in process of changing its name to **“Mohota Industries Limited”**, reflecting its earnings from different sectors.

FY17 Highlights

Revenues

Rs. 331 Crores

EBITDA

Rs. 16 Crores

Profit Before Tax

Rs. 3.5 Crores

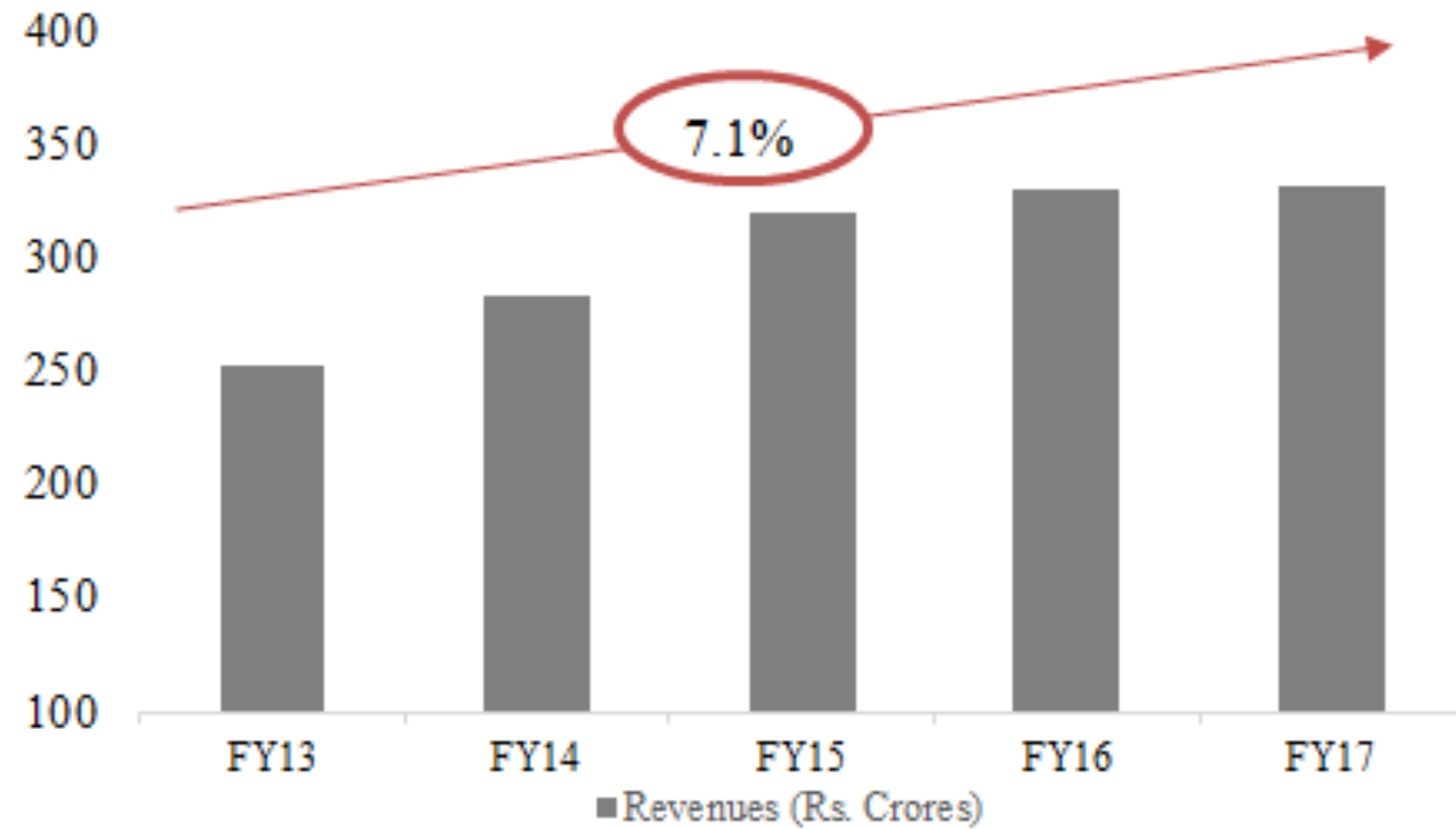
Profit After Tax

Rs. 2.77 Crores

I am pleased to convey that the Company has 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. 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 because of the ability of the sector to create employment and 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.

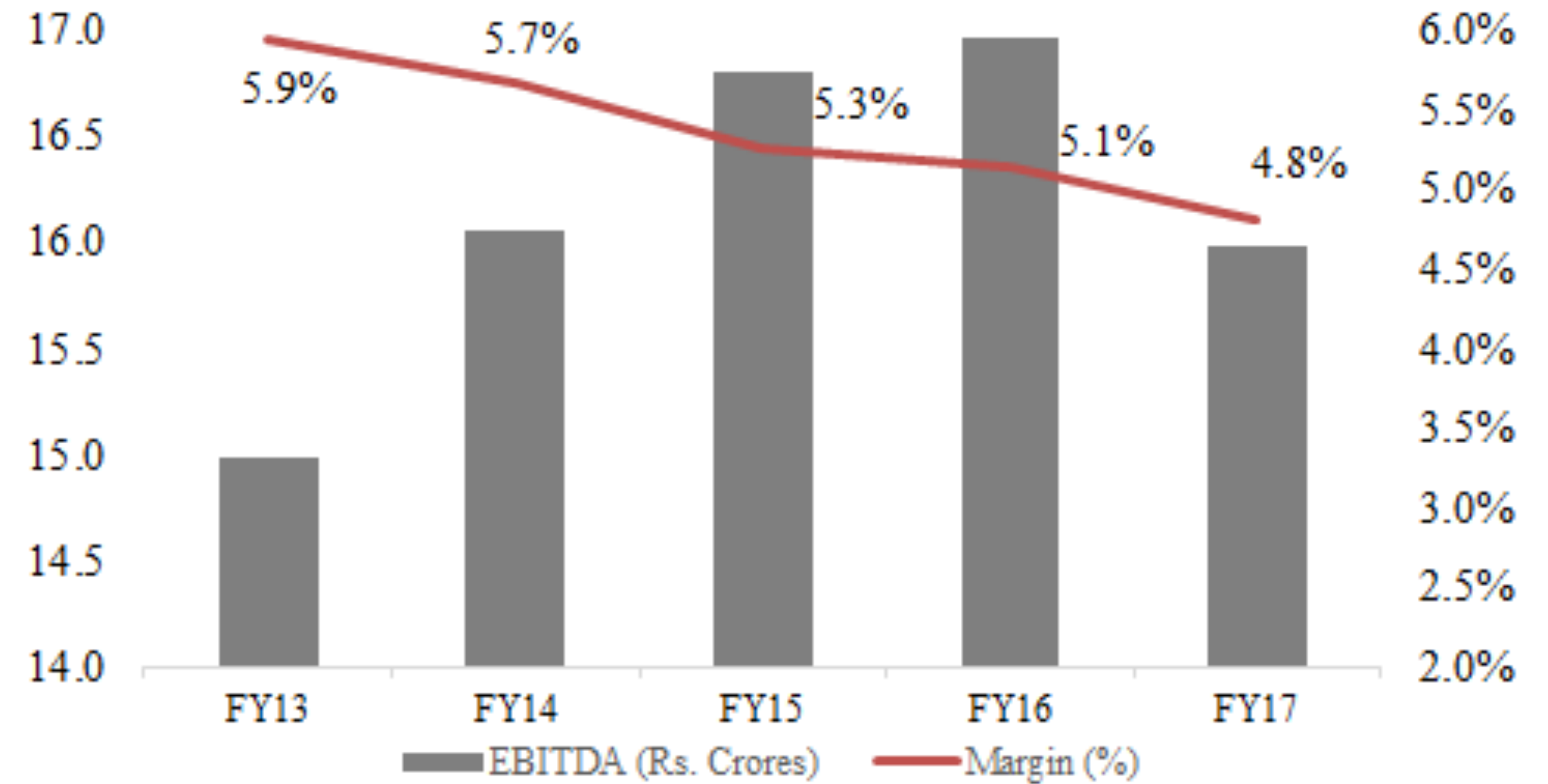
FY17 Highlights

RSR's Growth Trajectory with Existing Facility



- Managed growth from existing machineries and facility with a focus on fabrics
- Revenues increased by ~1% amid disruptive policies like demonetization and GST

Managing Margins Amid Old Technology



- Operating margins can rebound on new acquisitions, projects, operational efficiency
- Existing weaving machineries drain on operational efficiency

INVESTING HEAVILY IN TEXTILES, BRANDS

GREENFIELD PROJECT

- RSR Mills is promoting greenfield project for setting up of fully integrated textile mill with an estimated capital expenditure of Rs. 550 crores
- The company is targeting an integrated textile mill with spinning, weaving and garmenting unit in phases.
- The plant will be having state of art machineries capable of production capacity in the range of 11-13x as compared to current capacity of 10000 tons of yarn and 20 million meters fabric per annum.
- The unit would also target high value yarn, fabrics including denims



Fully integrated unit with capex of Rs. 550 crores spread across 50 acres targeting high end as well as niche textile products



State of art facilities and machineries based on more than 100 years of experience, second to none in the industry

MODERN DAY TEXTILES

GREENFIELD PROJECT

- The new unit would be spread over 50 acres in Wardha District, Maharashtra targeting traditional fabrics as well as niche products
- Setting up of textile technology park, garmenting units auguring well for long term plan of building B2C brand
- Capital subsidies, interest rate subventions and improved credit ratings to bring down cost of funds substantially for the company (BWR BBB/A3+, Sep 16)
- RSR management is in the process of financial closures, project is expected to be operational from April 2018.



Gol's policies for Technology park, capital subsidies to help in expansion plans as well as achieving break even in very short period

Achieved Financial closures. Targeting beginning of operations at new facility by April 2018

RSR will also promote a textile training institute under Skill India program which would provide local villagers training and job guarantees

GREENFIELD PROJECT

Expected Timeline

Land availability, technology

RSR has finalized on land of 50 acres to be utilized for development of fully integrated plant with latest technology

01

Financial Closures

RSR has completed the process of achieving financial closures including FDI via automatic route, debt funding from domestic financial institutions

02

Approvals, Customized Machineries

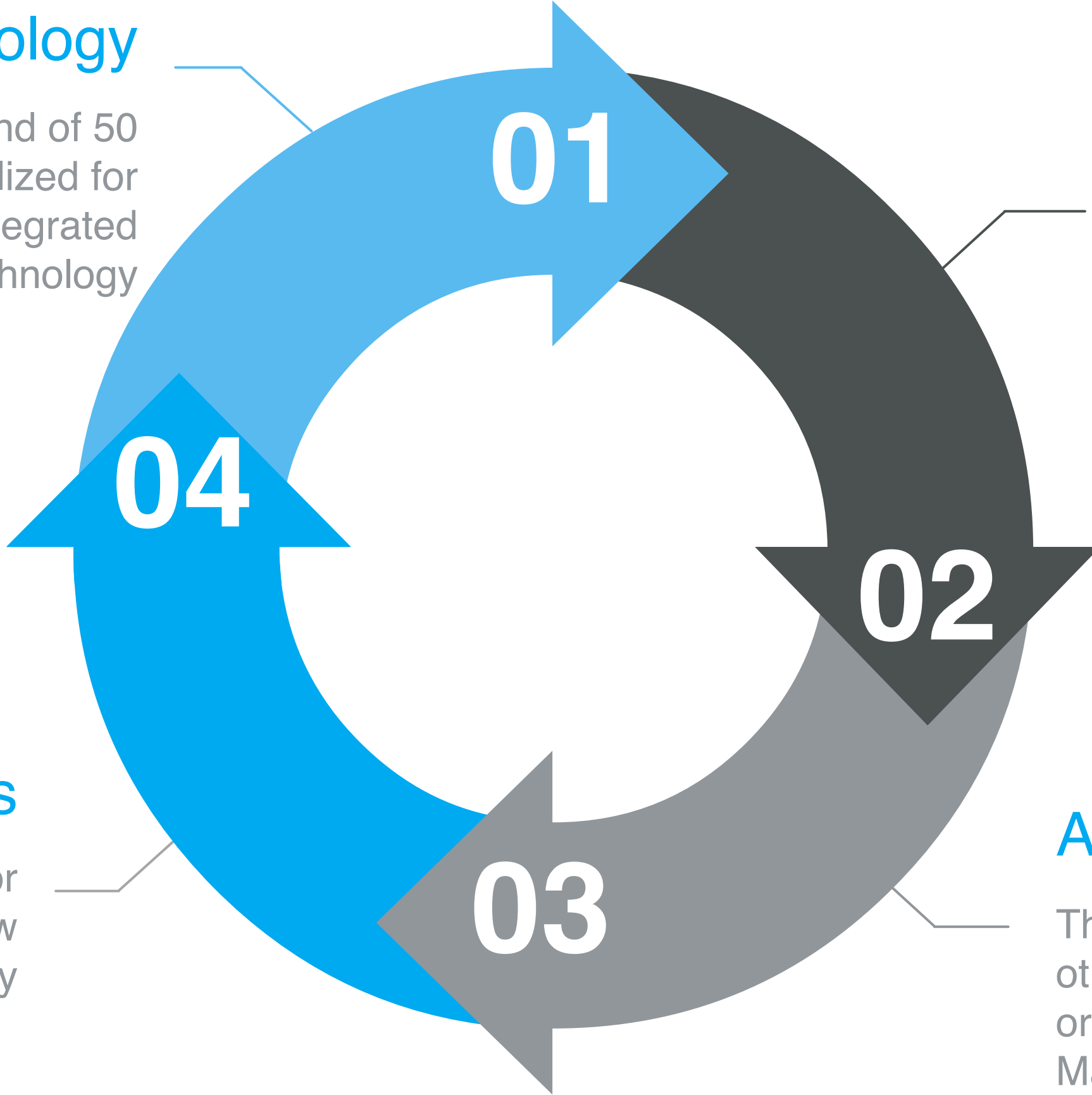
The company will go for civil and other development work as well as ordering of machineries during Jan-March 2018

03

Beginning of Operations

RSR is targeting april 2018 for beginning of its operations at new plant and facility

04



ACQUIRING SICK UNITS

QUICK AUGMENTATION OF OPERATING CAPACITY

- Looking to add sick units with good technology, sizable operating capacity in a bid to expand production quickly before the launch of greenfield project
- The company is confident of getting a good bargain on the units due to its ability to deploy higher capital in the range of Rs.80-Rs.100 crores over the next few quarters
- Acquired units should help in launching of our brands for B2C business at a faster pace as well as cater to a decline in production levels from the current set up.
- The company would be operating units with relatively lower leverage.

Capital infusion capacity offers RSR the opportunity to get a good bargain on offering prices

Units with latest technology would be vetted first, should help in short to medium term capacity augmentation

RAISING EQUITY, FDI, DEBT FOR FUNDING

PROMOTERS SELLING STAKE TO REINFUSE PROCEEDS INTO THE BUSINESS

- RSR is promoting greenfield integrated textile unit with capital expenditure estimate of Rs.550 crore. The company will fund this with a mix of private placement, FDI via automatic route, debt from domestic institutional banks
- The company is in advanced stages of concluding Rs. 200-Rs.250 crores via foreign domestic investment subject to share prices, premium negotiations with investors.
- Promoters have reduced their stake in the company from >80% to ~45%. The funds raised will be redeployed via preferential route with a lock in period of three years. The amount raised will be ~Rs.85-100 crores to be utilized for sick units buyouts.



FDI of Rs. 250 crores via automatic route and capital subsidy from Govt to improve return on capital amidst lower leverage



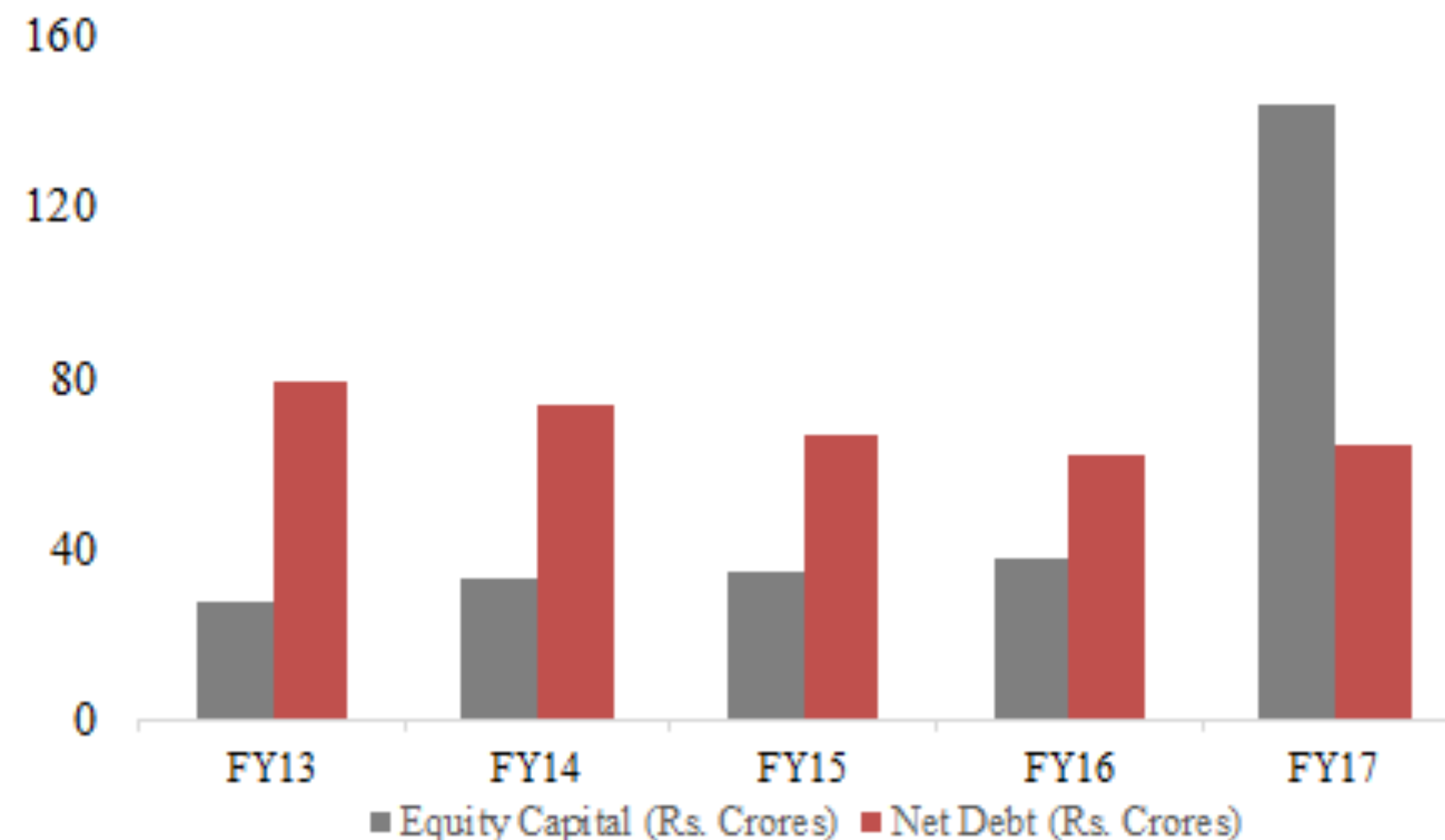
Infusion of further funds from promoters as well as reasonable leverage of Rs.200-Rs.250 crores to augur well for steady expansion plan

UNDERSTANDING LEVERAGE

IN PRINCIPAL APPROVALS FROM BANKS

- RSR is planning to arrange remaining fund requirement in the rage of Rs.200-Rs.250 crores through debt syndication from domestic financial institutions.
- The greenfield project as well as buying of sick units will have a proposed long term debt to equity ratio of 0.3x-0.4x.
- The ratio will improve further as and when the company would receive government grants or rebates under the textile policy for building up of textile technology parks as well as capacity expansion.
- RSR is targeting long term leverage ratio of 0.2x-0.3x, lower than the industry averages

Land Revaluation Improving Leverage



MARKETING PITCH: GLOBAL SUPPLIER

B2B Global Expansion, B2C via multiple brands

- RSR has historically relied heavily on domestic as well as B2B brand sales. However, the company is targeting forward integration with garmenting unit for production and sale of branded denims and other products
- The foray into B2C will be targeted through existing dealers of 2000, retailer network of 300. The company will be targeting retail network of 650-700 within next four quarters
- RSR will be deploying multiprong strategy of marketing through e-commerce platforms in and outside of India, offerings through mega retailers, joint brand partnerships with global brands.



Expansion of existing brands, development of new brands. Positioning for B2C with targeted turnover contribution of 25% within 3 years.



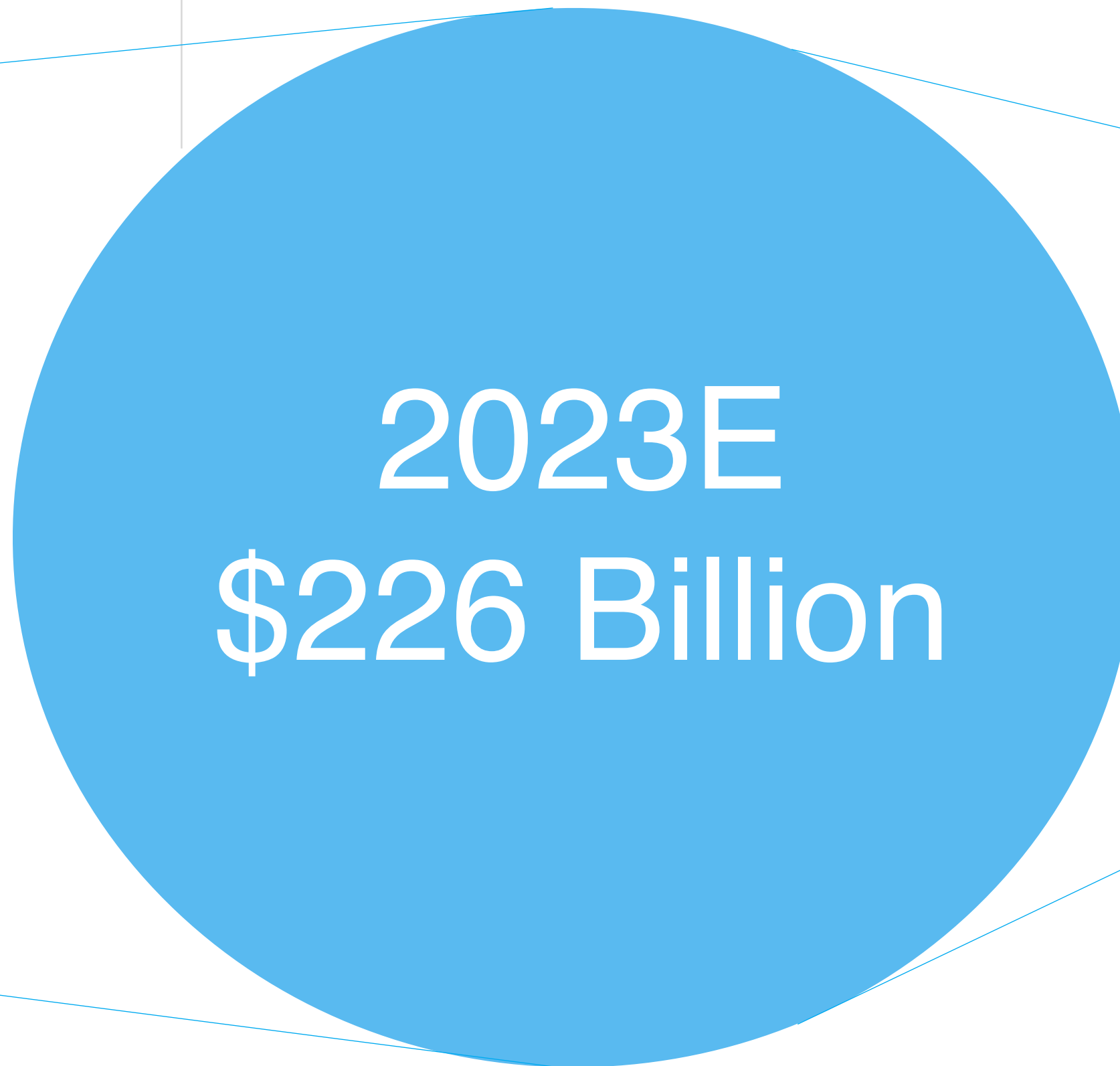
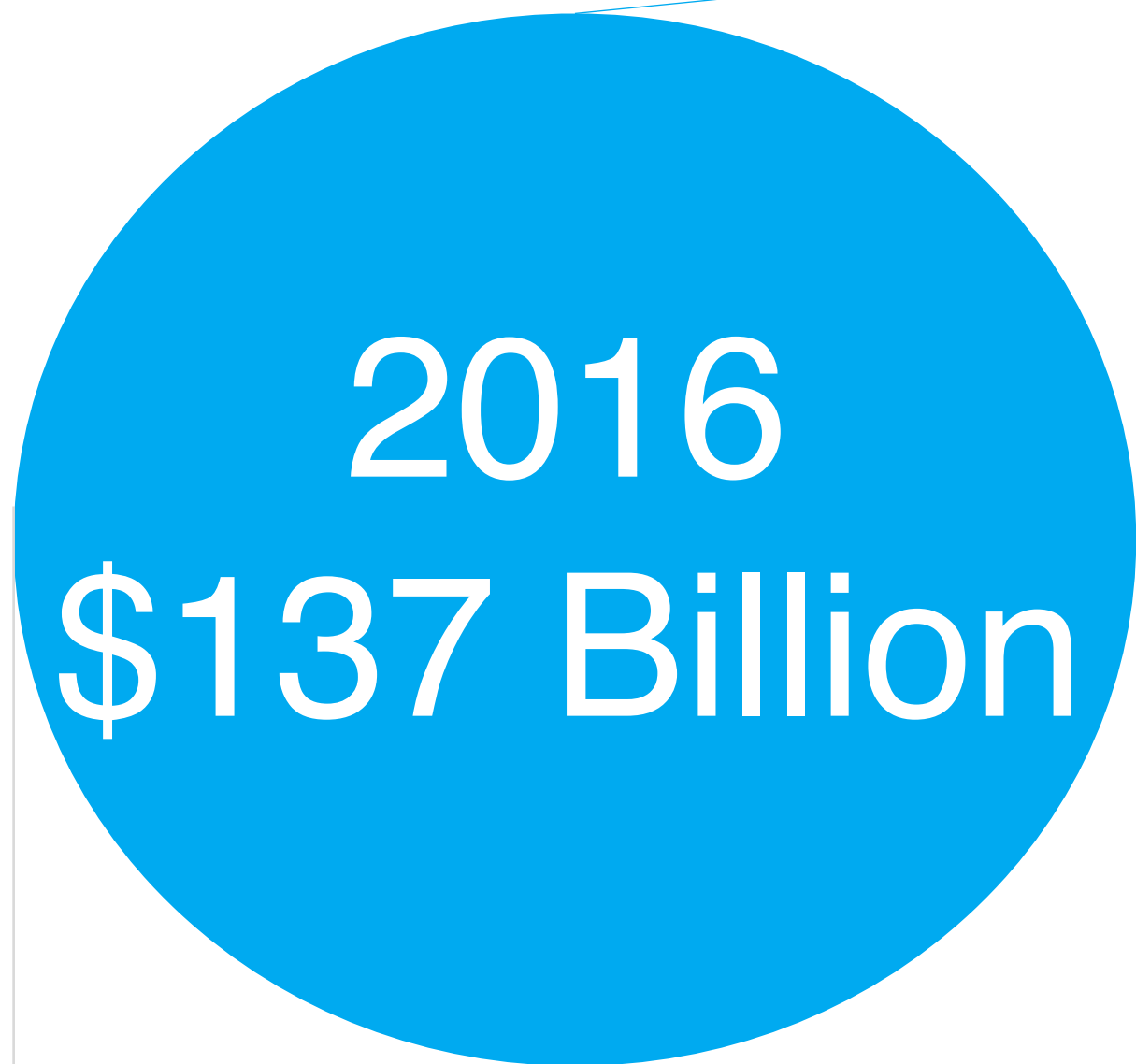
Exports to provide diversified earnings, dollar based revenues which can be translated into lower cost of capital

INDIAN TEXTILE & APPAREL INDUSTRY

Growth Prospects

Industry Spurt

Textile and apparel industry will experience CAGR growth of 7.5% over the next 6 years reflecting a growth in line with that of GDP backed by FDI, government policies, growing middle class and broad economic growth.



Nascent from Brand Perspective

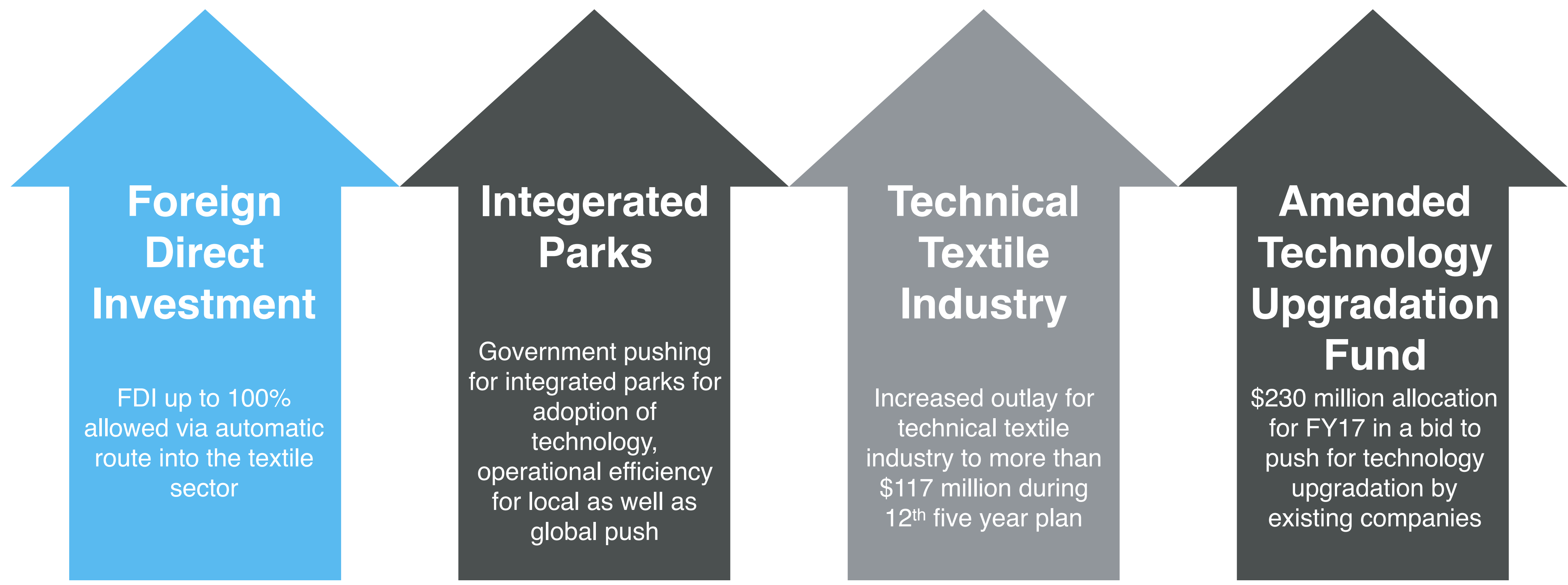
Although, India is one of the biggest producer of cotton, textile globally. The country lags in terms of brand development. There is huge potential for tapping sales of branded products

Targeted Share

RSR will be targeting to augment its revenues close to \$500 million by 2023 and \$1 billion by 2026 with combination of textile, apparel, real estate, and infrastructure development businesses

GOVERNMENT POLICY FRAMEWORK

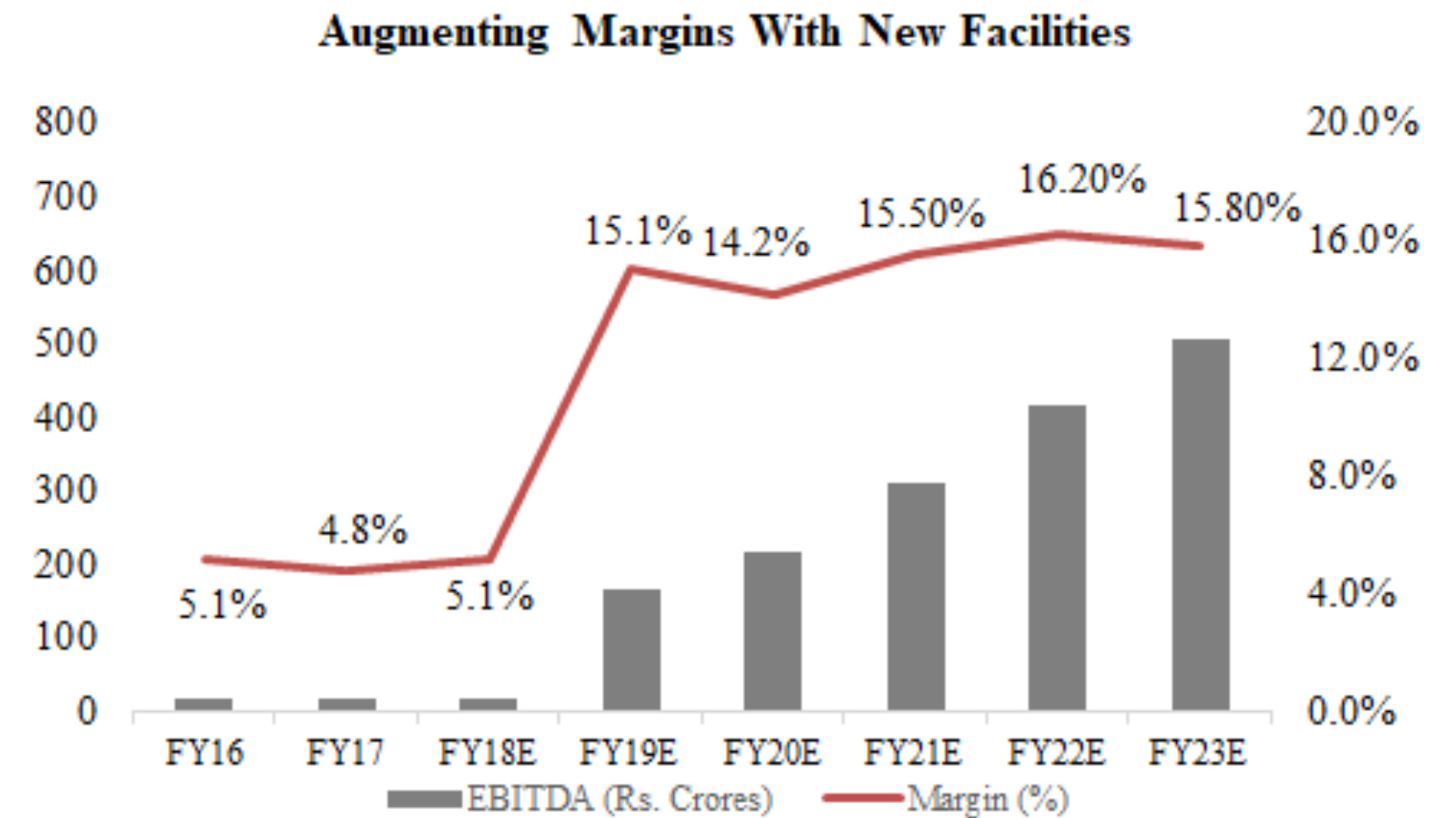
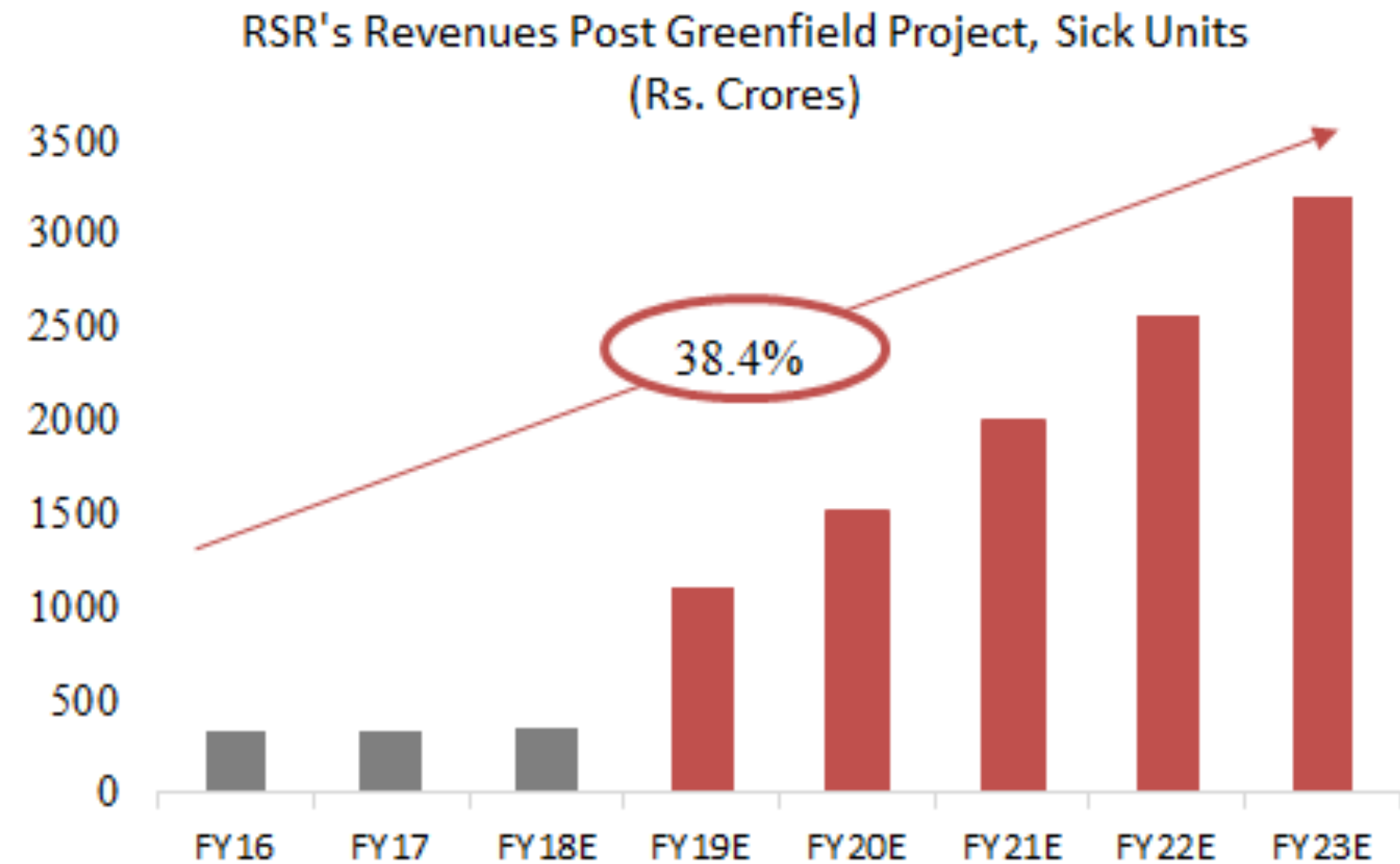
INEVITABLE INDUSTRY FOR JOBS AND INCOME GROWTH OF FARMERS



RSR is well positioned to take advantage of these policy benefits from the GoI, as it is targeting projects within the established framework of these policies. The company is targeting technical park over 50 acres as compared to minimum 35 acres stipulated requirement.

PROJECTIONS

Greenfield project, sick units to add to operating capacity substantially



- Greenfield project and acquisitions of sick units would help in quick capacity augmentation
- Vast dealer network, strong brands for fabrics as well as push for retail brands to help in achieving projected numbers

- Bigger scale of operations, benefits from government policies, push for retail brands to help in expansion of margins
- Textile technology as well as state of art machineries to improve operating efficiency substantially

REAL ESTATE AND INFRASTRUCTURE

UNLOCKING LAND VALUE, FUTURISTIC PROJECTS, STRATEGIC LOCATIONS

- RSR is having a land bank of 200 acres for development of textile technical park, real estate and infrastructure development, affordable housing and warehouses with special zone permission.
- Out of the total land bank, 27 acres is situated in urban areas suitable for development projects including townships, civil construction, commercials, model towns and special zones.
- Out of the total urban land of 27 acres, RSR is targeting development of 3.33 lakh sq. ft. or ~2 acres located adjacent to Nagpur Metro Rail Project, valued at Rs.300 crores.
- RSR will also target affordable housing in urban and non urban areas under Pradhan Mantri Awas Yojana



3.33 Lakh Sq. Ft., valued at Rs.300 crores, joint development adjacent to Nagpur Metro Rail Project to unlock the value substantially over the next three years



SPV route will segregate the leverage, positioning as well as fund raising resulting in smooth operations and profitability



RSR's share of 45% of total saleable value will be transferred in the books on completion of projects

JOINT VENTURE ROUTE, NO CAPEX

UNLOCKING LAND VALUE, FUTURISTIC PROJECTS, STRATEGIC LOCATIONS

- The company will be entering into a joint development with developers contributing towards development, marketing, administrative costs via special purpose vehicle (SPV) route.
- RSR is targeting beginning of property development from October 2017 to be completed in 18 months
- Project is expected to be valued at around Rs.300 crores post development with an estimated pre tax profit of Rs.~150 crore for RSR Mills.
- RSR is targeting development of 27 acres over the next 3 years with an estimated project value of Rs. 2500-3000 crores.



RSR will not do capex for real estate projects and would invite joint venture party to incur development costs

The company will continue to focus on its key strengths of textile, technology, warehouses etc.

REAPING BENEFITS OVER THREE YEARS

UNLOCKING LAND VALUE, FUTURISTIC PROJECTS, STRATEGIC LOCATIONS

- RSR's land bank of 200 acres is carrying a book value of Rs.104 crores as on March 31, 2017, with majority of the holding purchased more than 60-70 years back.
- The current market value of land is ~Rs.1,000-Rs. 1,200 crores before developmental projects
- The company is targeting development of 27 acres of urban land over the next three years by partnering with multiple developers.
- At current market prices, the company can generate estimated pre tax profits of Rs.1,650 crores over the next few years of development



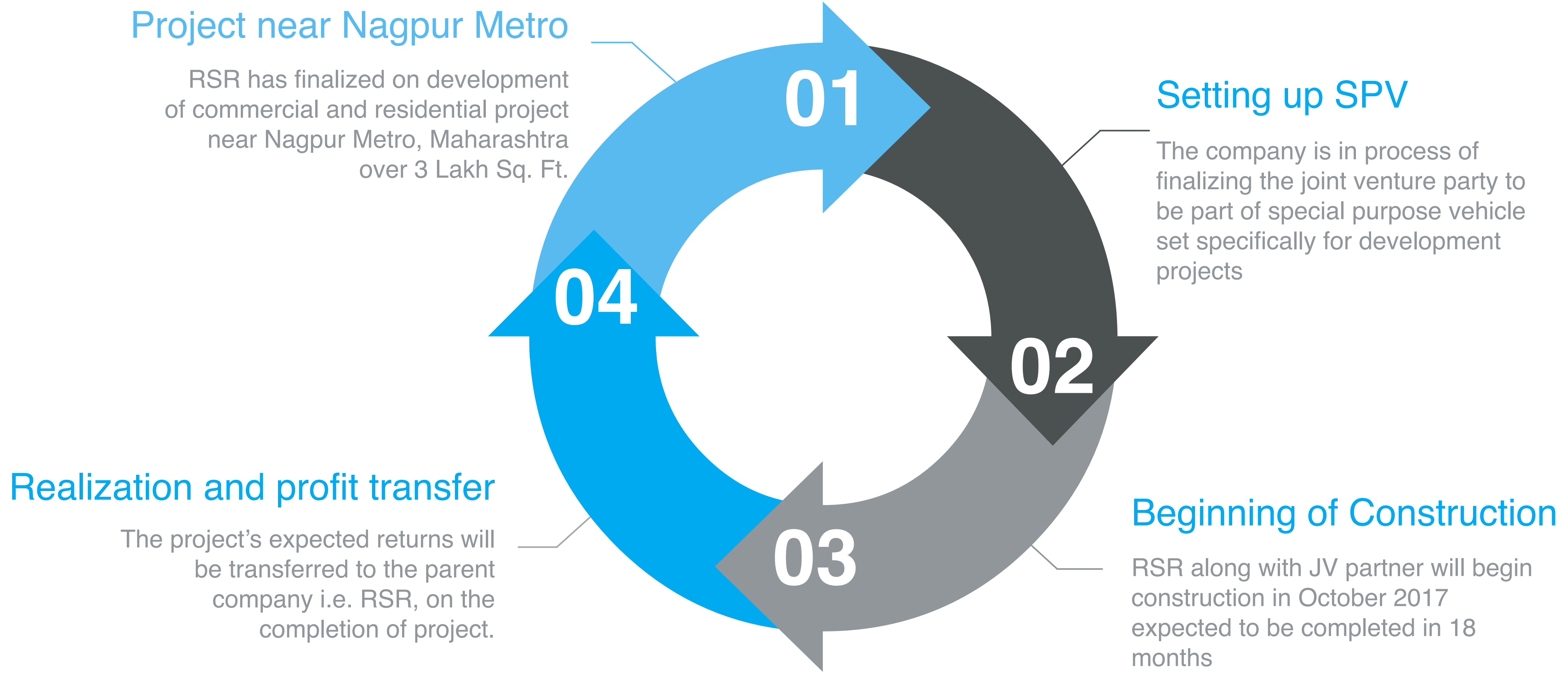
Land Bank of ~Rs.1000 Crores pre development to add substantial value for the shareholders over the next few years



The company's model of garnering 45%-50% stake in SPVs augurs well for lower risk positioning

INFRASTRUCTURE PROJECTS

Expected Timeline



The Rai Saheb Rekhchand Mohota Spinning & Weaving Mills Ltd.

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QUANTIFYING THE UNCERTAINTY

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