

Date: 23rd February 2023

To,
The Board of Directors,
R M Drip and Sprinklers Systems Limited
GAT NO. 475, Village Gonde,
Taluka Sinnar
NASHIK MH 422113 IN

Sub: Addendum to our valuation report dated February 16, 2022, recommending Fair Value of Equity Shares for the proposed preferential allotment.

Dear Sir / Madam,

We, Bhavesh Rathod, Chartered Accountants, had been appointed vide our Engagement to recommend Fair Value of Equity Shares for the proposed preferential allotment.

Pursuant to the same, we had issued the valuation report dated 16th February 2022 with UDIN: 23119158BGVYNW8401 ('Valuation Report'). This Addendum Report shall be read in conjunction to the Valuation Report. All other contents mentioned in the valuation report shall remain unchanged.

We understand, based on observation from the stock exchange, the management of the company has requested us to provide Fair Value of Equity Shares considering Asset Approach, Market Approach & Income Approach.

In relation to the above, we are issuing this addendum to our Valuation Report dated 16th February 2023 on the Fair Value of Equity Shares. Our Recommendation on Fair Value of Equity Shares is provided herein below:

Valuation Methodology

Based on our valuation exercise Fair Value of the Equity Shares is as under:

Method		in INR
As per Regulation 164 SEBI, ICDR (*)	A	20.56
Price determined under the valuation report from the independent registered valuer (*)	B	15.53
Higher of A & B	C	20.56

(*) Refer Annexures 1 & 2 for workings.

The other clauses of valuation report on fair value of equity shall remain unchanged and this addendum should be read along with the valuation report dated 16th Feb 2023 issued by me. This addendum is issued at specific request of the Company.

Yours faithfully,


Bhavesh M Rathod *

Chartered Accountants

M. No. 119158

Registered valuer – Securities or financial assets

(Reg No.: IBBI/RV/06/2019/10708)



Annexure 1

As per Regulation 164 SEBI, ICDR

Method		in INR
90 trading days' volume weighted average price (*)	A	18.96
10 trading days' volume weighted average price (*)	B	20.56
Higher of A & B	C	20.56

Volume Weighted Average Price for 90 trading Days.

Date	No. of Shares Traded	Total Turnover (Rs.)
09-Feb-23	1,36,000	31,93,800
08-Feb-23	2,32,000	57,70,800
07-Feb-23	8,000	1,96,800
06-Feb-23	6,000	1,40,700
03-Feb-23	9,68,000	2,16,30,800
02-Feb-23	12,000	2,55,600
01-Feb-23	6,000	1,21,800
31-Jan-23	5,56,000	1,03,83,700
30-Jan-23	6,22,000	1,06,67,400
27-Jan-23	6,000	1,07,800
25-Jan-23	12,000	2,18,800
24-Jan-23	0	0
23-Jan-23	6,000	1,07,500
20-Jan-23	16,000	2,92,700
19-Jan-23	24,000	4,21,200
18-Jan-23	22,000	3,86,000
17-Jan-23	12,000	2,12,800
16-Jan-23	12,000	2,09,500
13-Jan-23	16,000	2,97,300
12-Jan-23	16,000	2,82,800
11-Jan-23	10,000	1,74,500
10-Jan-23	2,000	35,700
09-Jan-23	22,000	3,69,800
06-Jan-23	40,000	6,55,100
05-Jan-23	24,000	3,93,800
04-Jan-23	10,000	1,61,600
03-Jan-23	10,000	1,64,200
02-Jan-23	14,000	2,25,800
30-Dec-22	0	0
29-Dec-22	0	0
28-Dec-22	4,000	63,600

27-Dec-22	8,000	1,25,400
26-Dec-22	18,000	2,84,400
23-Dec-22	6,000	94,600
22-Dec-22	8,000	1,31,900
21-Dec-22	16,000	2,76,900
20-Dec-22	18,000	3,23,900
19-Dec-22	2,000	36,500
16-Dec-22	2,000	35,600
15-Dec-22	34,000	6,14,100
14-Dec-22	80,000	14,07,700
13-Dec-22	6,000	1,03,600
12-Dec-22	4,000	68,000
09-Dec-22	10,000	1,71,700
08-Dec-22	12,000	1,99,600
07-Dec-22	22,000	3,68,700
06-Dec-22	6,000	1,04,100
05-Dec-22	6,000	1,00,700
02-Dec-22	2,06,000	32,95,400
01-Dec-22	2,58,000	41,57,300
30-Nov-22	2,18,000	34,52,300
29-Nov-22	2,06,000	33,16,200
28-Nov-22	74,000	12,29,300
25-Nov-22	24,000	4,12,900
24-Nov-22	18,000	3,09,300
23-Nov-22	14,000	2,40,200
22-Nov-22	4,000	70,700
21-Nov-22	6,000	1,09,300
18-Nov-22	20,000	3,97,000
17-Nov-22	36,000	7,15,500
16-Nov-22	12,000	2,34,600
15-Nov-22	44,000	8,16,400
14-Nov-22	52,000	9,33,500
11-Nov-22	10,000	1,77,800
10-Nov-22	6,000	1,02,600
09-Nov-22	12,000	1,94,900
07-Nov-22	2,000	31,100
04-Nov-22	8,000	1,26,800
03-Nov-22	2,000	32,100
02-Nov-22	12,000	1,93,500
01-Nov-22	2,000	33,400
31-Oct-22	14,000	2,17,200
28-Oct-22	4,000	61,200
27-Oct-22	0	0
25-Oct-22	2,000	31,200
24-Oct-22	2,000	30,000
21-Oct-22	0	0
20-Oct-22	2,000	30,300

19-Oct-22	0	0
18-Oct-22	0	0
17-Oct-22	2,000	30,400
14-Oct-22	0	0
13-Oct-22	0	0
12-Oct-22	4,000	64,100
11-Oct-22	2,000	33,600
10-Oct-22	0	0
07-Oct-22	4,000	64,800
06-Oct-22	0	0
04-Oct-22	2,000	30,900
03-Oct-22	0	0
Total	43,66,000	8,27,65,100

Traded Turnover	8,27,65,100
No. of Share Traded	43,66,000
Volume Weighted Average Price for 90 Trading Days	18.96

Volume Weighted Average Price for 10 trading Days.

Date	No. of Trades	Total Turnover (Rs.)
09-Feb-23	1,36,000	31,93,800
08-Feb-23	2,32,000	57,70,800
07-Feb-23	8,000	1,96,800
06-Feb-23	6,000	1,40,700
03-Feb-23	9,68,000	2,16,30,800
02-Feb-23	12,000	2,55,600
01-Feb-23	6,000	1,21,800
31-Jan-23	5,56,000	1,03,83,700
30-Jan-23	6,22,000	1,06,67,400
27-Jan-23	6,000	1,07,800
Total	25,52,000	5,24,69,200

Traded Turnover	5,24,69,200
No. of Share Traded	25,52,000
Volume Weighted Average Price for 10 Trading Days	20.56

Annexure 2

Price determined under the valuation report from the independent registered valuer.

(in INR)

Approach	Method	Value per share	Weight	Product
Asset Approach	NAV Method	13.52	1	13.52
Market Approach	CCM Method	17.55	1	17.55
Income Approach (*)	PECV Method	-10.54	0	0
Weight Average Value per share				15.53

(*) Note on Income Approach Weight - Under the Income Approach – PECV Method, whilst calculating the Average Profit After Tax for the last 3 Financial Years there is a loss of Rs. -105.94 Lakhs and value per share is also negative Rs. -10.54 and hence no weightage is given to Profit Earning Capacity Value Method

NAV Method

(INR Lakhs)

Particulars	Amount
Assets	
Non-Current Assets	
Property, Plant & Equipment	544.84
Deferred tax assets (net)	10.62
Non-current Investments	5.59
Other Non-current Assets	22.91
Current Assets	
Inventories	163.22
Trade receivables	1,874.78
Cash and cash equivalents	20.23
Short Term Loans & Advances	76.22
Other Current Assets	187.83
Total Assets	A 2,906.24
Non-Current Liabilities	
Long Term Borrowings	893.80
Long Term Provision	25.79
Current liabilities	
Trade payables	617.22
Short-term provisions	89.17
Other Current Liabilities	376.02
Total Liabilities	B 2,002.00

Net Worth	A - B	904.24
No. of Equity Shares	C	66,90,000
Value Per Share	(A - B) / C	13.52

Comparable Company Method (CCM)

Particulars	EV / Sales
Multiple of Listed Peer Company (Note 1)	1.27
Sales of the Company (in INR Lakhs)	1,608.24
Enterprise Value (in INR Lakhs)	2,047.83
Less: Debt (in INR Lakhs)	893.80
Add: Cash (in INR Lakhs)	20.23
Equity Value (in INR Lakhs)	1,174.26
No. of Shares	66,90,000
Value per share (in INR)	17.55

Note 1: -

EV / Sales Multiple of Listed Peer Company

Particulars	EV / Sales
Jain Irrigation Systems Ltd	1.82
Mahindra EPC Irrigation Ltd	1.30
Kisan Mouldings Ltd	0.70
Average	1.27

Profit Earning Capitalization Value (PECV) Method

(INR Lakhs)

Particulars		FY21	FY22	Sep-22 (TTM)	
Profit After Tax		10.87	-94.33	-233.76	
Average Profit					-105.74
Capitalization Rate	15.00%				-704.93
No. of Equity Shares					66,90,000
Value per share (In INR)					-10.54

Capitalization Rate

Capitalization Rate as per Organisation Specific Discount Rate

Organisation Specific Discount Rate

- Capitalization Rate of 15.00 % is taken as Discounting rate, calculated using,
 - Historical Market Return of BSE 500 from February 01, 1999 to February 10, 2023 is 14.11 %
 - We have considered Premium of 1.00% towards risk and illiquidity

	Rate	Source
Market Return (Rm)	14.11 %	Return of BSE 500 for the period of Feb 01, 1999 – Feb 10, 2023
Company Specific Risk	1.00 %	Contingency of revenues, projected high profitability, achievability of projections

Based on the above parameters, the Cost of Equity has been calculated at 15.00 %. (Rounded off)

VALUATION REPORT

on

Fair Value of Equity Shares

R M Drip and Sprinklers Systems Limited



Bhavesh M Rathod
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Table of Contents

1	Context and Purpose.....	3
2	Conditions and major assumptions.....	3
3	Background of the Company.....	5
4	Valuation Premise	6
5	Valuation Date.....	6
6	Valuation Standards	6
7	Valuation Methodology and Approach.....	6
8	Source of Information	9
9	Caveats	9
10	Distribution of Report	10
11	Opinion on Fair Value of Equity Shares.....	11
12	Annexure 1	12
13	Annexure 2	15

Valuation Analysis

We refer to our Engagement Letter dated 9th January 2023 as independent valuers of **R M Drip And Sprinklers Systems Limited** (the “Company”). In the following paragraphs, we have summarized our valuation Analysis (the “Analysis”) of the business of the Company as informed by the management and detailed herein, together with the description of the methodologies used and limitation on our scope of work.

1 Context and Purpose

Based on discussion with the management, we understand that the Company is evaluating the possibility of **Fair Value of Equity shares under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**. In the context of the proposed transaction, the management requires our assistance in determining the **Fair Value of Equity shares** of the Company.

Proposed Transaction:

During the Financial Year 2022-23, Company is evaluating the possibility of issuing further securities to prospective investors. In this context, the management of **R M Drip and Sprinklers Systems Limited** (the “Management”) has requested us to estimate the fair value of the Equity Shares. - “Proposed Transaction”.

2 Conditions and major assumptions

Conditions

The historical financial information about the Company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed or compiled the financial statements and express no assurance on them.

Readers of this report should be aware that a business valuation is based on future earnings potential that may or may not be materialised.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to require to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

Assumptions

The opinion of value given in this report is based on information provided by the management of the Company and other sources as listed in the report. This information is assumed to be accurate and complete.

We have relied upon the representations contained in the public and other documents in our possession and any other assets or liabilities except as specifically stated to the contrary in this report.

We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the Company.

We have been informed by the management that there are no significant lawsuits or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

3 Background of the Company

RM Drip & Sprinklers Systems is engaged in the business of Manufacture of Drip Inline Systems.

Company URL: <https://www.rmdrip.com/>

Further data of the company is as under:

CIN	L27200MH2004PLC150101
Company / LLP Name	R M DRIP AND SPRINKLERS SYSTEMS LIMITED
ROC Code	RoC-Mumbai
Registration Number	150101
Company Category	Company limited by Shares
Company Subcategory	Non-govt company
Class of Company	Public
Authorised Capital (Rs)	100000000
Paid up Capital (Rs)	66900000
Number of Members (Applicable in case of company without Share Capital)	0
Date of Incorporation	20/12/2004
Registered Address	GAT NO. 475, VILLAGE GONDE, TALUKA SINNAR NASHIK Nashik MH 422113 IN
Email Id	cs@rmdrip.com
Whether listed or not	Listed
Date of last AGM	21/12/2022
Date of Balance Sheet	31/03/2022
Company Status (for efilling)	Active

Directors and Key Managerial Persons:

DIN/PAN	Name	Begin date	Designation
0006980548	Nivrutti Pandurang Kedar	25/09/2014	Director
0007085469	Ulka Krishna Kulkarni	28/06/2017	Director
0008590053	Ajay Raghunathrao Saraf	01/11/2021	Director
0009843323	Somnath Khanderao Date	04/01/2023	Additional Director
BYOPG0955R	Saloni Vilas Gangwal	16/10/2022	Company Secretary

Shareholding Details as on 30th September 2022

Particulars	No. of Shares	% Holding
Promoter & Promoter Group		
Makani Arjun Ramji	5,49,027	8.21%
Vijaykumar Hanmant Kshirsagar	7,68,661	11.49%
Shubhangi Vijaykumar Kshirsagar	4,85,738	7.26%
Nivrutti Pandurang Kedar	5,47,027	8.18%
Lilaben Arjun Makani	2,70,104	4.04%
Surekha Nivrutti Kedar	2,70,104	4.04%
Any Other (Specify)		
Director or Director's Relatives	10,80,416	16.15%
Public	27,18,923	40.64%

Total	66,90,000	100.00%
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Face Value Per Share is Rs. 10.00/-

4 Valuation Premise

The premise of value for our analyses is going concern value as there is neither a planned or contemplated discontinuance of any line of business nor any liquidation of the Company.

5 Valuation Date

The Analysis of the Fair Value of Equity share of R M Drip And Sprinklers Systems Limited as on 10th February 2022.

6 Valuation Standards

The Report has been prepared in compliance with the internationally accepted valuation standards and valuation standard adopted by ICAI Registered Valuers Organisation.

7 Valuation Methodology and Approach

The standard of value used in the Analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- whether the entity is listed on a stock exchange
- industry to which the Company belongs
- past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- Extent to which industry and comparable Company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorised as follows:

1. Asset Approach

Net Asset Value Method ("NAV")

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialise.

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.

2. Market Approach

Comparable Company Market Multiple Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets. In case of early stage company and different business model the problem aggravates further.

Comparable Transactions Multiple Method

This approach is somewhat similar to the market multiples approach except that the sales and EBITDA multiples of reported transactions in the same industry in the recent past are applied to the sales and EBITDA of the business being valued.

3. Income Approach

Discounted Cash Flows - "DCF"

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the Company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a Company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows.



Valuation Methodology

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose.

In this case, the Company being a listed Company, we have considered valuation regulations applicable to preferential issue of Equity Shares as defined in Securities and Exchange Board of India (Issue of Capital & Disclosure) Regulations, 2018, the requirements of the Articles of Association of the Company and the provisions of the Companies (Share Capital and Debentures) Rules, 2014 (as amended).

SEBI Regulations for requirement of Valuation:

SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED

The relevant Regulations under SEBI (ICDR) are reproduced as under:

Regulation 164(1) - Pricing of frequently traded shares

If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- a. the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date: or*
- b. the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.*

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue

....

Regulation 166A (1): Other conditions for pricing

Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.

Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first proviso.

....

Regulation 161: "relevant date" means: a) in case of preferential issue of equity shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue:

Explanation: Where the relevant date falls on a weekend or a holiday, the day preceding the weekend or the holiday will be reckoned to be the relevant date.

Our choice of methodology and valuation has been arrived using usual and conventional methodologies adopted for purposes of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of similar nature.

8 Source of Information

The Analysis is based on trading prices and volumes as available in the public domain. Specifically, the sources of information include:

- Historical Data of Trading Price and Volume traded of the stock on National Stock Exchange.

Further, we have also been informed by the Company that.

1. The Equity Shares of the Company are listed on the National Stock Exchange.
2. The Equity Shares are frequently traded on the National Stock Exchange meet the definition of Frequently traded shares as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
3. The Company is proposing to hold Extraordinary General Meeting of Members on 14th March 2023 to approve the proposed preferential issue and hence, the relevant date is 10th February 2023.
4. The present issue of Equity Shares shall not result in change in control of the Company.

9 Caveats

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.

We have relied on data from Recognized Stock Exchange. This source is considered to be reliable and therefore, we assume no liability for the accuracy of the data.

The valuation worksheets prepared for the exercise are proprietary to the Valuer and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

The Valuation Analysis contained herein represents the value only on the date that is specifically Stated in this Report.

We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein.

Our Valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

Our Report is not nor should it be construed as our opining or certifying the compliance with the provisions of any law / standards including company, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws / standards or as regards any legal, accounting or taxation implications or issues.

Our Report and the opinion / valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities. This report does not in any manner address, opine on or recommend the prices at which the securities of the Company could or should transact.

10 Distribution of Report

The Analysis is confidential and has been prepared exclusively for **R M Drip And Sprinklers Systems Limited**. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of the valuer. Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the report will be shared according to the terms of SEBI ICDR Regulation, 2018.

11 Opinion on Fair Value of Equity Shares

Based on our valuation exercise Fair Value of the Equity Shares is as under:

Method		in INR
As per Regulation 164 SEBI, ICDR	A	20.56
Price determined under the valuation report from the independent registered valuer	B	15.53
Higher of A & B	C	20.56

Control Premium

The present issue of Equity Shares shall not result in change in control of the Company. Hence guidance on control premium is not considered under Regulation 166A.

We trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours faithfully


Bhavesh M Rathod
Chartered Accountants
M No: 119158
Registered Valuer - Securities or Financial Assets
(Reg No: IBBI/RV/06/2019/10708)



Date: 16/02/2023

Place: Mumbai

UDIN:

23119158BQVYNW8401

12 Annexure 1

As per Regulation 164 SEBI, ICDR

Method		in INR
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02-Feb-23	12,000	2,55,600
01-Feb-23	6,000	1,21,800
31-Jan-23	5,56,000	1,03,83,700
30-Jan-23	6,22,000	1,06,67,400
27-Jan-23	6,000	1,07,800
25-Jan-23	12,000	2,18,800
24-Jan-23	0	0
23-Jan-23	6,000	1,07,500
20-Jan-23	16,000	2,92,700
19-Jan-23	24,000	4,21,200
18-Jan-23	22,000	3,86,000
17-Jan-23	12,000	2,12,800
16-Jan-23	12,000	2,09,500
13-Jan-23	16,000	2,97,300
12-Jan-23	16,000	2,82,800
11-Jan-23	10,000	1,74,500
10-Jan-23	2,000	35,700
09-Jan-23	22,000	3,69,800
06-Jan-23	40,000	6,55,100
05-Jan-23	24,000	3,93,800
04-Jan-23	10,000	1,61,600
03-Jan-23	10,000	1,64,200
02-Jan-23	14,000	2,25,800
30-Dec-22	0	0
29-Dec-22	0	0
28-Dec-22	4,000	63,600
27-Dec-22	8,000	1,25,400

26-Dec-22	18,000	2,84,400
23-Dec-22	6,000	94,600
22-Dec-22	8,000	1,31,900
21-Dec-22	16,000	2,76,900
20-Dec-22	18,000	3,23,900
19-Dec-22	2,000	36,500
16-Dec-22	2,000	35,600
15-Dec-22	34,000	6,14,100
14-Dec-22	80,000	14,07,700
13-Dec-22	6,000	1,03,600
12-Dec-22	4,000	68,000
09-Dec-22	10,000	1,71,700
08-Dec-22	12,000	1,99,600
07-Dec-22	22,000	3,68,700
06-Dec-22	6,000	1,04,100
05-Dec-22	6,000	1,00,700
02-Dec-22	2,06,000	32,95,400
01-Dec-22	2,58,000	41,57,300
30-Nov-22	2,18,000	34,52,300
29-Nov-22	2,06,000	33,16,200
28-Nov-22	74,000	12,29,300
25-Nov-22	24,000	4,12,900
24-Nov-22	18,000	3,09,300
23-Nov-22	14,000	2,40,200
22-Nov-22	4,000	70,700
21-Nov-22	6,000	1,09,300
18-Nov-22	20,000	3,97,000
17-Nov-22	36,000	7,15,500
16-Nov-22	12,000	2,34,600
15-Nov-22	44,000	8,16,400
14-Nov-22	52,000	9,33,500
11-Nov-22	10,000	1,77,800
10-Nov-22	6,000	1,02,600
09-Nov-22	12,000	1,94,900
07-Nov-22	2,000	31,100
04-Nov-22	8,000	1,26,800
03-Nov-22	2,000	32,100
02-Nov-22	12,000	1,93,500
01-Nov-22	2,000	33,400
31-Oct-22	14,000	2,17,200
28-Oct-22	4,000	61,200
27-Oct-22	0	0
25-Oct-22	2,000	31,200
24-Oct-22	2,000	30,000
21-Oct-22	0	0
20-Oct-22	2,000	30,300

19-Oct-22	0	0
18-Oct-22	0	0
17-Oct-22	2,000	30,400
14-Oct-22	0	0
13-Oct-22	0	0
12-Oct-22	4,000	64,100
11-Oct-22	2,000	33,600
10-Oct-22	0	0
07-Oct-22	4,000	64,800
06-Oct-22	0	0
04-Oct-22	2,000	30,900
03-Oct-22	0	0
Total	43,66,000	8,27,65,100

Traded Turnover	8,27,65,100
No. of Share Traded	43,66,000
Volume Weighted Average Price for 90 Trading Days	18.96

Volume Weighted Average Price for 10 trading Days.

Date	No. of Trades	Total Turnover (Rs.)
09-Feb-23	1,36,000	31,93,800
08-Feb-23	2,32,000	57,70,800
07-Feb-23	8,000	1,96,800
06-Feb-23	6,000	1,40,700
03-Feb-23	9,68,000	2,16,30,800
02-Feb-23	12,000	2,55,600
01-Feb-23	6,000	1,21,800
31-Jan-23	5,56,000	1,03,83,700
30-Jan-23	6,22,000	1,06,67,400
27-Jan-23	6,000	1,07,800
Total	25,52,000	5,24,69,200

Traded Turnover	5,24,69,200
No. of Share Traded	25,52,000
Volume Weighted Average Price for 10 Trading Days	20.56

13 Annexure 2

Method	Value per share	Weight	Product
NAV Method	13.52	1	13.52
CCM Method	17.55	1	17.55
Weight Average Value per share			15.53

NAV Method

(INR Lakhs)

Particulars		Amount
Assets		
Non-Current Assets		
Property, Plant & Equipment		544.84
Deferred tax assets (net)		10.62
Non-current Investments		5.59
Other Non-current Assets		22.91
Current Assets		
Inventories		163.22
Trade receivables		1,874.78
Cash and cash equivalents		20.23
Short Term Loans & Advances		76.22
Other Current Assets		187.83
Total Assets	A	2,906.24
Non-Current Liabilities		
Long Term Borrowings		893.80
Long Term Provision		25.79
Current liabilities		
Trade payables		617.22
Short-term provisions		89.17
Other Current Liabilities		376.02
Total Liabilities	B	2,002.00
Net Worth	A - B	904.24
No. of Equity Shares	C	66,90,000
Value Per Share	(A - B) / C	13.52

Comparable Company Method (CCM)

Particulars	EV / Sales
Multiple of Listed Peer Company (Note 1)	1.27
Sales of the Company (in INR Lakhs)	1,608.24
Enterprise Value (in INR Lakhs)	2,047.83
Less: Debt (in INR Lakhs)	893.80
Add: Cash (in INR Lakhs)	20.23
Equity Value (in INR Lakhs)	1,174.26
No. of Shares	66,90,000
Value per share (in INR)	17.55

Note 1: -

EV / Sales Multiple of Listed Peer Company

Particulars	EV / Sales
Jain Irrigation Systems Ltd	1.82
Mahindra EPC Irrigation Ltd	1.30
Kisan Mouldings Ltd	0.70
Average	1.27



(Pursuant to Regulation 163(2), Part III of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 including any amendment/modification thereof)

To
The Board of Directors
R M DRIP AND SPRINKLERS SYSTEMS LIMITED
Gate No. 475, Village Gonde, Taluka Sinnar
Nashik - 422113. Maharashtra. India

Subject: Compliance Certificate pursuant to Regulation 163(2), Part III of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018.

I, Jaymin Modi, proprietor of M/s. Jaymin Modi & Co, Practicing Company Secretaries, have been engaged by **R M DRIP AND SPRINKLERS SYSTEMS LIMITED** (hereinafter referred to as "Company" or "Issuer"), having its Registered Office at Gate No. 475, Village Gonde, Taluka Sinnar Nashik - 422113. Maharashtra. India to issue this Compliance Certificate in accordance with Regulation 163(2) of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (hereinafter referred to as "Regulations").

In accordance with the Regulations, the Company has proposed to issue **upto 36,00,000 (Thirty-Six Lakhs) Equity Shares and upto 1,58,10,000 (One Crore Fifty-Eight Lakhs Ten Thousand) fully convertible warrants ("Warrants/ Convertible Warrants") into Equity Shares on preferential basis ('Preferential Issue')**, with an issue price of 20.70/- (Indian Rupees Twenty Rupees and Seventy Paise only) each ('Proposed Preferential Issue'). The minimum issue price per Equity Shares and Warrant calculated in accordance with Regulation 164 of the Regulations is Rs. 20.56/- (Indian Rupees Twenty and Fifty-Six Paise only).

The Proposed Preferential Issue was approved at the meeting of the Board of Directors of the Company held on February 18, 2023.

On the basis of the relevant management inquiries, necessary representations and information furnished by the management of the Company, as required under the Regulations, we have verified that the issue is being made in accordance with the requirements of the Regulations as applicable to the preferential issue, more specifically, the following:

- i. Memorandum of Association and Articles of Association of the Company;
- ii. The Present capital structure including the details of the Authorized, Subscribed, Issued and Paid-up share capital of the Company along with the shareholding pattern;



- iii. Resolutions passed at the meeting of the Board of Directors;
- iv. List of Proposed Allottees;
- v. The relevant date in accordance with Regulation 161 of the Regulations. The relevant date for the purpose of said minimum issue price was February 10, 2023 being the preceding day to March 14, 2023, 30 (thirty) days prior to the date of the General Meeting/Postal Ballot on which the resolution shall be deemed to be passed, i.e., March 14, 2023. February 10, 2023, is reckoned as the relevant date.
- vi. The statutory registers of the Company and list of shareholders issued by RTA:
- a. to note that the equity shares are fully paid up;
- b. all equity shares held by the proposed allottees in the Company are in dematerialized form.
- vii. Disclosures under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, if any, made by proposed allottees during the 90 trading days preceding the relevant date;
- viii. Details of buying, selling and dealing in the equity shares of the Company by the proposed allottees, Promoter or Promoter Group during the 90 trading days preceding the relevant date;
- ix. Permanent Account Number of the proposed allottees;
- x. Draft notice of General Meeting/Postal Ballot and Explanatory Statement:
- a. to verify the disclosures in Explanatory Statement as required under the Companies Act, 2013 & the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 163(1) of the Regulations;
- b. to verify the tenure of the convertible securities of the Company, if issued, that it shall not exceed 18 (eighteen) months from the date of their allotment;
- c. to verify the lock-in period as required under Regulation 167 of the Regulations;
- d. to verify the terms for payment of consideration and allotment as required under Regulation 169 of the Regulations.
- xi. Computation of the minimum price of the Equity Shares and Warrants convertible into Equity Shares to be allotted in preferential issue in accordance with the Regulations. The minimum issue price for the Proposed Preferential Issue of the Company, based on the pricing formula prescribed under the Regulation 164 of the Regulations has been worked out at of Rs. 20.56/- (Indian Rupees Twenty and Fifty-Six Paise only)
- xii. Board/shareholders resolution and statutory registers to verify that promoter(s) or the promoter group has not failed to exercise any warrants of the Company which were previously subscribed by them;
- xiii. Verified the relevant statutory records of the Company to confirm that:
- a. it has no outstanding dues to the SEBI, the stock exchanges or the depositories;
- b. it is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the stock exchange where the equity shares of the Company 'are





listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and any circular or notification issued by the Board thereunder.

It is the responsibility of the Management to comply with the requirements of the Regulations, including the preparation and maintenance of all accounting and other relevant supporting records, designing, implementing and maintaining internal control relevant to preparation of Notice and explanatory statement, determination of relevant date & minimum issue price of Equity Shares and Warrants convertible into Equity Shares and making estimates that are reasonable in the circumstances.

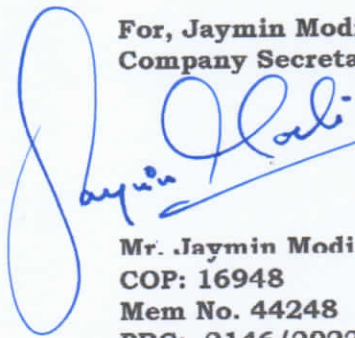
Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the Company.
2. My responsibility is to certify based upon my examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I am not expressing any opinion on the price computed / calculated and/or the price at which the Warrants convertible into Equity Shares are being issued by the Company.
4. This certificate is solely for the intended purpose of compliance in terms of the Regulations and for your information and it is not to be used, circulated, quoted or otherwise referred to for any other purpose other than compliance with the Regulations.

Certification:

Based on my examination of such information / documents and explanation furnished to me by the management and employees of the Company and to the best of my knowledge and belief, I hereby certify that proposed preferential issue is being made in accordance with the requirements of the Regulations.

**For, Jaymin Modi & Co.
Company Secretaries**



**Mr. Jaymin Modi
COP: 16948
Mem No. 44248
PRC: 2146/2022
UDIN: A044248D003169801**



**Place: Mumbai
Date: 18.02.2023**

