

“Born To Serve”
The Farming Community

Dear Friends



The COVID-19 spread has massive consequences to health and livelihoods, with governments across the world implementing lockdown. In India, though the lock down is in-effect since 1.5 months (as is the need for our country), some sectors like agriculture, rural areas and related industries have been kept open.

As you are aware, our revenues come mainly from drip irrigation products catering to the agriculture sector. Despite agri-related business exempt from lockdown, our operations have also been partially disrupted. The shut-down impacted March, 2020, despite this our FY20 production was 15% YoY higher crossing 1200 MT.

The Rabi harvesting was largely smooth, though some areas witnessed non-availability of migrant labor. This year, we are expecting normal monsoons in India, with IMD estimating June-September rainfall to be 100 percent of the long-term average. We expect this should help the economy come back on track, with good monsoons and higher water reserves.

Outlook FY2020-21

The current year should be one of the best years for our products, demand being strong. Sales are temporarily impacted by lack of mobility at dealer level, which should bounce strongly back as soon as movement restrictions are relaxed. Only companies with stock will be able to execute orders in the limited period of Rabi or Kharif cultivation. We are preparing for the surge, by re-starting our manufacturing operations while maintaining heightened hygiene. We have residential accommodation for around 15% of our workmen within our factory premises. With this limited staff, we are targeting initial 30% capacity utilization till the situation normalizes.

Most of our projects are covered under the state subsidy eligibility schemes, hence the accelerated payment support by states like Karnataka and Maharashtra (also about start its subsidy disbursement soon) has eased our cash flow. We are optimistic FY2020-21 will be a good year for us, we are working on multiple levels such as widening the product basket, focus on higher margin products and increasing marketing reach. On behalf of the Board of Director's, I would like to thank you all for reposing faith and supporting our efforts with enthusiasm.

Stay Safe

Shyam Sundar Dash

Managing Director
28th April, 2020

ABOUT RM DRIP AND SPRINKLERS SYSTEMS LIMITED

ISI & ISO certified Company, manufacturing Micro Irrigation Systems (MIS) consisting of Drip Irrigation and Sprinkler Irrigation Systems, HDPE Pipes, Components & irrigation accessories. It also provides Project Solutions using high-value products based on state of the art technology that promote intelligent use of water and irrigation. Compliant with requirements to participate in Government tenders being BIS certified.



For more details please visit

www.rmdrip.com



[@RMDripSprinkle1](https://twitter.com/RMDripSprinkle1)

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