



INDEPENDENT AUDITOR'S REPORT

UDIN: 19118218AAAACN1569

**TO THE MEMBERS OF
RM DRIP AND SPRINKLER SYSTEMS LIMITED**
Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **RM Drip and Sprinkler Systems Limited** (Formerly known as R M Drip and Sprinklers Systems Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

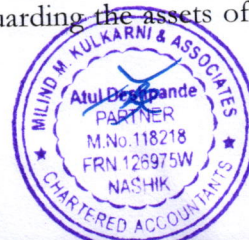
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Sr. No.	Key Audit Matter	Auditor's Response
Revenue Recognition: Accounting for Sales.		
1.	Key audit matters description	<p>Sales are recognized when goods are transferred with risks and rewards of ownership to the buyer and are recorded net of Duties, Taxes, and Trade Discounts & Rebates.</p> <p>As per the industry practice, in the state of Madhya Pradesh (MP), revenue from sales to farmers is recognized as and when their eligibility for subsidy is confirmed by way of registration on MP State Government's official portal, though the risk and rewards are not transferred.</p> <p>While preparing the financial results, value of the material relating to such sale, is excluded from the total value of stock.</p>
2.	Principal Audit Procedure	<p>Our Procedure involved :</p> <ul style="list-style-type: none"> • Testing of the design and implementation of controls involved for determination of revenue from sales as well as their operating effectiveness. • Testing some sample of sales for appropriate identification of performance obligation. • Testing related information used in recording and disclosing the revenue in accordance with the Accounting Standard. • Obtaining the external confirmation for sample transaction selected and industry practice in the region. • Verifying Inventory records for confirming exclusion of sold stock from the total value of stock.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and



for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

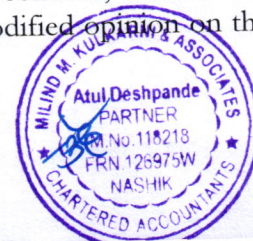
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit, and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under section 133 of the act, read with Rule 7 of the companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy



and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

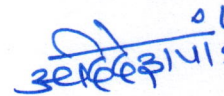
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

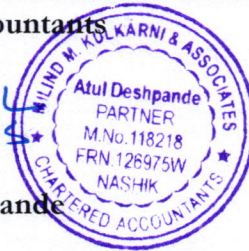
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Nashik
Date : July 17,2019

for Milind M Kulkarni & Associates
Chartered Accountants
FRN 126975W



CA Atul Deshpande
Partner
Membership No: 118218



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **RM DRIP AND SPRINKLER SYSTEMS LIMITED** as on 31st March, 2019.

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **RM DRIP AND SPRINKLER SYSTEMS LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

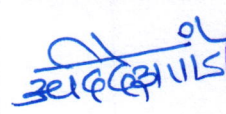
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Nashik
Date : July 17,2019

for Milind M Kulkarni & Associates
Chartered Accountants
FRN 126975W

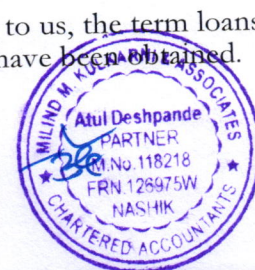

CA Atul Deshpande
Partner
Membership No: 118218



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **RM DRIP AND SPRINKLER SYSTEMS LIMITED** as on 31st March, 2019.

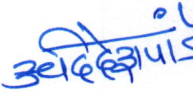
- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, all the fixed assets have been physically verified by the Management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
(c) All the title deeds of immovable properties are held in the name of the company.
- ii. The management has conducted physical verification of inventory at reasonable intervals and it was reported that no material discrepancies were noticed during verification.
- iii. (a) The Company has not granted any loans to any bodies corporate, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Paragraph 3(iii)(a) of the Order is not applicable to the Company.
(b) Paragraph 3(iii)(b) & (c) of the Order are not applicable to the Company.
- iv. Paragraph 3(iv) of the Order is not applicable in respect of loans, investment, guarantees, and security under provisions of section 185 and 186 of the companies Act 2013.
- v. The Company has not accepted any deposits under section 73 to 76 of the Companies Act 2013.
- vi. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 148 (1) of the Companies Act, 2013.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of income tax, value added tax, wealth tax, service tax, duty of customs, duty of excise duty and cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii. Based on our audit procedures and according to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution and bank during the year.
- ix. As per our verification of books and records and explanations given to us, the term loans availed by the Company were applied for the purpose for which such loans have been obtained.



- x. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid /provided managerial remuneration in accordance with requisite approval mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013 and with reference to the special resolution passed in the Extra Ordinary General Meeting dated 10/07/2017.
- xii. Paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or Private Placement of shares during the year under review accordingly Paragraph 3(xiv) of the Order is not applicable.
- xv. The company has not entered into any non cash transactions with directors or persons connected with him accordingly Paragraph 3(xv) of the Order is not applicable.
- xvi. Paragraph 3(xvi) of the Order is not applicable.

Place: Nashik
Date : July 17,2019

for Milind M Kulkarni & Associates
Chartered Accountants
FRN 126975W


CA Atul Deshpande
Partner
Membership No: 118218



R M Drip and Sprinklers Systems Limited
(Formerly known as R M Drip and Sprinklers Systems Private Limited)

Balance Sheet

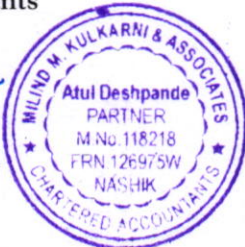
As on 31st March, 2019

Particulars	Note No	As on 31-03-2019	As on 31-03-2018
I Equity and Liabilities			
Shareholders' Funds			
Share capital	2	6,69,00,000	6,69,00,000
Reserves & surplus	3	4,04,65,700	9,48,77,666
Non-Current Liabilities			
Long-term borrowings	4	3,81,19,959	4,83,96,184
Deferred tax liabilities (net)	5	9,29,055	7,58,454
Other long term liabilities	6	85,77,368	49,85,959
Long-term provisions	7	23,98,305	28,65,196
Current Liabilities			
Short-term borrowings	8	3,69,41,132	4,13,30,829
Trade payables	9		
- Micro, Small and Medium Enterprises		12,94,547	31,07,695
- Others		3,66,17,580	3,18,50,392
Other current liabilities	10	3,23,35,912	1,83,29,766
Short-term provisions	11	48,46,050	1,12,08,802
Total		26,94,25,608	32,46,10,945
II Assets			
Non-Current Assets			
Fixed assets	12		
- Tangible		7,29,23,439	8,16,14,533
- Intangible		14,375	39,021
- Capital WIP		17,89,707	8,61,520
Non-current investments	13	5,58,750	10,58,750
Long term loans and advances	14	19,48,795	31,88,300
Current Assets			
Inventories	15	3,59,93,113	5,39,18,791
Trade receivables	16	12,65,83,236	15,74,18,942
Cash and cash equivalents	17	55,69,736	1,24,38,657
Short-term loans and advances	18	1,24,93,198	60,85,551
Other current assets	19	1,15,51,259	79,86,881
Total		26,94,25,608	32,46,10,945

See accompanying notes to the Financial Statements

As per our report of even date
for Milind M Kulkarni & Associates
Chartered Accountants
FRN 126975W

Atul Deshpande
CA Atul Deshpande



Partner
Membership No: 118218

for and on behalf of the board of directors

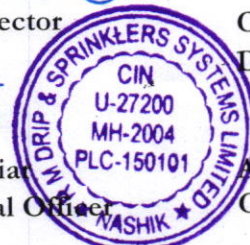
Shyam Sundar Dash

Shyam Sundar Dash
Managing Director
DIN : 816360

Vijaykumar Kshirsagar

Vijaykumar
Kshirsagar
Chairman
DIN : 7502666

Vijayeta Mudliar
Vijayeta Mudliar
Chief Financial Officer



Anita Pagare
Anita Pagare
Company Secretary

Place :- Nashik
Date :- July 17, 2019

Place :- Nashik
Date :- May 28, 2019

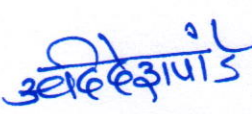
R M Drip and Sprinklers Systems Limited
(Formerly known as R M Drip and Sprinklers Systems Private Limited)

Statement of Profit & Loss
for the year ended 31st March, 2019

Particulars	Note No	As on 31-03-2019	As on 31-03-2018
Revenues			
Revenues from operations	20	22,29,09,257	42,63,44,229
Other income	21	83,84,869	26,63,780
Total Revenues		23,12,94,126	42,90,08,009
Expenses:			
Cost of materials consumed	22	15,18,55,627	23,31,57,555
Changes in inventories	23	2,05,08,272	(27,41,620)
Employee benefit expenses	24	2,64,92,429	2,53,75,113
Finance costs	25	1,33,12,551	1,18,45,279
Depreciation and amortization expenses	12	1,46,93,845	1,55,21,357
Other expenses	26	5,86,72,766	12,31,26,527
Total Expenses		28,55,35,490	40,62,84,212
(Loss)/Profit before tax		(5,42,41,364)	2,27,23,797
Tax expenses			
Current tax		-	78,50,000
Deferred tax expenses / (surplus)		1,70,601	(8,02,841)
(Loss)/Profit for the period		(5,44,11,965)	1,56,76,638
Earning per equity share			
Basic	29	(8.98)	2.77
Diluted		(8.98)	2.77

See accompanying notes to the Financial Statements

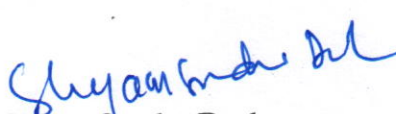
As per our report of even date
for Milind M Kulkarni & Associates
Chartered Accountants
FRN 126975W


CA Atul Deshpande

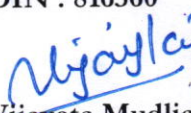


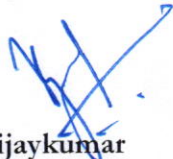
Partner
Membership No: 118218

for and on behalf of the board of directors


Shyam Sundar Dash

Managing Director
DIN : 816360


Vijayeta Mudliar
Chief Financial Officer


Vijaykumar
Kshirsagar

Chairman
DIN : 7502666


Anita Pagare
Company Secretary



Place :- Nashik
Date :- July 17, 2019

Place :- Nashik
Date :- May 28, 2019

R M Drip and Sprinklers Systems Limited
(Formerly known as R M Drip and Sprinklers Systems Private Limited)

Cash Flow Statement
for the year ended 31st March, 2019

Particulars	As on 31-03-2019	As on 31-03-2018
Cash Flow from Operating Activities		
(Net Loss)/Net Profit Before Tax	(5,42,41,364)	2,27,23,797
Adjustments for-		
Depreciation	1,46,93,845	1,55,21,357
Provision for Gratuity and (Actuarial Gain)	(3,77,674)	7,88,406
Interest & Finance Cost	1,33,12,551	1,18,45,279
Interest Income	(2,08,924)	(2,49,977)
Dividend Income	(75,000)	(72,465)
Income Tax of Previous year	2,38,985	11,66,453
(Profit) / Loss on Sale of Asset	-	-
Other Non Operating income	(73,11,362)	(23,41,338)
Operating (Loss)/Profit Before Working Capital Changes	(3,39,68,943)	4,93,81,513
Adjustments for Changes in Working Capital		
(Decrease)/Increase in Short-term Borrowings	(43,89,698)	(38,30,573)
Increase in Trade Payables	29,54,040	52,57,183
Increase in Short-term provisions	14,84,245	15,74,369
Increase / (Decrease) in Other Current Liabilities	1,40,06,146	(1,36,99,331)
Increase / (Decrease) in Other Long Term Liabilities	35,91,409	(66,42,557)
(Decrease)/Increase in Long Term Provisions	(86,215)	5,29,083
Decrease / (Increase) in Inventories	1,79,25,678	(4,10,323)
Decrease / (Increase) in Trade Receivables	3,08,35,706	(9,06,15,847)
(Increase) / Decrease in Short Term loans & Advances	(92,09,267)	66,73,914
Decrease / (Increase) in Long Term loans & Advances	12,39,505	(21,01,300)
Decrease in Other Current Assets	(35,64,378)	(6,88,517)
Cash generated from Operations	2,08,18,228	(5,45,72,386)
Income Tax Paid	(52,87,365)	(1,20,63,657)
Net cash from Operating activities (A)	1,55,30,863	(6,66,36,043)
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(69,06,293)	(1,48,75,402)
Sale of Fixed Assets	-	14,780
Interest Received	2,08,924	2,49,977
Sale of Non Current Investments	5,00,000	-
Other Non Operating Income	73,11,362	5,40,088
Dividend Received	75,000	72,465
Net cash from Investing activities (B)	11,88,993	(1,39,98,092)

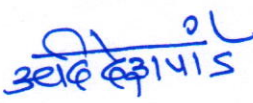


R M Drip and Sprinklers Systems Limited
(Formerly known as R M Drip and Sprinklers Systems Private Limited)

Cash Flow Statement
for the year ended 31st March, 2019

Particulars	As on 31-03-2019	As on 31-03-2018
Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	-	3,01,00,000
Securities Premium received on Shares Issued	-	9,44,70,000
Expenses Directly Written off from Securities Premium	-	(1,68,62,957)
Net Proceeds from Long Term Borrowings	(1,02,76,226)	(2,05,99,417)
Interest Paid	(1,33,12,551)	(1,18,45,279)
Net Cash From Financing activities (C)	(2,35,88,777)	7,52,62,348
Net Increase in Cash and Cash equivalents (A+B+C)	(68,68,921)	(35,70,537)
Cash and Cash equivalents at the beginning of the year	1,24,38,657	1,60,09,194
Cash and Cash equivalents at the end of the year	55,69,736	1,24,38,657

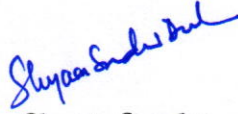
As per our report of even date
for Milind M Kulkarni & Associates
Chartered Accountants
FRN 126975W



CA Atul Deshpande


Partner
Membership No: 118218



for and on behalf of Board of
Directors


Shyam Sundar
Dash
Director
DIN : 816360


Vijayeta
Mudliar
Chief Financial
Officer


Vijaykumar
Kshirsagar
Director
DIN : 7502666


Anita Pagare

Company
Secretary



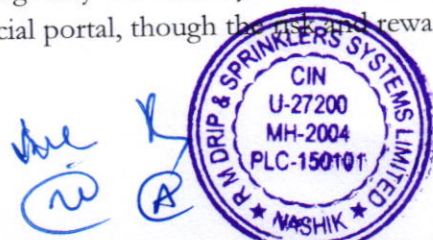
Place : Nashik
Date :- July 17, 2019

Place:- Nashik
Date :- May 28, 2019

R M Drip and Sprinklers Systems Limited.
(Formerly known as R M Drip and Sprinklers Systems Private Limited)
Notes attached to and forming part of Financial Statements
For the year ended 31st March, 2019

1. Significant Accounting Policies

- a) **Basis of preparation of Financial Statements & Accounts:** - The financial statements & accounts are prepared under historical cost convention in accordance with the mandatory Accounting Standards as specified under section 133 of the Companies Act 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and the relevant provisions of the Companies Act, 2013.
The Company has adopted accrual basis of accounting.
Accounting policies except specifically referred to, are consistent and in consonance with generally accepted accounting policies in India (Indian GAAP).
- b) **Use of Estimates:** - The preparation and presentation of financial statements in conformity with the generally accepted accounting principles, requires estimate and assumptions to be made that affect the reported amounts of assets and liabilities, revenues and expenditures and disclosure of contingent liabilities. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as on the date of financial statements. Difference between the actual results and estimates are recognized in the period in which result materialize/ are known.
- c) **Inventories:** - Inventories are valued at lower of estimated cost or net realizable value. Estimated cost of Inventories comprises of purchase cost and other cost incurred in bringing inventories to their present location and condition. The cost is determined as under.
- i. Raw materials, stores, spares on FIFO basis.
 - ii. Finished Products – on raw material cost plus conversion cost
 - iii. Work-in-Progress on raw material cost plus proportionate conversion cost up to stage of completion as on valuation date.
- d) **Cash flow statement:** - Cash flows are reported using the indirect method as specified under Accounting Standard - 3, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.
- e) **Revenue Recognition:** Revenue is recognized as follows
- i. Sales are recognized when goods are transferred with risks and rewards of ownership to the buyer and are recorded net of Duties, Taxes, and Trade Discounts & Rebates.
 - ii. As per the industry practice, in the state of Madhya Pradesh (MP), revenue from sales to farmers is recognized as and when their eligibility for subsidy is confirmed by way of registration on MP State Government's official portal, though the risk and rewards are not



R M Drip and Sprinklers Systems Limited.
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Notes attached to and forming part of Financial Statements
For the year ended 31st March, 2019

transferred. While preparing the financial results, value of the material relating to such sale, is excluded from the total value of stock.

- iii. Interest Income is recognised on a time proportion basis
- iv. Dividend Income is recognised on receipt basis.

f) Tangible Assets and Depreciation: - Tangible Assets are stated at cost of acquisition inclusive of freight, non refundable duties and taxes and incidental expenses. Depreciation on Tangible Assets is provided in such a manner so that the cost of asset (Net of realizable value) will be amortized over their estimated remaining useful life on W.D.V basis as per the useful life prescribed under Schedule II to the Companies Act 2013. Depreciation for assets purchased / sold during the period is proportionately charged.

Capital work-in-progress comprises of the cost incurred on fixed assets that are not yet ready for their intended use at the reporting date.

g) Foreign Currency Transactions: -

- i. Foreign currency transactions are accounted for at the exchange rate prevailing on the date of transactions.
- ii. The foreign currency assets or liabilities of monetary items are translated using the exchange rates prevailing on the reporting date.
- iii. The Exchange differences on translation of foreign currency transaction on the reporting date are recognised as income or expense and adjusted to the statement of Profit and loss.

h) Government Grants: - Grants and Subsidies from the government are recognized when there is a reasonable assurance that

- a. The company will comply with the conditions attached to them and
- b. Grant / Subsidy will be received.

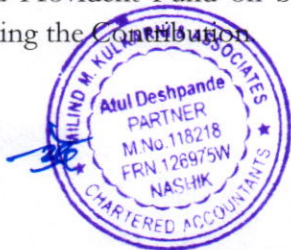
i) Investments:- The company follows the accounting policy of valuing its current investments at cost or fair value whichever is lower and the long term investments are valued at cost except where there is a permanent decline in the value of investments.

j) Employee Benefits :-

All Short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

Defined Contribution Plan

The Company is having defined contribution plan for post employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the company contributes to a Government administered Provident Fund on behalf of employees. The company has no further obligation beyond making the Contribution.



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R M Drip and Sprinklers Systems Limited.
(Formerly known as R M Drip and Sprinklers Systems Private Limited)
Notes attached to and forming part of Financial Statements
For the year ended 31st March, 2019

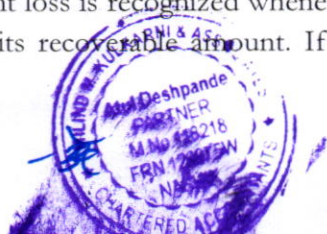
Defined Benefit Plan

The Company has made provision for payment of Gratuity to its employees. This Provision is made as per the method prescribed under the Payment of Gratuity Act. The cost of providing gratuity under this plan is determined on the basis of actuarial valuation at each year end.

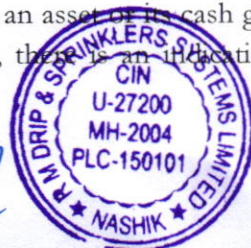
- k) Borrowing Costs:** - The Interest on cash credit and various term loans is charged to profit and loss account and classified under Finance costs. However, the interest on term loan and other borrowing costs that are attributable to acquisition, construction or production of qualifying assets are capitalised as a part of cost of such Assets.
- l) Earnings Per Share:** - Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period for all periods presented is adjusted for events, such as bonus shares, that have changed the number of equity shares outstanding, without corresponding change in the resources.
- m) Taxes on Income:** - Income Tax for the period is provided as per the provisions of the Income Tax Act, 1961 after considering various deductions available under the Act.

Deferred Tax Income is recognized for "timing differences" between the accounting income and the taxable income using the tax rates and laws that are enacted or substantially enacted as on the Balance Sheet date. The Deferred Tax Asset is recognized and carried forward only to the extent there is a reasonable certainty that the asset will be realized in future.

- n) Intangible Assets:** - Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a WDV basis commencing from the date the asset is available to the Company for its use. Software being intangible asset in the form of license to use the software is considered as integral part of computers and network. So management has decided to depreciate it as per the useful life of computer server and networks under WDV method as prescribed under schedule II of Companies Act 2013.
- o) Impairment of Assets:** - In accordance with (AS-28) – Impairment of Assets, the carrying amounts of the Company's assets including intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indications exist, the assets recoverable amount is estimated, as the higher of the net selling price and the value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If at the balance sheet date, there is an indication that a



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R M Drip and Sprinklers Systems Limited.
(Formerly known as R M Drip and Sprinklers Systems Private Limited)
Notes attached to and forming part of Financial Statements
For the year ended 31st March, 2019

previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is assessed at the recoverable amount subject to a maximum of depreciable historical cost.

- p) Provisions and Contingent Liabilities:** - Provisions involving judgments and estimation in measurement of expenses are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.



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R M Drip and Sprinklers Systems Limited
(Formerly known as R M Drip and Sprinklers Systems Private Limited)
Notes attached to and forming part of Financial Statements
for the year ended 31st March, 2019

2 Share capital

Particulars	As on 31-03-2019	As on 31-03-2018
A) Authorized Share Capital 100,00,000 Ordinary Equity Shares of Rs.10/- each	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
B) Issued Subscribed & Paid-up Share Capital 66,90,000 Ordinary Equity Shares of Rs.10/- each	6,69,00,000	6,69,00,000
	6,69,00,000	6,69,00,000

C) Reconciliation of shares outstanding at the beginning & at the end of the reporting period

Particulars	As on 31-03-2019	As on 31-03-2018
Equity Shares		
Balance of number of ordinary equity shares at the beginning of the year	66,90,000	23,80,000
Add : Shares issued and subscribed during the year	-	30,10,000
Add : Bonus Shares issued	-	13,00,000
Balance of number of ordinary equity shares at the end of the year	66,90,000	66,90,000

D) The rights, preferences and restrictions attached to each class of shares - Equity Shares : The company has one class of equity share having par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. Further the ordinary equity Shares of the company have the rights and restrictions as prescribed in the Companies Act, 2013.

E) Details of shares held by its holding company in the Company - NA

F) Details of Equity shares held by shareholders holding more than 5 % of aggregate shares in the Company.

Particulars	As on 31-03-2019	As on 31-03-2018
Nivrutti Pandurang Kedar		
No. of Shares Held	5,47,027	5,47,027
Percentage of holding	8.18%	8.18%
Arjun Ramji Makani		
No. of Shares Held	5,47,027	5,47,027
Percentage of holding	8.18%	8.18%
Shubhangi Vijaykumar Kshirsagar		
No. of Shares Held	5,43,738	5,43,738
Percentage of holding	8.13%	8.13%
Vijaykumar Hanmant Kshirsagar		
No. of Shares Held	8,20,661	8,20,661
Percentage of holding	12.27%	12.27%
Shyam Sundar Dash		
No. of Shares Held	6,00,923	6,00,923
Percentage of holding	8.98%	8.98%



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R M Drip and Sprinklers Systems Limited
 (Formerly known as R M Drip and Sprinklers Systems Private Limited)
 Notes attached to and forming part of Financial Statements
 for the year ended 31st March, 2019

G) Terms and details of shares reserved for issue under options and contracts/commitments - Nil

H) Details of ordinary equity shares issued in immediately preceding five years as on the date of Balance

a) Aggregate number of fully paid up shares pursuant to contract(s) without	-
b) Aggregate number of fully paid up shares by way of bonus.	24,30,000
c) Aggregate number of shares bought back.	-

3 Reserves & surplus

Particulars	As on 31-03-2019	As on 31-03-2018
Securities Premium		
Opening Balance	7,76,07,043	-
For Shares issued during the year	-	9,44,70,000
Less: Utilised for Bonus Shares issued	-	-
Less: IPO Expenses Written Off (Refer Note no 3.1)	-	(1,68,62,957)
Balance at the end of the year	7,76,07,043	7,76,07,043
Surplus in Statement of Profit and Loss		
Balance of Surplus at the beginning of the year	1,72,70,623	1,45,93,984
Add: (Loss)/Profit for the year	(5,44,11,965)	1,56,76,638
Less: Utilised for Bonus Shares issued	-	(1,30,00,000)
Balance of (Deficit)/Surplus at the end of the year	(3,71,41,343)	1,72,70,623
Total Reserves and Surplus at the end of the year	4,04,65,700	9,48,77,666

3.1 As per the provisions of Section 52 of Companies Act 2013, IPO Expenses have been written off



R M Drip and Sprinklers Systems Limited
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Notes attached to and forming part of Financial Statements
for the year ended 31st March, 2019

4 Long-term borrowings

Particulars	As on 31-03-2019	As on 31-03-2018
A) Secured Term Loans from Banks		
State Bank of India Term Loan (Refer Note no 4.1)	3,65,92,743	-
Vehicle Loan HDFC Bank (Refer Note no 4.2)	5,28,654	15,11,552
ICICI Vehicle Loan (Refer Note no 4.3)	6,48,562	-
Samarth Bank Term Loan (Refer Note no 4.4)	-	1,89,55,684
TJSB Sahakari Bank Ltd. Term loan (Refer Note no 4.5)	-	2,75,78,948
Total A	3,77,69,959	4,80,46,184
B) Loans and advances from related parties		
(a) Loan from Relatives of Directors (Refer Note no 4.6)	3,50,000	3,50,000
Total B	3,50,000	3,50,000
Total of Long Term Borrowing (A+B)	3,81,19,959	4,83,96,184

Term Loans

4.1. From State Bank of India	ROI	Terms of Repayment
State Bank of India Term Loan	10.25%	Repayable within 39 months to 75 months starting from June 2018.

Secured by hypothecation of Plant & machinery, mortgage of Land & Building of company and individual properties of directors and Personal Guarantee of Directors.

4.2. From HDFC Bank	ROI	Terms of Repayment
Vehicle Loan HDFC Bank	8.25% to 11.00%	Repayable within 37 months.

(Secured against SML Isuzu Samrat Truck and Jeep Campus).

4.3. From ICICI Bank	ROI	Terms of Repayment
ICICI Vehicle Loan	9.25%	Repayable within 30 months starting from October 2018



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R M Drip and Sprinklers Systems Limited
(Formerly known as R M Drip and Sprinklers Systems Private Limited)
Notes attached to and forming part of Financial Statements
for the year ended 31st March, 2019

4.4. From Samarth Bank	ROI	Terms of Repayment
Samarth Bank Term Loan	14.00% to 15.00%	Repayable within 72 months to 108 months.

Secured by hypothecation of Plant & machinery, mortgage of Land & Building of company and individual properties of directors and Personal Guarantee of Directors.

4.5. From TJSB Sahakari Bank Ltd	ROI	Terms of Repayment
TJSB Sahakari Bank Ltd. Term loan	12.5% to 14.00%	Repayable within 66 months to 93 months with moratorium period of 6 months.

4.6. From Relatives of Directors	ROI	Terms of Repayment
(a) Loan from Relatives of Directors	18.00%	Repayable on demand

5 Deferred tax liabilities (net)

The break-up of deferred tax assets and deferred tax liabilities into major components of the respective balances are as follows;

Particulars	As on 31-03-2019	As on 31-03-2018
On depreciation allowance on Fixed Assets	11,79,886	11,30,773
On others	(2,50,831)	(3,72,319)
	9,29,055	7,58,454

Deferred tax asset generated out of unabsorbed depreciation and carry forward of losses under tax laws are not recognised on prudence basis.

6 Other long term liabilities

Particulars	As on 31-03-2019	As on 31-03-2018
(a) Creditors for Fixed Assets	43,989	3,58,065
(b) Security Deposits from Dealers	85,33,379	46,27,894
	85,77,368	49,85,959

The company collects Security Deposits from Dealers through whom it transacts its business. These are refundable at the time of end of business with the dealers.



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R M Drip and Sprinklers Systems Limited

(Formerly known as R M Drip and Sprinklers Systems Private Limited)

Notes attached to and forming part of Financial Statements

for the year ended 31st March, 2019

7 Long-term provisions

Particulars	As on 31-03-2019	As on 31-03-2018
(a) Provision for Gratuity Payable (Refer note 24.1)	8,63,189	12,43,865
(b) Provision for warranty (Refer note 7.1)	15,35,116	16,21,331
	23,98,305	28,65,196

7.1 Management has estimated the cost of meeting the warranty obligation regarding micro irrigation systems sold at 0.25% of the sale value. Accordingly every year an amount of 0.25% of sale of materials (total sales minus scrap sale and transport charges recorded in sales bills) is set aside as a provision by debiting the statement of profit and loss. Since the warranty period is 5 years, the provision is carried as a liability over a period of 5 years. Every year 1/5th of the liability diminishes which is debited to the provision and written back to statement of profit and loss. Out of total provision, the amount related to immediately following period of twelve months from the reporting date is identified as short term provision and balance amount is shown as long term provision.

8 Short-term borrowings

Particulars	As on 31-03-2019	As on 31-03-2018
A) Secured Loans repayable on demand from Bank		
TJSB Sahakari Bank Ltd.	-	4,13,30,829
State Bank of India.	3,69,41,132	-
Total of Short Term Borrowings	3,69,41,132	4,13,30,829

Particulars	ROI	Terms of Repayment
State Bank of India.	10.25% (Floating)	Repayable on Demand
TJSB Sahakari Bank Ltd.	12.5% (Floating)	Repayable on Demand

Secured by hypothecation of Inventory and Book Debts, collateral of Land & Building of company and individual properties of directors and Personal Guarantee of Directors.

9 Trade payables

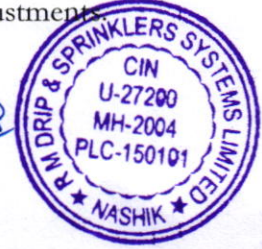
Particulars	As on 31-03-2019	As on 31-03-2018
Due to Micro, Small and Medium Enterprises	12,94,547	31,07,695
Due to Others	3,66,17,580	3,18,50,392
	3,79,12,127	3,49,58,088

9.1 As required by the provisions of MSMED Act, 2006 the management has classified Trade Payables as amounts due to MSME and amounts due to other suppliers. Out of the Total amounts payable to MSME the amount overdue as per identified and interest amounting to Rs. 2,78,755/- (31.03.2018 Rs. 1,72,816/-) is payable on the provisions of the said act has been duly overdue amounts has been duly provided for.

9.2 Trade payables are subject to confirmation, reconciliation and consequential adjustments.



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R M Drip and Sprinklers Systems Limited

(Formerly known as R M Drip and Sprinklers Systems Private Limited)

Notes attached to and forming part of Financial Statements

for the year ended 31st March, 2019

10 Other current liabilities

Particulars	As on 31-03-2019	As on 31-03-2018
A) Current Maturities of secured Long Term Loans		
State Bank of India Term Loan (Refer Note no 4.1)	1,05,22,860	-
Vehicle Loan HDFC Bank (Refer Note no 4.2)	9,82,898	8,95,511
ICICI Vehicle Loan (Refer Note no 4.3)	3,43,938	-
Samarth Bank Term Loan (Refer Note no 4.4)	-	30,09,347
TJSB Sahakari Bank Ltd. Term loan (Refer Note no 4.5)	-	56,15,741
Total A	1,18,49,696	95,20,599
B) Advances received from customers		
Advances from Customers- Uttar Pradesh	4,00,000	-
Advances from Customers- Karnataka	1,17,91,357	-
Advances from Customers- Madhya Pradesh	48,48,709	-
Advances from Customers- Gujarat	-	1,41,133
Total B	1,70,40,066	1,41,133
C) Other payables		
Statutory Liabilities		
Profession Tax	14,750	32,300
TDS Payable	6,27,154	15,51,292
GST Payable	11,54,885	54,29,987
Others		
Professional Fees Payable	92,311	1,80,000
Sales Commission Payable		68,168
Electricity Bill Payable	8,27,720	7,34,322
Telephone Bill Payable	6,859	3,662
Rent Payable	69,395	1,71,000
Grampanchayat property tax payable	3,15,462	-
Provident Fund - Employees Contribution	-	38,734
ESIC - Employees Contribution	-	5,775
MLWF Payable	2,016	-
Travelling Expenses Payable to Sales Employees	2,39,018	4,52,794
Interest Payable 2016-17	96,580	-
Total C	34,46,150	86,68,034
Total of other current liabilities (A+B+C)	3,23,35,912	1,83,29,766



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R M Drip and Sprinklers Systems Limited
 (Formerly known as R M Drip and Sprinklers Systems Private Limited)
 Notes attached to and forming part of Financial Statements
 for the year ended 31st March, 2019

11 Short-term provisions

Particulars	As on 31-03-2019	As on 31-03-2018
A) Provision for employee benefits		
Salary Payable	19,95,809	14,90,199
Director's Remuneration Payable	10,67,807	8,21,655
Provident Fund - Employers Contribution	-	32,074
Provident Fund - Admin Charges	-	2,378
ESIC - Employers Contribution	47,072	20,733
Provision for Gratuity - Current Obligation (Refer note 24.1)	16,168	13,166
Total A	31,26,856	23,80,204
B) Other Provisions		
Statutory Audit Fees Payable	2,50,000	2,50,000
Tax Audit Fees Payable	1,50,000	1,50,000
VAT / GST Audit Fees Payable	50,000	50,000
Internal Audit fees Payable	2,25,000	-
Provision for warranty - Current Obligation	6,39,194	5,28,598
Consultancy charges	4,05,000	-
Income Tax Payable	-	78,50,000
Total B	17,19,194	88,28,598
Total of short term provisions (A+B)	48,46,050	1,12,08,802



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R M Drip and Sprinklers Systems Limited

Notes attached to and forming part of Financial Statements

for the year ended 31st March, 2019

12 Fixed Assets

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		01.04.2018	Additions	Sale/ Written	31.09.2019	01.04.2018	Adjustment	2018-19	Written Back	31.09.2019	31.03.2018
	Tangible Assets										
1	Land	63,76,914	-	-	63,76,914	-	-	-	-	-	63,76,914
2	Building	1,22,45,889	4,95,747	-	1,27,41,637	26,81,398	-	9,14,888	-	35,96,286	91,45,351
3	Plant and Machinery	8,40,05,946	36,53,446	-	8,76,59,392	2,53,06,555	-	1,09,94,772	-	3,63,01,327	5,13,58,065
4	Electrical Installations	58,13,251	1,51,022	-	59,64,274	32,05,207	-	7,05,534	-	39,10,740	20,53,533
5	Furniture	10,33,354	-	-	10,33,354	3,11,458	-	1,85,749	-	4,97,208	5,36,146
6	Office Equipments	8,81,123	3,20,951	-	12,02,074	5,42,793	-	2,59,255	-	8,02,047	4,00,027
7	Computers	10,37,353	2,38,937	-	12,76,290	5,85,156	-	3,52,897	-	9,38,053	3,38,237
8	Mobile	6,037	-	-	6,037	5,735	-	-	-	5,735	302
9	Vehicles	45,26,411	11,18,003	-	56,44,414	16,73,445	-	12,56,105	-	29,29,549	27,14,865
	Sub-Total	11,59,26,278	59,78,107	-	12,19,04,385	3,43,11,747	-	1,46,69,200	-	4,89,80,946	7,29,23,439
	Intangible Assets										
1	Tally Software	43,200	-	-	43,200	35,579	-	4,813	-	40,392	2,808
2	Website	74,787	-	-	74,787	43,387	-	19,832	-	63,219	31,400
	Sub-Total	1,17,987	-	-	1,17,987	78,966	-	24,645	-	1,03,612	39,021
	Capital WIP										
1	Trade Mark WIP	1,45,000	65,000	-	2,10,000	-	-	-	-	-	2,10,000
2	SAP Software	7,16,520	8,63,187	-	15,79,707	-	-	-	-	-	15,79,707
	Sub-Total	8,61,520	9,28,187	-	17,89,707	-	-	-	-	-	17,89,707
	Total	11,69,05,785	69,06,294	-	12,38,12,079	3,43,90,713	-	1,46,93,845	-	4,90,84,558	7,47,27,521
	Previous Year	10,20,50,385	1,67,91,760	19,16,358	11,69,05,785	1,88,54,576	14,780	1,55,21,357	3,15,90,713	8,25,15,072	8,31,75,809



R M Drip and Sprinklers Systems Limited
(Formerly known as R M Drip and Sprinklers Systems Private Limited)
Notes attached to and forming part of Financial Statements
for the year ended 31st March, 2019

13 Non-current investments

Particulars	As on 31-03-2019	As on 31-03-2018
(a) Investments in Equity Instruments		
Investment in Shares of Samarth Sahakari Bank (4871 shares of face value Rs.100 each) (2422 shares of face value Rs.25 each)	5,47,650	5,47,650
Investment in Shares of TJSB Sahakari Bank	-	5,00,000
Investment in Shares of Janlaxmi Bank	11,100	11,100
	5,58,750	10,58,750

14 Long term loans and advances

Particulars	As on 31-03-2019	As on 31-03-2018
Unsecured Considered Good		
A) Capital Advances (Advance for Fixed asset)	4,78,300	2,00,000
Total A	4,78,300	2,00,000
B) Security Deposits		
Deposits With Service Providers	13,70,495	21,97,700
Others	1,00,000	7,90,600
Total B	14,70,495	29,88,300
Total of long-term loans and advances (A+B)	19,48,795	31,88,300

15 Inventories

Particulars	As on 31-03-2019	As on 31-03-2018
(a) Raw materials, Stores, Spares and Components	92,30,984	66,48,390
(b) Work-in-progress	29,58,327	57,14,937
(c) Finished goods	2,38,03,802	4,15,55,464
	3,59,93,113	5,39,18,791

15.1 Please refer note no 1 e) ii. The stock pertaining to sale in the state of Madhya Pradesh is amounting to Rs. 31,27,531/-



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R M Drip and Sprinklers Systems Limited
 (Formerly known as R M Drip and Sprinklers Systems Private Limited)
 Notes attached to and forming part of Financial Statements
 for the year ended 31st March, 2019

16 Trade receivables

Particulars	As on 31-03-2019	As on 31-03-2018
A) Outstanding for a period exceeding six months		
(a) Unsecured, considered good	4,01,87,506	2,61,85,904
(b) Doubtful	4,34,98,544	32,53,743
B) Other		
Unsecured, considered good	4,28,97,186	12,79,79,294
	12,65,83,236	15,74,18,942

16.1 As part of its receivable collection policy, the management has preferred legal action against debtors amounting to Rs.31,61,981 (PY Rs. 32,53,743). On initiation of legal action these debtors are classified as doubtful. However based on the terms of contract with these debtors as well as their past experience, management is of the opinion that these amounts are duly recoverable and no provision is required to be made against them as doubtful of recovery.

16.2 Debtors amounting to Rs. 4,03,36,563/- are in respect of sales effected in Madhya Pradesh during the FY 2016-17 & 2017-18. These sales had been booked on receipt of advance from farmers as per accounting policy adopted by the company. However these sales are still not completed because of some technical issues in implementation of government policies. Hence on prudential basis these debtors are shown as doubtful. However based industry practice and past experience, management is of the opinion that these amounts are duly recoverable and no provision is required to be made against them as doubtful of recovery.

16.3 Trade receivables are subject to confirmation, reconciliation and consequential adjustments if any.

17 Cash and cash equivalents

Particulars	As on 31-03-2019	As on 31-03-2018
(a) Balances with banks		
Balance in Current Accounts	5,77,343	1,00,23,848
Margin Money for Guarantee/Letter of Credit	42,89,289	18,00,000
Bank Deposits with more than 12 months maturity	4,02,276	1,64,093
(b) Cash on hand	3,00,828	4,50,715
	55,69,736	1,24,38,657



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R M Drip and Sprinklers Systems Limited
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 Notes attached to and forming part of Financial Statements
 for the year ended 31st March, 2019

18 Short-term loans and advances

Particulars	As on 31-03-2019	As on 31-03-2018
Unsecured considered good		
Advance Tax	15,00,000	43,15,000
VAT Refund Receivable 17-18	78,026	78,026
TDS Receivable 17-18	-	22,327
GST Receivable	63,53,383	-
TDS Receivable 18-19	22,607	-
TCS Receivable 17-18	-	17,770
TCS Receivable 18-19	30,870	-
Service Tax Refund Receivable	86,013	86,013
Employee Advances	1,31,020	4,88,687
Advances to Suppliers / Creditors	42,91,278	9,72,106
Input Credit Receivable GST RCM	-	1,05,622
	1,24,93,198	60,85,551

19 Other current assets

Particulars	As on 31-03-2019	As on 31-03-2018
Unsecured Considered Good		
Accrued Interest on FDs	53,962	2,65,327
Prepaid Expenses	23,77,697	21,63,554
Subsidy Receivable	91,19,600	55,58,000
	1,15,51,259	79,86,881

19.1 Under the package scheme of incentives 2013, the annual quantum of incentive is Rs. 55.58 lakh from 2015-16 to 2018-19. Total incentive is claimed amounting to R. 227.32 lakhs, out of that 131.12 lakh is actually received. Remaining amount is shown as receivable.

20 Revenues from operations

Particulars	As on 31-03-2019	As on 31-03-2018
Sale of products	22,29,09,257	42,63,44,229
	22,29,09,257	42,63,44,229



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R M Drip and Sprinklers Systems Limited
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Notes attached to and forming part of Financial Statements
for the year ended 31st March, 2019

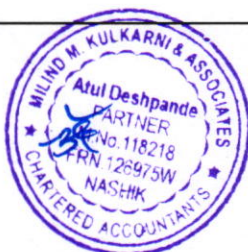
21 Other income

Particulars	As on 31-03-2019	As on 31-03-2018
(a) Interest income		
Interest on Fixed deposits	2,08,924	2,18,264
Other Interest	-	31,713
(b) Dividend income		
Dividend on Shares of Samarth Sahakari Bank	-	47,265
Dividend on Shares of TJSB Sahakari Bank	75,000	25,200
(c) Foreign exchange gain	-	20,375
(d) Other non-operating income		
Package Scheme of Incentives - Subsidy	67,21,054	18,01,250
Other Income	5,90,308	5,19,713
Gratuity Actuarial assumption gains (Refer note 24.1)	7,89,583	-
	83,84,869	26,63,780

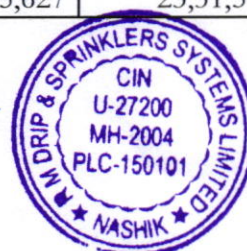
21.1 The company is entitled to an incentive of Rs. 389.03 Lakh over a period of seven years starting from 2015-2022. . Part of it is received in the form of Rs. 5.16 Lakh of electricity duty, which is credited to Power and Fuel Expense. Part of it is received as Rs. 25.78 Lakh of interest paid of term loans, which is credited to interest account. Balance amount is received as refund of VAT/GST paid, which is shown as other non operating income.

22 Cost of materials consumed

Particulars	As on 31-03-2019	As on 31-03-2018
Opening Stock of Raw materials, Stores, Spares and Components	66,48,390	89,79,687
Add :- Purchases of Raw Materials, Stores, Spares and Components	15,44,38,221	23,08,26,258
Less :- Closing Stock of Raw Materials, Stores, Spares and Components	(92,30,984)	(66,48,390)
	15,18,55,627	23,31,57,555



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R M Drip and Sprinklers Systems Limited
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Notes attached to and forming part of Financial Statements
for the year ended 31st March, 2019

23 Changes in inventories

Particulars	As on 31-03-2019	As on 31-03-2018
A) Finished Goods		
Opening Inventory of Finished Goods	4,15,55,464	4,15,13,266
Less :- Closing Inventory of Finished Goods	(2,38,03,802)	(4,15,55,464)
Decrease / (Increase) in Inventory Total (A)	1,77,51,662	(42,198)
B) Work-in-Progress		
Opening Inventory of Work-in-Progress	57,14,937	30,15,515
Less :- Closing Inventory of Work-in-Progress	(29,58,327)	(57,14,937)
Decrease / (Increase) in Inventory Total (B)	27,56,610	(26,99,422)
Total Changes in Inventories of Finished Goods		
Work-in- Progress (A+B)	2,05,08,272	(27,41,620)

24 Employee benefit expenses

Particulars	As on 31-03-2019	As on 31-03-2018
A) Labour		
Wages	26,66,501	24,20,697
Bonus	1,64,073	2,27,374
Contribution to Provident Fund	-	84,938
Contribution to ESIC	-	60,183
Labour Welfare	-	1,35,481
Total (A)	28,30,574	29,28,673
B) Staff		
Salary	1,97,04,984	1,69,49,392
Contribution to Provident Fund	2,30,180	2,70,130
Contribution to ESIC	2,30,083	1,53,885
Staff Welfare	84,699	84,627
Total (B)	2,02,49,946	1,74,58,034
C) Directors' Remuneration	30,00,000	42,00,000
D) Gratuity Expenses (Refer note 24.1)	4,11,909	7,88,406
Total Employee Benefit Expenses (A+B+C+D)	2,64,92,429	2,53,75,113



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R M Drip and Sprinklers Systems Limited
(Formerly known as R M Drip and Sprinklers Systems Private Limited)
Notes attached to and forming part of Financial Statements
for the year ended 31st March, 2019

24.1 Gratuity Expenses:

Details of Gratuity Expenses	As on 31-03-2019	As on 31-03-2018
<u>Change in Present Value of Obligation</u>		
Opening Present Value of Benefit Obligation	12,57,031	4,68,625
Current Service cost	3,15,118	5,00,130
Interest cost	96,791	34,678
Benefits paid	-	-
Actuarial losses (gains)	(7,89,583)	2,53,598
Closing Present Value of Benefit Obligation	8,79,357	12,57,031
<u>Experience Adjustment on Plan Liabilities</u>	(7,51,247)	2,53,598
<u>Changes in Fair Value of Plan Assets</u>	Not Applicable	Not Applicable
<u>Amount Recognised in Balance sheet</u>		
Liability as at the year end	8,79,357	12,57,031
Fair Value of Plan Assets as at the year end	-	-
Net Obligation as at the year end	8,79,357	12,57,031
<u>Net Gratuity Cost as at the year end</u>		
Current Service cost	3,15,118	5,00,130
Interest cost	96,791	34,678
Actuarial losses (gains)	(7,89,583)	2,53,598
Net Gratuity Cost (gain)	(3,77,674)	7,88,406
<u>Assumption used in Accounting for Gratuity Plan</u>		
Discount Rate	7.70%	7.40%
Salary Escalation Rate	7.50%	7.50%

Gratuity expenses are not recognised in respect of employees, who are not governed by provisions of Payment of Gratuity Act, 1972. The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

25 Finance costs

Particulars	As on 31-03-2019	As on 31-03-2018
Bank Interest Expenses	1,06,62,126	95,40,642
Other Interest Expenses	17,20,314	18,48,604
Other Borrowing Costs	9,30,112	4,56,032
	1,33,12,551	1,18,45,279



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R M Drip and Sprinklers Systems Limited
(Formerly known as R M Drip and Sprinklers Systems Private Limited)
Notes attached to and forming part of Financial Statements
for the year ended 31st March, 2019

26 Other expenses

Particulars	As on 31-03-2019	As on 31-03-2018
A) Manufacturing		
Transport Inward	18,80,110	21,93,901
Packing Charges	13,64,476	16,82,021
Factory Expenses	15,43,853	15,45,514
Water Charges	4,47,750	1,69,575
Laboratory Expenses	33,070	13,838
Labour Charges	61,53,676	75,40,081
B) Power	86,34,955	99,49,819
C) Rent	9,53,581	8,63,700
D) Repairs		
Warranty Expense	5,52,979	10,57,681
Maintenance Consumables	16,63,755	15,17,719
Factory Maintenance	3,58,520	3,33,550
Office Maintenance	5,40,259	3,88,156
Vehicle Maintenance	6,89,170	9,18,488
E) Insurance	2,63,378	2,96,383
F) Rates and Taxes		
Service Tax	-	3,51,107
Others	41,875	56,180
Income Tax Earlier Years	2,38,985	11,66,453
Disallowed Input Tax Credit of GST	-	48,712
Gram Panchayat property tax	4,80,462	-
G) Printing and Stationery	50,488	91,325
H) Transportation		
Transport Outward	73,05,110	70,92,488
I) Bad Debts		
Bad Debts and Balances Written off	2,594	1,40,749
J) Professional and Legal Expenses		
Consultancy Charges	43,56,411	36,29,955
Legal Expenses	13,71,903	4,28,677
K) Miscellaneous Expenses		
Telephone and Internet Charges	3,13,282	2,15,678
Petrol and Diesel Expenses	10,31,972	6,69,163
Travelling Expenses	52,52,181	41,77,821
Marketing Expenses	10,22,607	3,04,447
Business Registration and License Renewal Charges	10,19,447	3,82,666
Advertisement Expenses	12,62,889	12,30,302



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R M Drip and Sprinklers Systems Limited
(Formerly known as R M Drip and Sprinklers Systems Private Limited)
Notes attached to and forming part of Financial Statements
for the year ended 31st March, 2019

26 Other Expenses continued

Particulars	As on 31-03-2019	As on 31-03-2018
Sales Commission Expenses	41,64,710	1,97,03,672
Drip Installation Expenses	33,51,287	4,21,40,267
Project Expenses	15,64,646	57,86,233
Other Installation Charges	1,15,002	73,33,412
Other Miscellaneous Expenses	1,97,383	1,57,585
L) Payment to Auditors :		
as Auditor	4,50,000	4,50,000
for Taxation Matters	-	11,994
for Other Services	-	2,78,216
	5,86,72,766	12,31,26,527

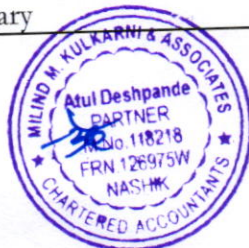
27 Related party disclosures :-

As per Accounting Standard 18 on Related party disclosures as notified under section 188 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 , the related parties of the Company are as follows:

1 Key Managerial Personnel - Shyam Sundar Dash - Managing Director
Vijaykumar Kshirsagar - Chairman
Vijayeta Mudliar - Chief Financial Officer
Anita Pagare - Company Secretary

Related Party Transactions: -

Particulars	As on 31-03-2019	As on 31-03-2018
Key Managerial Personnel		
Managerial Remuneration		
Shyam Sundar Dash	24,00,000	24,00,000
Vijaykumar Kshirsagar	6,00,000	12,00,000
Unsecured Loan Repaid		
Vijaykumar Kshirsagar	-	20,27,000
Shyam Sundar Dash	-	40,00,000
Interest on Unsecured Loan		
Vijaykumar Kshirsagar	-	15,845
Shyam Sundar Dash	-	27,616
Emoluments		
Chief Financial Officer	4,25,129	-
Company Secretary	29,375	1,56,098



R M Drip and Sprinklers Systems Limited
(Formerly known as R M Drip and Sprinklers Systems Private Limited)
Notes attached to and forming part of Financial Statements
for the year ended 31st March, 2019

Particulars	As on 31-03-2019	As on 31-03-2018
Shareholders		
Unsecured Loan Repaid		
SV Kshirsagar		
Surekha Kedar	-	2,00,000
Interest on Unsecured Loan		
Surekha Kedar	-	22,636
Vinod Makani	-	18,863
Consultancy Charges		
SV Kshirsagar	-	1,50,000
Other Related Parties		
Sitting fees- Independent Directors	92,500	-
Professional fees- Non Executive Directors	12,00,000	-
Consultancy Charges		
Bhairavi Kshirsagar	1,50,000	1,50,000
Purchases		
Greaves Cotton Limited	10,65,550	-
Commission Expenses		
Greaves Cotton Limited	8,68,778	-

28 Events occurring after Balance sheet date

There are no events subsequent to the balance sheet date, which require adjustment of, or disclosure in the Financial statements.

29 Segment Reporting

The Company is operating only in one segment i.e. Micro Irrigation Systems

30 Earning per share

Particulars	As on 31-03-2019	As on 31-03-2018
Net (Loss)/Profit (considering extra ordinary items, if any)	(5,44,11,965)	1,56,76,638
Number of Equity Shares (Weighted Average)	66,90,000	56,54,214
Face Value of Equity	10	10
Basic and Diluted Earning Per share	(8.13)	2.77
Restated Earning Per share		
No. of shares	66,90,000	56,54,214
Diluted Earning Per share	(8.13)	2.77



R M Drip and Sprinklers Systems Limited
 (Formerly known as R M Drip and Sprinklers Systems Private Limited)
 Notes attached to and forming part of Financial Statements
 for the year ended 31st March, 2019

31 Impaired Assets: -

The Board is of the opinion that there is no impairment loss in the Carrying Amounts of all the assets of the company at the Balance Sheet date. Hence during the financial year company has not provided for impairment loss in the carrying amount of assets.

32 Provisions and Contingent Liabilities: -

Provisions involving judgments and estimation in measurement of expenses are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.


Contingent Liabilities

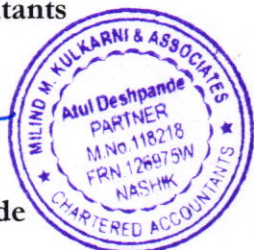
Particulars	As on 31-03-2019	As on 31-03-2018
Guarantees given by banks and counter guarantees given by the company	33,00,000	24,00,000
LCs outstanding	99,54,852	Nil

33 Previous years figures have been re-grouped, rearranged and reclassified wherever necessary.

Signatures to Notes 1 to 33

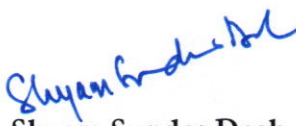
As per our report of even date
 for Milind M Kulkarni & Associates
 Chartered Accountants
 FRN 126975W


 CA Atul Deshpande




Partner
 Membership No: 118218

for and on behalf of the board of directors


 Shyam Sundar Dash

Managing Director
 DIN : 816360


 Vijaykumar
 Kshirsagar
 Chairman
 DIN : 7502666


 Vijayeta Mudgal
 Chief Financial Officer


 Amita Pagare
 Company Secretary



Place :- Nashik
 Date :- July 17, 2019

Place :- Nashik
 Date :- May 28, 2019

RM Drip & Sprinkler Systems Ltd.

Deferred Tax Working for F Y 2018-19

Particulars	Opening Balance Timing Difference	As per Income Tax Act	As per Company's Act	Originating Difference	Reversing Difference	Closing Balance Timing Difference	Opening DTA (DTL) Restated @27.55%	DTA (DTL) for the Year (Originating) @27.55%	DTA (DTL) for the Year (Reversing) @27.55%	Closing Balance DTA (DTL) @27.55%
Fixed Assets										
Depreciation	(41,04,437)	-	1,46,93,845		(1,78,269)	(42,82,706)	(11,30,773)	-	-	(11,79,886)
Share Issue Expenses										
Gratuity	94,400	63,300	-		(63,300)	31,100	26,007	-	(17,439)	8,568
	12,57,031	-	(3,77,674)		(3,77,674)	8,79,357	3,46,312	-	(1,04,049)	2,42,263
Grand Total	(27,53,006)	1,21,68,615	1,43,16,171	-	(6,19,243)	(33,72,249)	(7,58,454)	-	(1,70,601)	(9,29,055)



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