

# R M DRIP AND SPRINKLERS SYSTEMS LIMITED



(Formerly Known as R M DRIP AND SPRINKLERS SYSTEMS PRIVATE LIMITED)  
E-mail ID - rmdrip@gmail.com Website - www.rmdrip.com, Phone - +91 2551 - 218919  
CIN - U27200MH2004PLC150101



Date: 18<sup>th</sup> December, 2019

To,  
National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra(E),  
Mumbai-400051

**NSE Symbol: RMDRIP**

**Sub: Investor Presentation**

**Ref.: Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

Investor Presentation is attached herewith in compliance with Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The same is being uploaded on the website of the Company at the Link <https://www.rmdrip.com/investors.html>

This is for your information and record.

Thanking you,

Yours Faithfully,

For R M Drip and Sprinklers Systems Limited

*Shyam Sundar Dash*  
**Shyam Sundar Dash**  
Managing Director

DIN: 07502666

Add: D-701, Flora Height,  
Near K.K. Wagh Engineering College,  
Nashik-422003, Maharashtra, India



# RM DRIP & SPRINKLER SYSTEMS LTD



Results & Strategy Presentation  
December, 2019

## • DISCLOSURE

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## • MANAGEMENT Team •

### MR. VIJAY H. KSHIRSAGAR (CHAIRMAN)



Chairman has experience as a Banker, Teacher, an active Social Worker. He moved to Nashik and ventured initially into trading in industrial goods & later ventured into manufacturing activity / industry. With a strong desire to contribute to the field of agriculture, he further ventured & specialized into the field of Irrigation, which is close to his heart. He is well known & respected across, by the Industrial Fraternity, because of his deep & profound knowledge & extensive experience, as an expert in the field of Irrigation.

### MR. SHYAM SUNDAR DASH (MANAGING DIRECTOR)



Managing Director a Postgraduate with Marketing from Osmania University, Hyderabad, and Bachelor in Industrial and Production Engineering from Utkal University, Bhubaneswar, by qualification and professional businessman by acumen, Mr. Shyam Sundar Dash is presently heading the business operations of R M Drip, Nashik, in the capacity as Managing Director of the Company. He started his career with Nagarjuna Fertilizers and Chemicals Limited as Head Operations for Micro Irrigation Division. During his 22 years of experience in Micro Irrigation business he has established different manufacturing facilities around the country with the collaboration with lot of Multinational Companies like MetzerPlas, Lego, Plasim of Israel, Mallefer of Switzerland, Crusmaffei of Germany and Davis Standard of USA and ended with Finolex Industries (Micro Irrigation Division) as Vice-President Manufacturing, before joining RM Drip and Sprinkler Systems Ltd. With his vast experience in the business of Micro Irrigation, he has a vision and is committed to elevate R M Drip as one of the leading Micro Irrigation Company in India and abroad.



## • MANAGEMENT Team •



### MR. NIVRUTTI P. KEDAR (VICE CHAIRMAN)



The man with a vision and a strong desire is a graduate in Agriculture Sciences, from Maharashtra. Belonging to a farming family, he started his career in agriculture firms. He is also a Board Member in different agriculture based industries. In addition to this, he is working as a Managing Trustee of a NGO named "Gram Samridhi which is working for poor and needy farmers, in and around Nashik District. The man with a vision and a strong desire is a graduate in Agriculture Sciences, from Maharashtra. Belonging to a farming family, he started his career in agriculture firms, for a short period

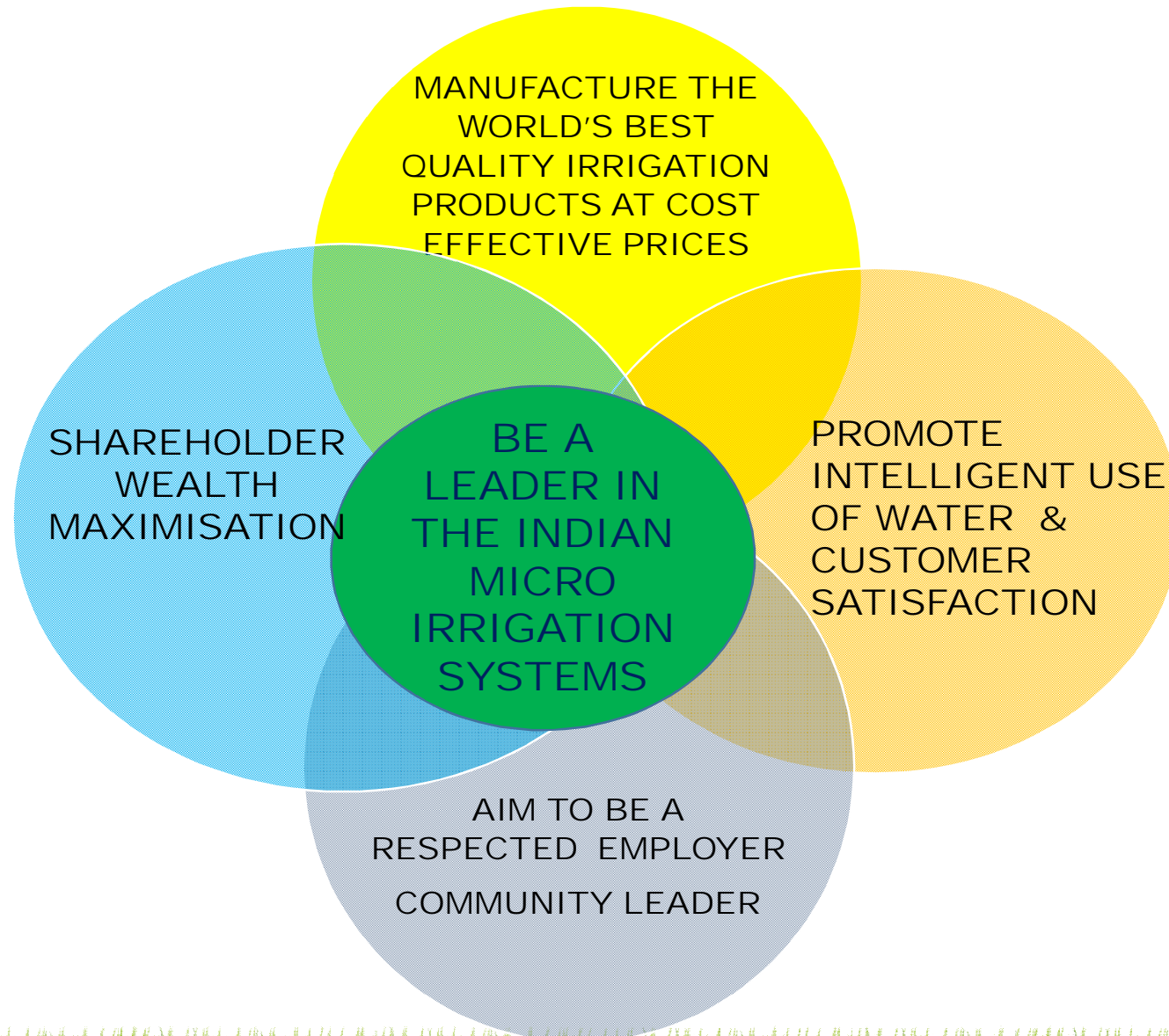


### MR. ARJUN R. MAKANI (DIRECTOR)

Arjunbhai Ramji Makani (Patel) originally hails from Kutch area of Gujarat. He shifted to Nasik almost 45 years back. He initially worked as a Civil Contractor, and soon developed as a reputed Builder / Developer. Today, he owns a Construction Company, which has several Construction Sites to its credit in Pune and Nashik areas. Mr. Makani is also active in the Social Field and is connected with several Social Organizations.



# MISSION Statement



**Born To Serve The Farming Community**

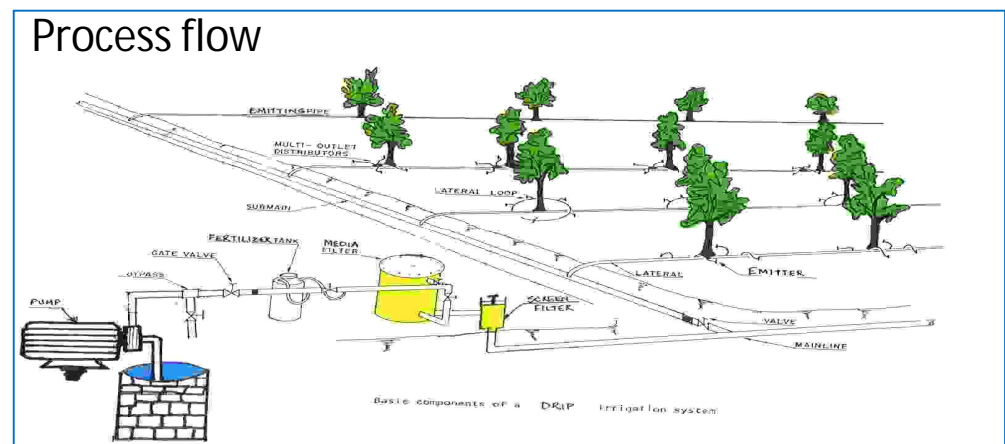
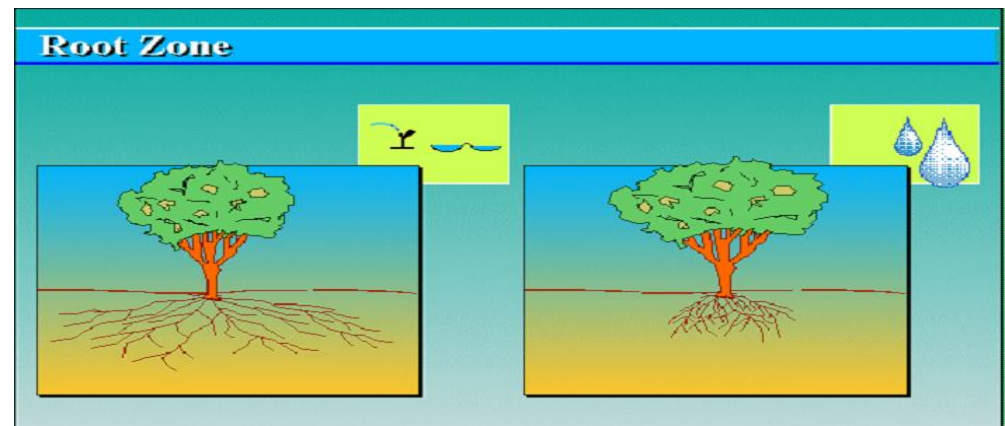


# WHAT IS MICRO IRRIGATION SYSTEMS

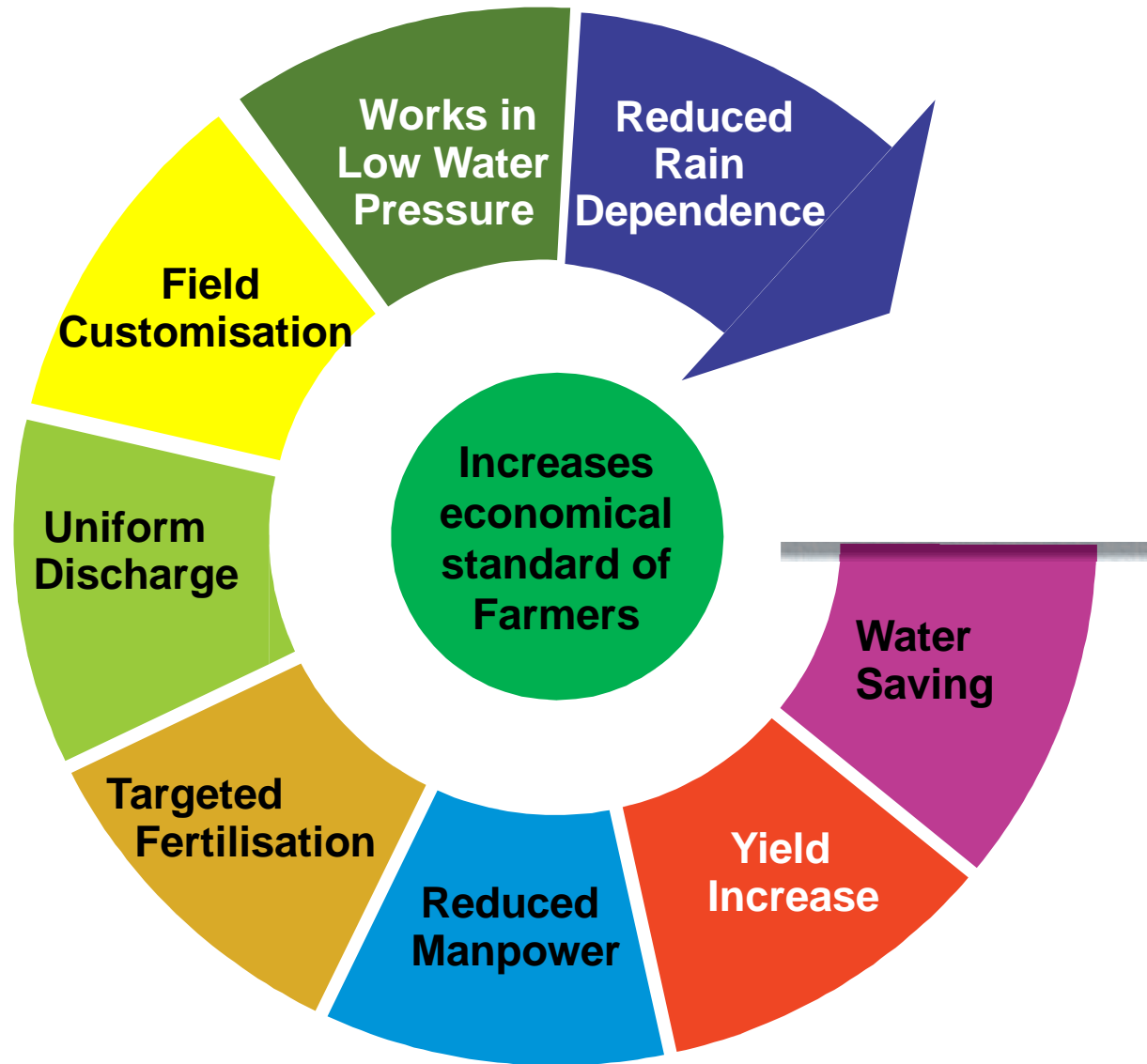
Micro IRRIGATION Is a coordinated water management system where in water is made to flow through a network of devices called "EMITTERS" or "DRIPPERS" at selected spacing to deliver water in discrete drops, slowly to the soil near the root zone of the plants to keep the soil moisture within desired range of plant growth.

## BENEFITS OF MICRO STSTEMS

- Early maturity of the crop
- Quality produce
- Flexible to operate
- No soil erosion
- Easy installation
- Land preparation not required
- Minimize diseases and pest Infestation
- Can be used for irrigation on slopes



# • ADVANTAGS TO FARMERS •



# YIELD INCREASE Proven Fact

## Field Crops Conventional Use Vs Drip Fertilization

CROP	YIELD KG (PER ACRE)			WATER USE (PER ACRE)		
	Surface	Drip	% More	Surface	Drip	Saving %
Sugarcane	30000	70000	133%	9800	4960	49%
Cotton	904	1700	88%	3600	1680	53%
Onion	14525	22500	55%	2080	1120	46%
Patato	6060	10880	80%	2400	1100	54%
Chillies	912	1520	67%	1708	980	43%
Grain	800	1400	75%	2304	1500	35%
Pop corn	1700	2600	53%	2200	1208	45%
Groundnut	1692	2436	44%	2620	1680	36%
Chick Peas	1254	2200	75%	1808	1048	42%

# • WE ARE TRANSFORMING •

Our Journey

Transforming

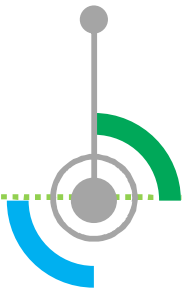
Target 2022



# OUR JOURNEY



FY04



RM Drip Incorporated

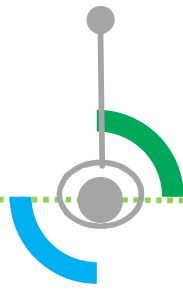
FY10



Received License by Bureau of Indian Standards.

Started sales in Maharashtra

FY16

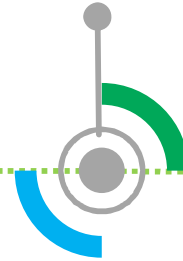


Micro irrigation supply in the state of Gujarat & Karnataka.

State of the Art Drip Production line added to the manufacturing system.

Received ISO Certification from TUV Austria

FY18



Converted from Pvt Ltd to Public Ltd & IPO

Reorganised Management team

FY19

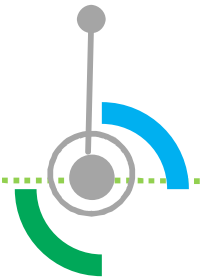


Management Focus on restructuring Company

Got TUV Registration from Austria

Registration in Uttar Pradesh, Bihar & Jharkhand

FY21



Registration in 2 new states will be added ie. TamilNadu & Chattisgarh



# PRIDE IN OUR TECHNOLOGY

Technology Tie-up With Global Firms



**Factory at Sinner, Nasik spread over 4 acres**



**Four Lines of Micro Irrigation Systems**



**Total Capacity of 2400 mt per annum**



**Spacious Storage Area**



# MAJOR REVENUE CONTRIBUTORS

❖ Flat Drip Line  
40% of Revenues



New & Latest technology from Israel, Launched in FY17



Competitively priced but most profitable product



Approved in 7 States & Gaining Market share

❖ Round Drip Line  
25% of Revenues



Preferred in low tech farming, demand in Maharashtra



Competitively priced but bulky in transportation



Product in 7 States, easy to customise

❖ Sprinklers  
15% of Revenues



Traded product, Plastics and Metal



Complements product portfolio



Crop use - Soyabean, Vegetables & Grains



# OPPORTUNITIES

## GOING PAN INDIA

Currently registrations are in 7 States; major revenues come from Maharashtra (55% of revenues) & Karnataka (35% of revenues).

New Registration application ongoing for two new states Tamil Nadu & Chattisgarh. As these states are major producers of crops like Sugarcane, Cotton, Banana, Soya Beans – the demand for drip irrigation system is increasing.

Currently 300-400 dealers, to be expanded

Current capacity can support revenue of Rs.100 Crs with investment of Rs.5-7 Crs in balancing equipment.



**BIS Certification**



**TUV Certification**

## EXPORTS

Targeting US & African Markets.

Trial samples already sent for customised products,

Products like Sprinkles, Nozzles, round lateral pipes have got inquiries and product development as per requirements.

Sales target of 10% of FY21 revenues

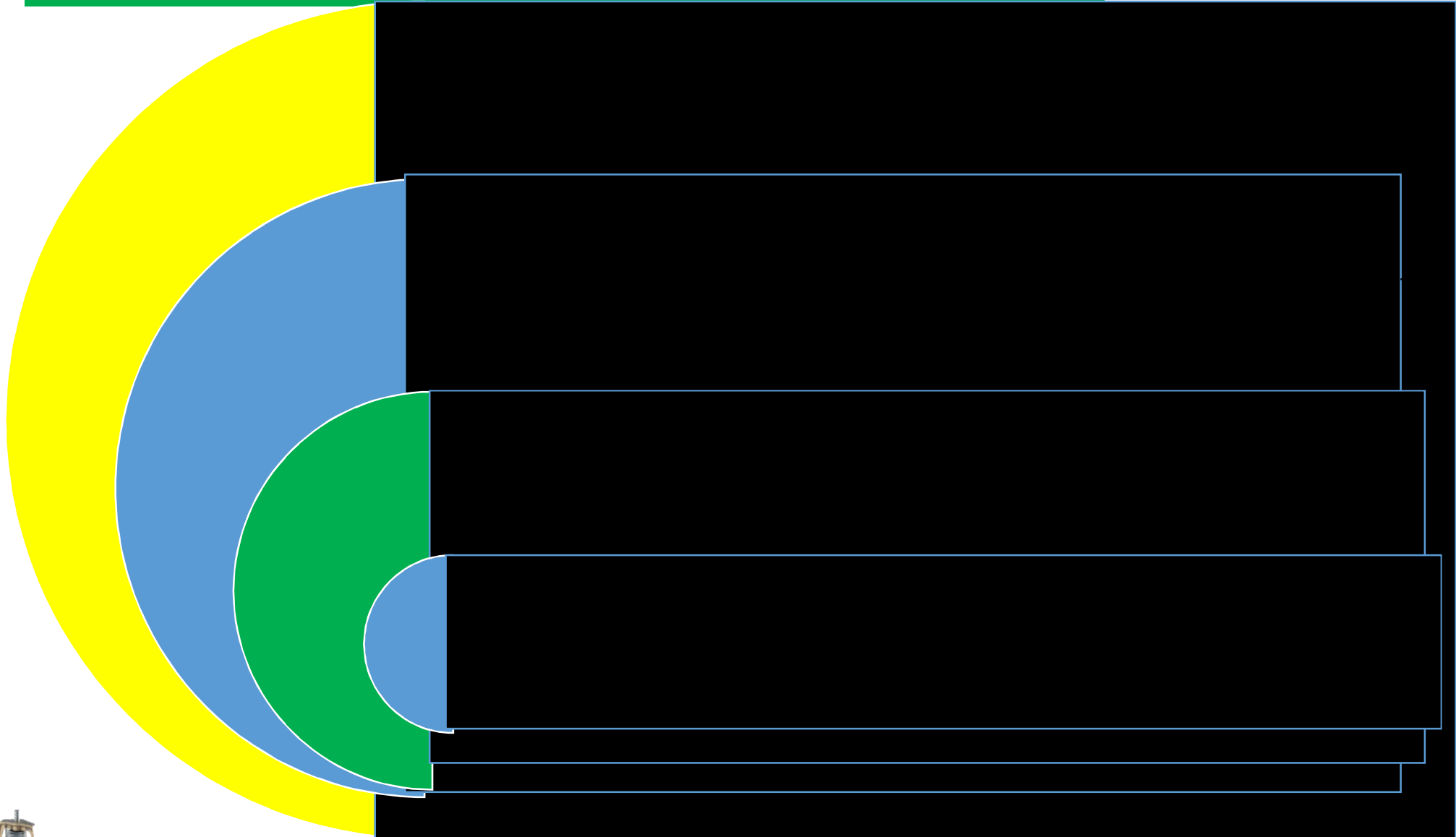
# ● PRADHAN MANTRI Krishi Sinchayee Yojna ●



- ✓ Launched in July, 2015, with outlay of Rs.50,000 crores for the period 2015-16 to 2019-20 “to achieve convergence of investment in irrigation at the field level, expand cultivable area under assured irrigation.”
- ✓ Only about 20 percent of rainfall is actually utilized, 10 percent increase in irrigation can bring an additional 14 mn hectares under assured irrigation and also 202 bn cubic meters of ground water potential still to be tapped.
- ✓ Micro irrigation fits into the ‘Per Drop More Crop’ with use of precision water application devices like drips, sprinklers, pivots, rain-guns etc. on the farms.
- ✓ Construction of micro irrigation structures including tube wells and dug wells, water lifting devices like diesel/electric/solar powered pump sets including water carriage pipes, underground piping system.



# • CHALLENGES



# TRANSFORMING

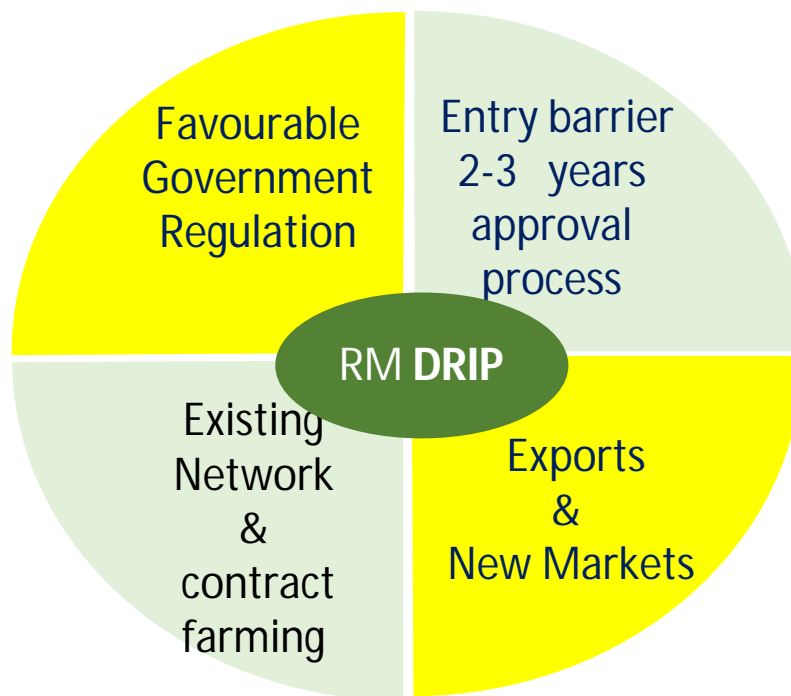
## Current Status

Currently capacity 2400 mtpa ; Utilisation is 60%

Current Capacity sufficient to support Sales of Rs.100 crores

Cost rationalisation improving margins; Turnaround in H1FY20

Raw Material ie. LLDP/ HDPE/LDP/PE Polymers abundantly available.



## Future Outlook

New States targeted

Export Market

Integrated Project Sales

Reducing the working capital cycle

Targeting PAN India distributorship



# GUIDANCE & TARGETS



Rs. Crores	FY18-19	Est.FY19-20	Est.FY20-21
<b>Turnover</b>	22.3	30	60
<b>PAT</b>	-5.4	1.2	3

- ✓ EBIDTA improving; increasing efficiency in marketing
- ✓ Raw Material prices softening
- ✓ PAT margin improving
- ✓ Debt is being bought down; Current outstanding total debt of Rs. 9 cr (Rs.4 cr of Term & RS.5 crs of CC) vs Rs.10 crs in FY19
- ✓ Positive government policy & irrigation
- ✓ Guidance is forward looking which may vary from actuals due to unforeseen circumstances.

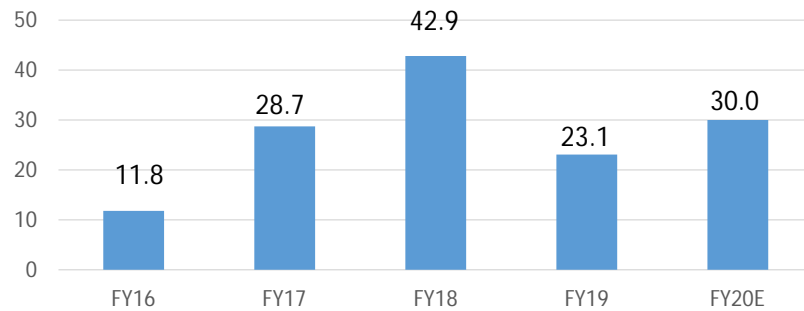
State	RM Drip Registration
Maharashtra	FY11
Madhya Pradesh	FY16
Gujarat	FY17
Karnataka	FY16
Uttar Pradesh	FY19
Bihar	FY19
Jharkhand	FY19
Additional 2 States Chattisgarh & TN	Est. FY21



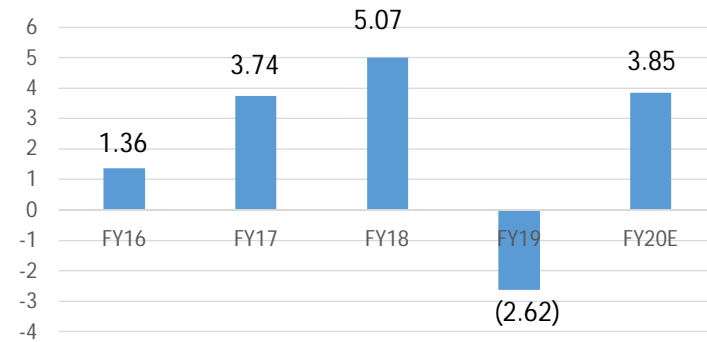
# ON TRACK In Current Year



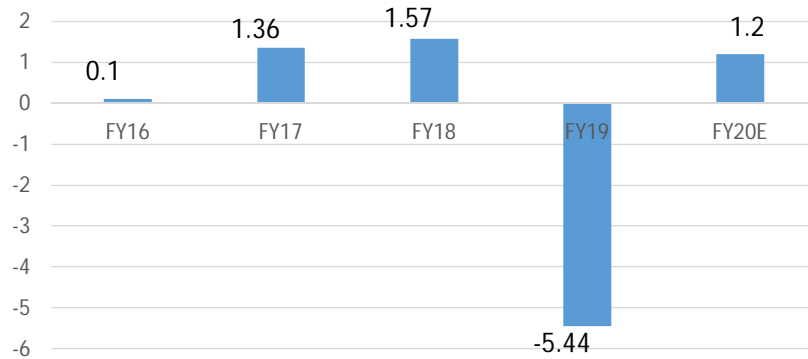
### REVENUE (Rs.Crores)



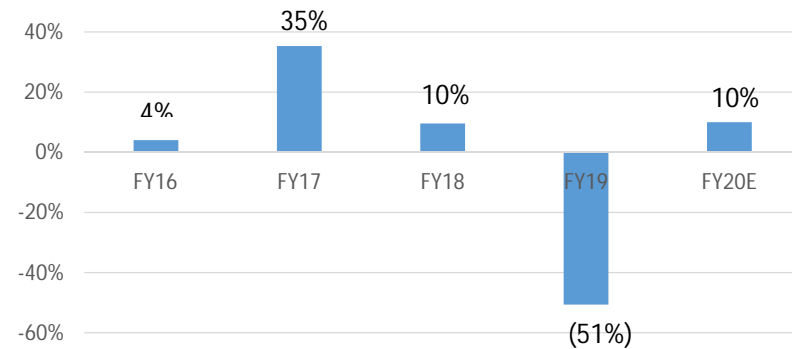
### EBIDTA (Rs.Crores)



### PAT (Rs.Crores)



### RONW%



# • SOCIAL Responsibility •

## Assist farmers to achieve best practices and cost reduction

- Working closely with more than thousand farmers in and near Nashik.
- Providing products at substantially lower rates vs other reputed brands
- Leads group of farmers towards awareness of irrigation advantages
- Arrange visits to the manufacturing facility to resolve queries about technological issues, product quality and increase their understanding pertaining to the modern and scientific methods of Micro Irrigation.



# AWARDS



Awarded the SME Business Awards in 2017 for Out Performance in the Business



# H1 FY19-20 Result Highlights (Rs.Crores)

Particulars	H1FY20	H1FY19	YoY % Gr	FY19	FY18	YoY % Gr
<b>Revenue from Operations</b>	<b>7.35</b>	<b>7.02</b>	<b>5%</b>	<b>22.39</b>	<b>42.69</b>	<b>-47%</b>
Cost of Materials	3.73	5.77		15.19	23.32	
Changes in Inventory	-0.35	-1.62		2.05	-0.27	
Employee cost	1.09	1.27		2.61	2.54	
Other Expenses	1.73	2.98		5.87	12.20	
Total Expenses	6.20	8.40		25.72	37.79	
<b>EBIDTA</b>	<b>1.15</b>	<b>-1.38</b>	<b>183%</b>	<b>-3.33</b>	<b>4.90</b>	<b>-168%</b>
<b>EBIDTA Margin %</b>	<b>15.65%</b>	<b>-19.4%</b>		<b>-14.87%</b>	<b>11.48%</b>	
Other Income	0.29	0.05		0.70	0.21	
Depreciation	0.69	0.71		1.47	1.55	
PBIT	0.75	-2.04	136%	-4.10	3.56	-215%
Finance Cost	0.55	0.89		1.33	1.18	
PBT	0.20	-2.93	106%	-5.43	2.38	-328%
Tax	0	0		0.01	0.81	
PAT	0.20	-2.93	106%	-5.44	1.57	-446%
<b>PAT Margin</b>	<b>2.72%</b>	<b>-41.74%</b>		<b>-24.30%</b>	<b>3.68%</b>	
<b>No. of shares (in Crores)</b>				<b>0.67</b>	<b>0.67</b>	
<b>EPS Rs. (Fully Diluted)</b>				<b>-</b>	<b>2.3</b>	

## P&L Highlights (Rs.Crores)

Particulars (Rs.Crores)	FY19	FY18	FY17	FY16
<b>INCOME</b>				
Revenue from Operations	22.29	42.63	28.34	11.76
Other income	0.84	0.27	0.38	0.04
<b>TOTAL REVENUE</b>	<b>23.13</b>	<b>42.90</b>	<b>28.72</b>	<b>11.80</b>
<b>EXPENSES</b>				
Cost of materials consumed	15.19	23.32	17.09	7.94
Purchase of stock in trade	0.00	0.00	0.00	0.00
Change in inventory of Finished Goods	2.05	(0.27)	(3.02)	(0.91)
Employee benefit expenses	2.65	2.54	2.68	1.03
Other expenses	5.86	12.31	8.24	2.38
Total Expenses	25.75	37.90	24.99	10.44
<b>EBITDA</b>	<b>-2.62</b>	<b>5.00</b>	<b>3.73</b>	<b>1.36</b>
<i>EBITDA MARGIN %</i>	<i>-11.80%</i>	<i>11.10%</i>	<i>13.16%</i>	<i>11.56%</i>
Depreciation	1.47	1.55	0.93	0.41
<b>EBIT</b>	<b>-4.09</b>	<b>3.45</b>	<b>2.80</b>	<b>0.95</b>
Interest	1.33	1.18	0.87	0.50
<b>EBT</b>	<b>-5.42</b>	<b>2.27</b>	<b>1.93</b>	<b>0.45</b>
Tax expense	0.02	0.70	0.57	0.35
<b>PAT</b>	<b>-5.44</b>	<b>1.57</b>	<b>1.36</b>	<b>0.10</b>
<i>PAT MARGIN %</i>				
<b>EPS Rs</b>	<b>-24.41%</b>	<b>3.68%</b>	<b>4.80%</b>	<b>0.85%</b>
<b>No of Shares</b>				

## BALANCE Sheet highlights (Rs.Crores)

Particulars (Rs.Crores)	FY19	FY18	FY17	FY16
<b>Equity &amp; Liabilities</b>				
<b>Shareholders' funds</b>				
a. Share capital	6.69	6.69	2.38	1.40
b. Reserves & surplus	4.05	9.49	1.46	1.07
<b>Total Shareholders fund</b>	<b>10.74</b>	<b>16.18</b>	<b>3.84</b>	<b>2.47</b>
<b>Non-current liabilities</b>				
a. Long-term borrowings	3.81	4.84	8.00	2.61
b. Deferred tax liabilities (net)	0.09	0.08	0.16	0.28
d. Long-term provisions	1.10	0.79	0.21	0.11
<b>Current liabilities</b>				
a. Short-term borrowings	3.69	4.13	4.52	1.38
b. Trade payables	3.79	3.50	2.97	2.34
c. Others Current Liabilities	3.24	1.82	3.20	0.76
d. Short term provisions	0.48	1.12	0.88	0.42
<b>TOTAL</b>	<b>26.94</b>	<b>32.46</b>	<b>23.78</b>	<b>10.37</b>
<b>Non-current assets</b>				
i) Tangible Assets	7.47	8.25	8.32	2.99
b. Non Current Investments	0.06	0.11	0.11	0.04
c. Long term loans & advances	0.19	0.32	0.11	1.90
<b>Current assets</b>				
a. Inventories	3.60	5.39	5.35	1.52
b. Trade receivables	12.66	15.74	6.68	2.92
c. Cash and cash equivalents	0.56	1.24	1.60	0.86
d. Short term loans & advances	1.25	0.61	0.88	0.06
e. Other current assets	1.15	0.80	0.73	0.08
<b>TOTAL</b>	<b>26.94</b>	<b>32.46</b>	<b>23.78</b>	<b>10.37</b>

# CASH FLOW Highlights (Rs.Crores)



Particulars	As at March 31, 2017	As at March 31, 2018	As at March 31, 2019
Cash flow from operating activities:			
Net profit before tax & Interest	1.94	227.24	-542.41
Depreciation & Amortization	0.93	155.22	146.94
Provision for Gratuity	0.05	7.88	-3.78
Interest, Dividend & Other Non-rec. Income	-0.30	-0.14	-0.76
<b>Adjusted for (Increase)/ Decrease:</b>			
Short term borrowings	3.13	-0.38	-0.44
Inventories	-3.83	-0.04	1.79
Trade Receivables	-3.76	-9.06	3.08
Other Current assets	-0.65	-0.07	-0.36
Term Loans and advances	1.01	0.46	-0.80
Trade payables	0.06	0.53	0.29
Other Liabilities	2.42	-2.00	1.76
Provisions	-0.07	0.21	0.14
Cash Generated From Operations	2.74	-5.46	2.08
Direct Tax Paid	-0.22	-1.21	-0.53
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>2.51</b>	<b>-6.66</b>	<b>1.55</b>
Purchase of Fixed Assets (Net)	-6.26	-1.48	-0.69
Interest & Investments	1.16	1.49	0.76
<b>Net cash flow from/ (used) in investing activities (B)</b>	<b>-6.29</b>	<b>-1.40</b>	<b>0.12</b>
Proceeds From Share Capital		3.01	
Proceeds From Share Application Money		9.45	
Securities Premium on Shares Issued		-1.69	
Proceeds from borrowings (Net)	6.27	-3.24	-0.02
Net cash flow from/(used in) financing activities ©	4.53	7.53	-2.36
Net increase/(decrease) in cash & cash equivalents (A+B+C)	0.74	-0.54	-0.69
<b>Cash &amp; cash equivalents as at beginning of the year</b>	<b>0.86</b>	<b>1.60</b>	<b>1.06</b>
Cash & cash equivalents as at end of the year	1.60	1.06	0.38

# EQUITY Highlights



**Rs.97.40 was the Highest price of shares on 09.05.2018**

**Platform  
NSE SME**

**Market Price as on 16.12.19  
Rs.18.25**

**Total No of Shares  
0.67 Crore**

**Market Capitalisation  
As on 16.12.19  
Rs.12.21 Crores**

**Promoters Holding  
70 %**

**Lot Size  
2000 Shares**

**Public Holding  
30 %**

**Total No of Free Lots  
1305**



# Thank You



For any Queries, please contact:

Company Secretary  
**Ms.Anita Pagare ; [cs@rmdrip.com](mailto:cs@rmdrip.com)**

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For more details please refer to  
our website **[www.rmdrip.com](http://www.rmdrip.com)**



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