



“BORN TO SERVE” THE FARMING COMMUNITY

Press Release- November 15, 2019
RM Drip & Sprinkler Systems Ltd.
Nasik, Maharashtra.

RM Drip is an ISI & ISO certified Company engaged in manufacturing and sale of Micro Irrigation Systems (MIS) consisting of Drip Irrigation and Sprinkler Irrigation Systems, HDPE Pipes, Components & irrigation accessories. It provides high-value products based on state of the art technology to complete project solutions that promote the intelligent use of water for worldwide irrigation applications. Being BIS compliant enables it to participate in the government projects & tenders.

The company was listed on the NSE Emerge platform in Sept. 2017 with an IPO of 20.10 Lakhs shares at Rs.57 each, raising Rs.11.46 Crores. Please find below the highlights of the H1 FY2019-20 results declared at the Board meeting held on 14 Nov.2019.

Highlights : Turnaround In H1 FY20

- **Revenue Growth:** Total Revenue for the 6 months of H1 FY20 at Rs.7.35 Crores, up 5% YoY compared to Rs.7.02 Crores reported in corresponding H1 FY19. The sales could have been much better, but for the unseasonal showers through the full first half this year in Maharashtra (which contributes almost 60% of total revenues).
- **EBIDTA** reported profit in H1 FY20 of Rs.1.15 Crores vs loss of Rs.1.33 crores reported in the corresponding previous period. **EBIDTA Margins** were 15.7%, bringing the company back in positive margins compared to the loss on EBIDTA level in previous corresponding period.. This was achieved by lower Raw Material cost and increased sale of higher margin Drip irrigation products. Cost control measures in marketing expenses also contributed to improvement in profits.
- **PAT (Profit after Tax):** PAT for H1 FY20 reported Rs.0.20 Crores vs a loss of Rs.2.90 Crores in the previous corresponding period. With improved working capital cycle and retail cash sales which commenced in Jharkhand, contributed to lower interest outgo and improved profits. **FY19** the company reported revenues of Rs.22.39 Crores and a Loss of Rs.5.42 Crores.

Financial Highlights (Rs. In Crores)

Particulars	H1FY20	H1FY19	YoY % Gr	FY19	FY18	YoY % Gr
Revenue from Operations	7.35	7.02	5%	22.39	42.69	-47%
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	
EBIDTA	1.15	-1.38	183%	-3.33	4.90	-168%
EBIDTA Margin %	15.65%	-19.4%		-14.87%	11.48%	
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%
PAT Margin	2.72%	-41.74%		-24.30%	3.68%	
No. of shares (in Crores)				0.67	0.67	
EPS Rs. (Fully Diluted)				-	2.3	

Management Comments

Commenting on the results Mr. Shyam Sundar Dash, Managing Director said “ We are pleased to report a strong set of results and return to profitability despite the adverse climate conditions. We are confident based on our strong order book position to bounce back strongly this year. In the 1st Half of the current year, rains till October across the Country impacted demand. However we are confident of a big demand revival in the second half, already seen in Oct and Nov’19 Sales

A large part of our revenue comes from project market model in the states of Maharashtra, Gujarat, Karnataka, Madhya Pradesh, Uttar Pradesh, Bihar and Jharkhand. Most of our projects are covered under the state subsidy eligibility schemes. The government policy thrust on agriculture & irrigation offer big potential going forward. With production capacity of 200 MT per month, we sufficient capacity to expand scale. The Company with its vision of Corporate Social Responsibility has joined hands with a Non-Profit Organization — "Gram Samridhi Foundation" which assists the farmers and also helping for under privileged sports persons in Nashik.

We remain confident of the prospects for strong growth and improved profitability in the period ahead. On behalf of the Board of Directors, I would like to thank all stakeholders for having reposed faith in our Company and supporting us with constant efforts, sincerity, and enthusiasm.”

For more details please refer to our website www.rmdrip.com

For any Queries, please contact:

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Note: Certain statements in this document may be forward-looking statements. Such forward looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward-looking statements. We will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events.