



**15<sup>TH</sup> ANNUAL REPORT OF  
R M DRIP AND SPRINKLERS SYSTEMS  
LIMITED  
( Erstwhile known as RM DRIP AND  
SPRINKLERS SYSTEMS PRIVATE LIMITED)  
FOR F.Y. 2018-19**

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(Erstwhile known as RM DRIP AND SPRINKLERS SYSTEMS PVT LTD)  
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## **CORPORATE INFORMATION**

<b>COMPANY NAME</b>	R M DRIP AND SPRINKLERS SYSTEMS LIMITED Erstwhile known as R M DRIP AND SPRINKLERS SYSTEMS PVT LTD CIN: L27200MH2004PLC150101
<b>BOARD OF DIRECTORS</b>	Shyam Sundar Dash – Managing Director Vijaykumar Hanmant Kshirsagar – Whole Time Director Nivrutti Pandurang Kedar – Non-Executive Director Arjun Ramji Makani – Non-Executive Director Kewal Kundanlal Handa – Independent Director Madhav Govind Ganpule – Independent Director Ulka Krishna Kulkarni – Independent Director
<b>CHIEF FINANCIAL OFFICER</b>	Vijayeta Ravichandran Mudliar
<b>COMPANY SECRETARY</b>	Anita Vasant Pagare
<b>AUDITORS</b>	Milind M. Kulkarni & Associates Atharva, 32, Shramiknagar Society, Opp. Shree Swami Samartha Kendra, Gangapur Road, Nashik-422013 Tel. 0253 2573558
<b>BANKERS</b>	State Bank of India HDFC Bank Ltd. Bank of Baroda TJSB Sahakari Bank Limited
<b>BUSINESS IN STATES</b>	1) Maharashtra 2) Karnataka 3) Madhya Pradesh 4) Gujarat 5) Uttar Pradesh 6) Bihar 7) Jharkhand



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**REGISTRAR AND TRANSFER  
AGENTS**

Bigshare Services Pvt. Ltd.  
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana  
Road, Marol, Andheri (East), Mumbai 400059  
Contact No. 022 62638200  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

**REGISTERED OFFICE**

GAT No. 475, Village Gonde,  
Taluka Sinnar, Nashik-422113  
Email: [rmdrip.india@gmail.com](mailto:rmdrip.india@gmail.com) / [rmdrip@gmail.com](mailto:rmdrip@gmail.com)  
**Contact:** +91 77200 94737  
Website: [www.rmdrip.com](http://www.rmdrip.com)

## **CORPORATE PHILOSOPHY**

### **MISSION:**

Our mission of RM Drip is to be the irrigation industry leader by 2020.

Profitably providing defect-free, high-value products and services that promote the intelligent use of water for worldwide irrigation applications. Achieving customer satisfaction by meeting or exceeding customer expectations. Being a responsible employer respected by employees and the community. Enabling employees to be the best they can be.

### **VISION:**

The Company Envisages Its Growth By Focusing On The Five Basic Attributes Which Are Enumerated Below...



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*Chairman's Message*

**Dear Shareholders,**

It is an honour and satisfaction for me to address you again and tell you about what our Company has achieved in the F.Y. 2018-2019. I will share with you the actions and initiatives we have embarked upon so far, and will ask you to consider the Company's prospects and future plans. We also get honoured to have such investors who kept trust in the company by flowing their investment for mutual growth and I must thank all the shareholders for the confidence they have shown in the business and the management.

We are happy to share with you the 15<sup>th</sup> Annual Report of your company. Towards the end of F.Y. 2018-2019, business was moving in the direction of normalcy and is looking buoyant in coming financial year.

It is always pleasure and privilege to share with you highlights of the year's performance and outlook for the next year.

- ✚ Our **total revenue** for the year is Rs. 23.13 Crores as compared to Rs. 42.90 Crores in the previous year.
- ✚ We incurred a loss of Rs. 5.42 Crores as compared to **Profit before tax** of Rs. 2.27 Crores in the previous year.
- ✚ We incurred a loss of Rs. 5.44 Crores as compared to **Profit after tax** of Rs. 1.57 Crores in the previous year.

During Financial Year 2018-2019, your Company has unfortunately registered a loss of Rs. 5.42 Crore due to the following reasons:

- ✚ During the major part of F.Y. 2018-2019, Government portals were closed in the State of Maharashtra, Karnataka, Madhya Pradesh and Gujarat, as a result the sales in all these four states was substantially reduced leading to lessen the turnover of the company in aggregate, kindly note that this particular issue of closing of Government portal was faced by all the corporate falling under our sector .
- ✚ During the F.Y. 2018-2019, company has changed bankers and switched loans from TJSB to SBI, the process has costs dearly affecting the cash flow of the company.
- ✚ During the F.Y. 2018-2019, government subsidies were released lately by approx 9 to 12 months that has affected cash flow as simultaneously causing to pay heavy interest on credit facilities and loans obtained from banks.

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- ✚ Some of orders received during financial year 2018-2019 got modified / changed, as a result material and stocks invested in such orders had to be scrapped & granulated leading to drop in sales during the year.
- ✚ During this year, company has taken steps for expansion of activities in states of Uttar Pradesh, Bihar and Jharkhand, necessitated recruitment of additional staff and other incremental expenses for new branches/extensions on administrative and infrastructural work and causing frequent travelling and Government deposits.

In the F.Y. 2018-2019, our company has faced financial crisis, business uncertainty in many of our markets and geographies, and challenges threatening our future economic and financial performance. The main priority was to oppose and reverse the trend and take corrective actions. Due to various corrective measures, your Company will surely register a growth and bring its business in profits during the current financial year.

As the Chairman, my role was to describe those challenges and difficulties to you and to the investor community with the utmost clarity and transparency. However, I also wanted to convey, with same clarity and conviction, that we were and are entirely confident and certain about the path we had to follow to successfully overcome those challenges.

Our company has widened its main object to remain competitive in this technologically advanced business world and to do business by adopting world class technology related to manufacture of Drip Irrigation Systems producing from the State of the Art Equipments by having latest automation and to supply the world class products to the Indian and International Farming Community to maximize the Farming Productivity and Farm produce marketability along with HDPE Sprinklers Systems.

We as company always try to cater the demand and to try to meet the growing and changing needs of agriculture and farm industry with our standard and unique products. Our company has utmost managerial capacity and experienced staffs who always try to achieve the goals set by the Company.

Our Company and its management efforts are dedicated for becoming the hallmark of professional excellence by surpassing performance benchmark. Each milestone in the journey confers us with new learning and insights that help us grow into a more proficient organization. Client satisfaction is our top priority and we are willing to walk extra miles to accomplish it. Our Company constantly strive to optimally contribute our revenues for the betterment of the society in which it coexist.

We, as company, believe in nurturing long term professional association with clients by providing highest standards of products and services that live up to their expectations.



**RM Drip**  
& Sprinklers Systems Ltd.

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I am thankful to all our investors, our shareholders, our Bankers, our Vendors and most importantly our Customers for the confidence, trust and faith reposed in us. A special thanks to all the employees of the company for their contribution and efforts in the success and glory of "R M Drip And Sprinklers Systems Limited". I am sure that the Company will receive your continuing support in the forthcoming years also.

Regards,

Mr. Vijaykumar Hanmant Kshirsagar  
Chairman & Whole-Time Director  
(DIN: 00816360)



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### NOTICE OF THE 15TH ANNUAL GENERAL MEETING


NOTICE is hereby given that the 15<sup>th</sup> Annual General Meeting of the members of R M DRIP AND SPRINKLERS SYSTEMS LIMITED (CIN: L27200MH2004PLC150101) will be held on Tuesday, 24<sup>th</sup> Day of September, 2019 at 12.00 Noon at the Registered Office of the Company situated at Gat No. 475, Village Gonde, Taluka Sinnar, Nashik - 422113, Maharashtra, India, to transact the following businesses:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31st March 2019 and the Reports of the Board of Directors and the Auditors' thereon.
2. To re-appoint Directors in place of Mr. Arjun Ramji Makani (DIN: 00385450) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass the following resolution as ordinary resolution;

"RESOLVED THAT Mr. Arjun Ramji Makani (DIN: 00385450), whose period of office is liable to determination by retirement of directors by rotation and who has offered himself for re-appointment, be and is hereby re-appointed as director of the company."

By Order of Board,  
For R M DRIP AND SPRINKLERS SYSTEMS LIMITED

  
**MR. VIJAYKUMAR HANMANT KSHIRSAGAR**  
Chairman & Whole-Time Director  
(DIN: 00816360)  
Add: Atharva, New Ashwimi Society, Ashwin Nagar,  
CIDCO, Nashik - 422009, Maharashtra, India.  
Date: 29/08/2019  
Place: Sinnar

**Registered Office:**  
Gat No. 475, Village Gonde,  
Taluka Sinnar, Nashik - 422113,  
Maharashtra, India  
Email: [rmrip.india@gmail.com](mailto:rmrip.india@gmail.com)/  
[rmrip@gmail.com](mailto:rmrip@gmail.com) / [info@rmrip.com](mailto:info@rmrip.com)  
Contact: +91 77200 94737  
Web: [www.rmrip.com](http://www.rmrip.com)



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**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

The instrument of Proxy in order to be effective, must be received at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 18<sup>th</sup> day of September, 2019 to Tuesday, 24<sup>th</sup> day of September, 2019 (both days inclusive).

3. The Company has appointed M/s. Bigshare Services Private Limited, as its Registrars and Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly quoting Folio No., full name and name of the Company as R M DRIP AND SPRINKLERS SYSTEMS LIMITED.

4. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.

5. Members are requested to bring their copies of the Annual Report to the Meeting.

6. Members desiring any information on accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready for reply.

7. R M DRIP AND SPRINKLERS SYSTEMS LIMITED is concerned about the environment and utilizes natural resources in sustainable way. The Ministry of corporate Affairs (MCA), Government of India, through its circular nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011, respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular pertaining to Green Initiatives, issued by the MCA, we henceforth propose to send documents like the notice convening the general meetings, financial

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statements, Directors' Report, Auditors' Report etc. to the email address provided by you with your depositories.

We request you to update, your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.

8. Members holding shares in physical form are requested to notify to the company's Registrar and share Transfer Agent, M/s. Bigshare Services Private Limited, quoting their folio, any change in their registered address with pin code and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participant.

9. Corporate Members intending to send their authorized representatives under Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the Meeting.

10. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.

11. As per Notification issued by Ministry of Corporate Affairs dated 19th of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI (ICDR) Regulations, 2009 will be exempted from e-voting provisions.

Also, no such provision is available in SME Equity Listing Agreement. Company is covered under Chapter XB as it is a SME Company and listed on SME platform of NSE Limited. Therefore Company is not providing e-voting facility to its shareholders.

12. The details of directors' appointment or re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as below:

<b>Particulars</b>	Mr. Arjun Ramji Makani
DIN No.	00385450
Date of Birth	7 <sup>th</sup> March, 1955
Date of Appointment on current position	25 <sup>th</sup> September, 2014
Qualification	4 <sup>th</sup> Std.
Expertise in specific functional areas	Construction and Land Development
List of other Companies in which directorship is held as on 31st March, 2019	N.A.
Chairman/Member of	N.A.



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Committee of other Company	
Shareholding in the company	547027 Equity Shares
No of meetings attended during the Financial year	5 Nos.
Relationship with other directors and key managerial personnel	NIL
Terms and conditions of appointment	To enable compliance by the company with the provisions of section 152 of the companies Act 2013, Mr. Arjun Ramji Makani is being made liable to retire by rotation.

13. The route map to reach the venue of the Annual General meeting including prominent land mark for easy location forms part of notice.

14. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to business to be transacted at the Annual General Meeting in respect of item no 2 (ordinary business) is annexed hereto and forms part of notice.

**EXPLANATORY STATEMENT TO THE NOTICE OF AGM**  
(Pursuant to Section 102 of the Companies Act 2013)

**ORDINARY BUSINESS:-**

**ITEM NO. 2 :-**

As per the provisions of Section 152(6) of the Companies Act, 2013, two-thirds of the total number of directors of a public company be persons whose period of office is liable to determination by retirement of directors by rotation and save as otherwise expressly provided in this Act, be appointed by the Company in general meeting. At the first Annual General Meeting of a public Company held next after the date of the general meeting at which first directors appointed and at every subsequent annual general meeting one-third of such of the directors for the time as are liable to retire by rotation or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office.

Accordingly, Mr. Arjun Ramji Makani, has been longest in the office since his last appointment, is liable to retire by rotation in the ensuing Annual General Meeting. He offers himself for re-appointment and consent to act as a Director as well as disclosure for non-disqualification as required under the Companies Act, 2013 have already been received from Mr. Arjun Ramji Makani.

**BRIEF PROFILE OF MR. ARJUN RAMJI MAKANI:**

Mr. Arjun Ramji Makani is Resident Indian, his age is 64 years. He is a director in the company having knowledge and experience being specialized in the area of Construction and Land Development.

As on the date of notice, Mr. Arjun Ramji Makani hold 547027 Equity Shares in paid up share capital of the Company in his individual capacity.

Except Mr. Arjun Ramji Makani being an appointee director none other Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in resolution set out at Item No. 2 of the Notice.

The Board recommends the ordinary resolution set out at Item No. 2 to the Notice for approval of Members.

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**A. GENERAL INFORMATION**

**i) Nature of Industry:**

To carry on the business by adopting world class technology, to manufacture & fabricate the HDPE Sprinkler Systems with Fittings & Drip Irrigation Systems producing from the State of the Art Equipments by having latest automation and to supply the world class products to the Indian Farming Community to maximize the Farming Productivity.

**ii) Date or expected date of commencement of commercial production**

The Company was incorporated on December 20, 2004 under the Companies Act, 1956 and it started commercial production soon thereafter.


**iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.**

**iv) Financial performance of the Company for F.Y. 2018-2019**

Particulars	Amount( in Lakh)
Turnover (Net Sales)	2229.09
Operating Profit	(409.29)
Net Profit Before Tax	(542.41)
Debt Equity Ratio	1.12
Current Ratio	1.72
Net Worth	1073.66

**B. FOREIGN INVESTMENTS OR COLLABORATIONS, IF ANY: N.A.**

By Order of Board,  
For R M DRIP AND SPRINKLERS SYSTEMS LIMITED

  
**MR. VIJAYKUMAR HANMANT KSHIRSAGAR**  
Chairman & Whole-Time Director  
(DIN: 00816360)

Add:- Atharva, New Ashwimi Society, Ashwin Nagar,  
CIDCO, Nashik - 422009, Maharashtra, India.

Date: 29/08/2019

Place: Sinnar



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**Registered Office:**

Gat No. 475, Village Gonde,  
Taluka Sinnar, Nashik - 422113,  
Maharashtra, India  
Email: [rmdrip.india@gmail.com](mailto:rmdrip.india@gmail.com)/  
[info@rmdrip.com](mailto:info@rmdrip.com)

**Contact:** +91 77200 94737

**Web:** [www.rmdrip.com](http://www.rmdrip.com)



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**DIRECTOR'S REPORT**

**To**  
**The Members of**  
**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**

Your Directors have pleasure in presenting **15<sup>th</sup> (Fifteenth) Annual Report** and audited accounts of the company for the period ended 31<sup>st</sup> March, 2019.

**1. FINANCIAL RESULTS OR HIGHLIGHTS:**

The following are the financial results of the Company for the year ended 31<sup>st</sup> March, 2019.

<b>Particulars</b>	<b>Year Ended on 31<sup>st</sup> March, 2019 (Figures in Rs.)</b>	<b>Year Ended on 31<sup>st</sup> March, 2018 (Figures in Rs.)</b>
Revenue from Operations	22,29,09,257	42,63,44,229
Other Income	83,84,869	26,63,780
Less: Expenses	28,55,35,490	40,62,84,212
<b>Profit Before Tax</b>	<b>(5,42,41,364)</b>	<b>2,27,23,797</b>
Less: Current Tax	Nil	78,50,000
Less: Deferred Tax Expenses/(Surplus)	1,70,601	(8,02,841)
<b>Profit for the year</b>	<b>(5,44,11,965)</b>	<b>1,56,76,638</b>

**2. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS:**

The Key highlights pertaining to the business of the company for the year 2018-2019 and period subsequent there to have been given hereunder:

The total revenue of the Company during the financial year 2018-2019 was Rs. 23.13 Cr against the total revenue of Rs. 42.90 Cr in the previous financial year 2017-2018.

The total expenses of the Company during the financial year 2018-2019 was Rs. 28.55 Cr against the expenses of Rs. 40.63 Cr in the previous financial year 2017-2018.

During the F.Y. 2018-2019, your Company has registered a loss of Rs. 5.42 Crore due to the following reasons:

- During the major part of F.Y. 2018-2019, Government portals were closed in the State of Maharashtra, Karnataka, Madhya Pradesh and Gujarat, as a result the sales in all these four states was substantially reduced leading to lessen the turnover of the company in aggregate, kindly note that this particular issue of closing of Government portal was faced by all the corporate falling under our sector.



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- ✚ During the F.Y. 2018-2019, company has changed bankers and switched loans from TJSB to SBI, the process has costs dearly affecting the cash flow of the company.
- ✚ During the F.Y. 2018-2019, government subsidies were released lately by approx 9 to 12 months that has affected cash flow as simultaneously causing to pay heavy interest on credit facilities and loans obtained from banks.
- ✚ Some of orders received during financial year 2018-2019 got modified / changed, as a result material and stocks invested in such orders had to be scrapped & granulated leading to drop in sales during the year.
- ✚ During this year, company has taken steps for expansion of activities in states of Uttar Pradesh, Bihar and Jharkhand, necessitated recruitment of additional staff and other incremental expenses for new branches/extensions on administrative and infrastructural work and causing frequent travelling and Government deposits.

Due to various corrective measures, your Company will surely register a growth and bring its business in profits during the current financial year.

**3. DIVIDEND:**

In view of losses, your Directors do not recommend any dividend for the period under review.

**4. RESERVE:**

Pursuant to provisions of Section 134(1)(j) of the Companies Act 2013, the company has not proposed to transfer any amount to general reserve account of the company during the year under review.

**5. CHANGE IN NATURE OF BUSINESS, IF ANY:**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate and the date of this report.

The company has its existing business operations in the States viz. Maharashtra, Madhya Pradesh, Gujarat and Karnataka. In addition to that the Company has started business operations in the States viz. Uttar Pradesh, Bihar and Jharkhand in which the Company is actively selling and marketing its products, accordingly the scope of Company is widened.

The Company has launched new products being ancillary in the nature to existing products with existing BIS License (s). During the year under review, the following products were launched:

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- I) Quick Coupled Polyethylene Pipes with HDPE Couplers,
  - a) 90 mm, Class 2
  - b) 110 mm, Class 1 and Class 2
- II) PE Pipes for Irrigation Laterals 16mm, Class 1

## 6. FINANCE:

The Company continued to focus on operational improvement keeping continuing focus on operational levels of inventory, sound business performance, operating efficiencies in main segment of business and cost saving drive across the organization have helped it generating good cash flow from operations.

The Company has migrated their existing credit facilities including various Term Loans, Cash Credit, Bank Guarantees and Letter of Credit facilities from TJSB Sahakari Bank Limited, Sinnar Branch and Shree Samarth Sahakari Bank Ltd. to State Bank of India, SME Branch, Nashik.

Your company has utilized the financial resources for the purpose for which same were availed and there is no deviation in the same.

## 7. DEPOSITS:

The Company has neither accepted nor renewed any deposits falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time, during the year under review and therefore details mentioned in Rule 8(5) (v) & (vi) of Companies (Accounts) Rules, 2014 relating to deposits, covered under Chapter V of the Act is not required to be given.

## 8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT:

Your Company has not entered in to any transaction viz. loan, guarantees or investments to any other company or persona as specified under section 186 therefore other requirement under this section are **Not Applicable** to the company.

Particulars	CIN of Company	Name of Other Company	Amount Involved in Rs.
Loan given	N.A	N.A	N.A
Investment Made	N.A	N.A	N.A
Guarantee Provided	N.A	N.A	N.A

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**9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES  
REFERRED TO IN SUB-SECTION (1) OF SECTION 188 IN AOC- 2:**

All contracts/arrangements/transactions that were entered by the Company during the financial year under review, are done on Arm's length basis and in the ordinary course of business.

Disclosure of particulars of contracts/arrangements entered into by the Company with the Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are attached herewith as **Annexure - 5** which forms part of this Report.

**10. COMMENTS BY THE BOARD ON QUALIFICATION, RESERVATION OR ADVERSE  
REMARK OR DISCLAIMER MADE BY THE AUDITOR IN HIS REPORT:**

The Auditors have not given any Qualification, Reservation, Adverse Remark or Disclaimer in their report for the Financial Year ended on 31<sup>st</sup> March, 2019. The Observations made by the Auditors are self-explanatory and have been dealt with an Independent Auditor's Report and it's Annexure forming part of this Annual Report and hence do not require any further clarification.

There has been no instance of fraud reported by the statutory auditors under Section 143(12) of the Companies Act, 2013.

**11. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN  
EXCHANGE EARNINGS AND OUTGO, IN SUCH MANNER AS MAY BE PRESCRIBED:**

**1) Conservation of energy:**

Your company is using various low power devices, which help in conservation of energy.

**2) Technology absorption:**

The company is using latest technology and indigenization, which keeps on absorbing latest technology for the betterment of society at large.

**3) Foreign exchange earnings and Outgo:**

Your company has no Foreign Exchange Earning and Outgo during the year.

**12. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board of the Company comprises an optimum combination of executive, non-executive and independent directors.

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**A) Present composition of board of directors:** As on the date of this report, Board of Directors of the Company comprises of total Seven directors. The Composition of the Board of Directors is as under:

Sr. No.	Name of Directors	DIN	Designation
1	Mr. Shyam Sundar Dash	07502666	Managing Director
2	Mr. Vijaykumar Hanmant Kshirsagar	00816360	Whole-time Director
3	Mr. Nivrutti Pandurang Kedar	06980548	Non-Executive Director
4	Mr. Arjun Ramji Makani	00385450	Non-Executive Director
5	Mr. Kewal Kundanlal Handa	00056826	Independent Director
6	Mr. Madhav Govind Ganpule	03265224	Independent Director
7	Ms. Ulka Krishna Kulkarni	07085469	Independent Director

**B) Appointment / Cessation / Change in designation of Director during year under review:-**

**i) Appointment of Directors:-**

There is no appointment of director during the year under review.

**ii) Appointment of Directors Retirement by Rotation:-**

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, 2/3rd of the directors are liable to retire by rotation, and if eligible offer themselves for re-appointment. Accordingly: -

- In the Annual General Meeting dated 3<sup>rd</sup> September, 2018, Mr. Nivrutti Pandurang Kedar, director of the Company was retired by rotation and being eligible was re-appointed; and
- In the ensuing Annual General Meeting Mr. Arjun Ramji Makani, director of the Company liable to retire by rotation and being eligible offers himself for re-appointment.

**iii) Resignation / Cessation of Director:-**

There is no resignation or cessation of directors during the year under review.

**C) Appointment, Resignation of Key Managerial Personnel:-**

Pursuant to provisions of Section 203 of the Companies Act, 2013 read with the applicable rules and other applicable provisions of the Companies Act, 2013, the designated Key Managerial Personnel (KMP) of the Company as on 31<sup>st</sup> March, 2019 are as follows:

Name of KMP	Category and Designation
Ms. Anita Vasant Pagare	Company Secretary and Compliance Officer
Mrs. Vijayeta Ravichandran Mudliar	Chief Financial Officer

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### 13. MEETING OF THE BOARD OF DIRECTOR'S:

During the year under review there were 5 (Five) Board Meetings held. The Board of director meets at regular intervals to discuss and decide on company/business policy and strategy. The details of Board meeting held during the year are as under: -

Sr. No.	Date of meeting	Total number of directors on the date of meeting	No. of Directors attended	% of Attendance
1	30/04/2018	7	7	100%
2	30/05/2018	7	6	86%
3	02/08/2018	7	7	100%
4	17/10/2018	7	6	86%
5	06/02/2019	7	7	100%

During the year under review, Independent Directors Meeting was held on 6<sup>th</sup> February, 2019 to review the performance of Non-Independent Directors and the overall performance of the Board of the Company. All the Independent Directors were present at the Independent Directors meeting.

### 14. COMMITTEES OF THE BOARD:

The Company being listed entity has formed Committees as required under the Companies Act, 2013. Accordingly, as on 31<sup>st</sup> March, 2019 and presently the board has Three (3) committees i.e. Audit Committee, Nomination and Remuneration Committees, Stakeholders Relationship Committee, constitution of which are given below:

#### A. Audit Committee:-

Name	Designation	Position in the committee	Attendance at the Committee Meetings held on				
			30 <sup>th</sup> April, 2018	30 <sup>th</sup> May, 2018	2 <sup>nd</sup> August, 2018	17 <sup>th</sup> October, 2018	6 <sup>th</sup> February, 2019
Ms. Ulka Krishna Kulkarni	Independent Director	Chairperson	Yes	Yes	Yes	Yes	Yes
Mr. Madhav Govind Ganpule	Independent Director	Member	Yes	No	Yes	No	Yes
Mr. Vijaykumar H. Kshirsagar	Whole-Time Director	Member	Yes	Yes	Yes	Yes	Yes

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Further, Audit Committee was re-constituted in the Audit Committee Meeting dated 6<sup>th</sup> February, 2019 and Mr. Shyam Sundar Dash was appointed as Audit Committee member in place of Mr. Vijaykumar Hanmant Kshirsagar.

The term of reference of Audit Committee is as below:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems

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13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**B. Nomination and Remuneration Committees:-**

Name	Designation	Position	Attendance at the Committee Meetings held on		
			30 <sup>th</sup> April, 2018	17 <sup>th</sup> October, 2018	6 <sup>th</sup> February, 2019
Mr. Madhav Govind Ganpule	Independent Director	Member	Yes	No	Yes
Ms. Ulka Krishna Kulkarni	Independent Director	Chairperson	Yes	Yes	Yes
Mr. Kewal Kundanlal Handa	Independent Director	Member	Yes	Yes	Yes

The term of reference of Nomination & Remuneration Committee is as below:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level

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- and composition of remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
  3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  4. Devising a policy on Board diversity; and
  5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

**C. Stakeholders Relationship Committee:-**

Name	Designation	Position	Attendance at the Committee Meetings held on		
			30 <sup>th</sup> April, 2018	17 <sup>th</sup> October, 2018	6 <sup>th</sup> February, 2019
Mr. Madhav Govind Ganpule	Independent Director	Member	Yes	No	Yes
Mr. Kewal Kundanlal Handa	Independent Director	Chairman	Yes	Yes	Yes
Mr. Nivrutti Pandurang Kedar	Non-Executive Director	Member	Yes	Yes	Yes

The term of reference of Stakeholders Relationship Committee is as below:

1. Efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures;
2. Redressal of security holder's / investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
3. Reviewing on a periodic basis the approval / refusal of transfer or transmission of shares, debentures or any other securities;
4. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
5. Allotment and listing of shares;
6. Reference to statutory and regulatory authorities regarding investor grievances; and
7. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
8. Any other power specifically assigned by the Board of Directors of the Company.



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**15. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to section 134(3)(c) of the Companies Act, 2013, the Directors confirms that:

- a. In the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the annual accounts on a 'going concern' basis; and
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**16. DISCLOSURE OF ACCOUNTING TREATMENT:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**17. DECLARATIONS BY THE INDEPENDENT DIRECTORS:**

The Independent Directors have given their declarations under Section 149(6) and Section 149(7) of the Companies Act, 2013 and the Rules made there under. The Independent Directors meet the criteria of the independence as specified in Section 149 of the Act and Regulation 16(b) of the SEBI (Listing obligations and Disclosures Requirements) Regulations, 2015.

**18. STATUTORY AUDITORS:**

The company's auditors **M/s. Milind M. Kulkarni & Associates**, Chartered Accountants, Nashik were appointed in the Annual General Meeting (AGM) in year pertaining to 2016 - 17 as auditors to hold the office till the conclusion of Annual General Meeting (AGM) of the Company pertaining to the financial year 31<sup>st</sup> March, 2021.

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**19. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT:**

Mrs. Sujata R. Rajebahadur, Company Secretary in Practice, Nashik, was appointed to conduct the secretarial audit of the company for the financial year 2018- 2019 , pursuant to provisions of Section 204 of the Companies Act, 2013 along with Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and other applicable provisions of the Act.

The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March 2019, is annexed herewith marked as **Annexure - 1** to this Report. The remarks mentioned in Secretarial Audit Report are self explanatory. The board of directors of the company had taken necessary steps in compliance to observations mentioned in the secretarial audit report.

In board meeting held on 6th February 2019, Mrs. Sujata R. Rajebahadur, Company Secretary in Practice, Nashik was appointed as secretarial auditor of the company to conduct the secretarial audit of the company for the financial year 2019- 2020.

**20. INTERNAL AUDITOR:**

Pursuant to provisions of Section 138 of the Companies Act, 2013, the Board of Directors in its meeting held on 2<sup>nd</sup> August, 2018 had appointed M/s. Amit R. Sarda & Associates, Nashik as Internal Auditor of the Company to conduct Internal Audit of the Company for F.Y. 2018-2019. Accordingly the internal audit was conducted by the internal auditor for the year 2018-2019.

**21. EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual return in **form MGT- 9** is annexed herewith as **Annexure - 2** to this report.

**22. CORPORATE GOVERNANCE:**

The Equity Shares of the Company got listed on the SME platform (NSE-emerge) of NSE. Further, Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance is not applicable to the Company as the Company is listed on the SME platform (NSE-emerge) of NSE. Hence the Company is not required to disclose information as covered under Para (C), (D) and (E) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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**23. MANAGEMENT DISCUSSIONS & ANALYSIS REPORT:**

Management Discussion & Analysis report for the year under review as stipulated under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure – 3** hereto and forms part of this Report.

**24. CERTIFICATION FROM CHIEF FINANCIAL OFFICER/CHIEF EXECUTIVE OFFICER OF THE COMPANY:**

The Company has obtained a Compliance Certificate in accordance with Regulation 17(8) of SEBI (Listing obligations and disclosures Requirements) Regulations, 2015 from **Mr. Shyam Sundar Dash**, Managing Director and **Mrs. Vijayeta Ravichandran Mudliar**, Chief Financial Officer (CFO) of the Company. The same is enclosed as **Annexure - 6** of the Board's Report.

**25. PARTICULARS OF EMPLOYEES:**

Pursuant to Section 197(12) of the companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a statement containing such details enclosed as per **Annexure – 4** of the Board's Report.

**26. DETAILS OF SUBSIDIARY/ JOINT VENTURE:**

Company do not have any wholly owned subsidiary or subsidiary company and Joint venture hence declaration regarding the same is not required.

**27. FORMAL ANNUAL EVALUATION:**

The evaluation/assessment of the Directors/KMPs and the senior officials of the Company is to be conducted on an Annual basis to satisfy the requirements of the Companies Act, 2013. The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the Board as a whole.

The Company's Nomination and Remuneration committee has set up formal mechanism to evaluate the performance of board of directors as well as that of its committees and individual directors, including chairman of the board, key managerial personnel / senior management etc.

Remuneration Policy which includes the Director's Appointment and Remuneration and criteria for determining qualifications, positive attributes, independence of the Directors and other matters are made available on the website of the Company at the [Link https://www.rmdrip.com/investors.html](https://www.rmdrip.com/investors.html)

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The evaluation exercise is being carried out through an evaluation process covering aspects such as composition of the board, experience, competencies and governing issues etc.

**28. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company is well equipped with adequate internal financial controls. The Company has a continuous monitoring mechanism which enables the organization to maintain the same standards of the control systems and help them in managing defaults, if any, on timely basis because of strong reporting mechanisms and review process of the management and independently by the Internal Auditors. In our view, the Internal Financial Controls, affecting the Financial Statements are adequate and are operating effectively.

**29. INSURANCE:**

All the properties and insurable interest of the company to the extent required adequately insured.

**30. CORPORATE SOCIAL RESPONSIBILITY:**

Your company does not fulfil criteria for class or classes of companies, as prescribed under Section 135 (1) of Companies Act, 2013; hence no CSR policy was designed and implemented by the company during the year ended on 31<sup>st</sup> March, 2019.

**31. RISKS MANAGEMENT POLICY:**

The Company has well laid out risk management policy, which periodically assess the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide the categorization of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations and health of people at work are monitored regularly.

**32. ENVIRONMENT AND SAFETY:**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

**33. VIGIL MACHANISM/ WHISTLE BLOWER:**

The Company promotes ethical behaviours in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a vigil mechanism policy wherein the Directors and employees are free to report violations of law, rules and

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regulations or unethical conduct, actual or suspected fraud to their immediate supervisor or provide direct access to the Chairman of the Audit Committee in exceptional cases or such other persons as may be notified by the Board. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

The Vigil Mechanism Policy of the Company is available on the website of the Company at the Link <https://www.rmdrip.com/investors.html>

**34. CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the company as well as consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company's Shares.

**35. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There has been no significant and material order passed by any regulators or courts or tribunals, impacting the going concern status of the Company and its future operations.

**36. HUMAN RESOURCES DEVELOPMENT:**

Your Company recognizes it's Human Resources as the most valuable and critical assets. This attitude is reflected in the work environment and the culture promoted by your Company. Your Company believes in recruiting only highly competent, enterprising employees and providing them the liberty to pursue newer avenues that advance their professional growth in line with the advancement of your Company.

The team comprises of collectively exhaustive yet mutually exclusive, highly motivated individuals. Your Company, in addition to milestone-based appraisals, regularly hosts off-site outings and pushes various team members to attend training workshops and seminars for professional development. Owing to some focused and well executed HR management, your company has been able to achieve some of the lowest churn levels in the industry and has also successfully streamlined internal HR policies and processes.

**37. LISTING:**

Equity shares of your Company is listed at National Stock Exchange of India on NSE SME Emerge platform w.e.f. 04/10/2017. The Annual Listing fees for F.Y. 2019-2020 have been paid to the concerned Stock Exchange.

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**38. SECRETARIAL STANDARDS:**

During the year under review, the Company has complied with the provisions of the applicable Secretarial Standards issued by Institute of Company Secretaries of India. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

**39. DISCLOSURE UNDER SEXUAL HARASSEMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESAL) ACT, 2013:**

There was no case filled during the year, under the sexual harassment of women at workplace (Prevention, Prohibition & Redresser) Act, 2013. Further Company ensures that there is a healthy and safe atmosphere for every women employee at the workplace and made the necessary policies for safe and secure environment for women employee.

The company policy against Sexual Harassment of woman at workplace is available on the website of the Company at the [Link https://www.rmdrip.com/investors.html](https://www.rmdrip.com/investors.html).

The Annual Report on Sexual Harassment Policy for the period 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 is Annexed to the Board's Report as Annexure - 7.

**40. ACKNOWLEDGEMENT:**

Your Directors take this opportunity to place on record the appreciation of the valuable contribution and dedication shown by the employees of the Company, RTA, Auditors and Practicing Company Secretary which have contributed to the successful management of the Company's affairs. The Directors also take this opportunity to thank all the stakeholders, Investors, Clients, Banks, Central & State Governments, Customers, Suppliers, Advisors, Consultants, Regulatory Authorities and Stock Exchange for their continued support.

**GENERAL SHAREHOLDER'S INFORMATION**

Annual General Meeting:

Date & Time: 24<sup>th</sup> September, 2019 at 12:00 Noon

Venue: At registered office

Book Closure: 18<sup>th</sup> September, 2019 to 24<sup>th</sup> September, 2019.

**Listing on Stock Exchange:**

The Company's shares are listed on National Stock Exchange of India on NSE Emerge platform w.e.f. 04/10/2017 at NSE, Exchange Plaza, Bandra Kurla complex, (E), Mumbai- 400 051. The company has paid annual listing fees.

NSE Symbol: RMDRIP.

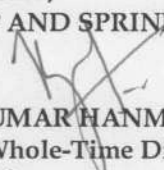
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**Registrar and Transfer Agent (RTA)**

Share Transfer and all other Investor's / Shareholder's related activities are attended and processed by our Registrar and Transfer Agent. For lodgment of transfer deeds and any other documents, investors may contact Big Share Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai, Maharashtra 400059 (Ph. 022 6263 8200). However, shareholders holding shares in the electronic mode should address all correspondence to their respective Depository Participants.

By Order of Board,  
For R M DRIP AND SPRINKLERS SYSTEMS LIMITED

  
**MR. VIJAYKUMAR HANMANT KSHIRSAGAR**  
Chairman & Whole-Time Director  
(DIN: 00816360)

Date: 22/08/2019  
Place: Sinnar

**Registered Office:**  
Gat No. 475, Village Gonde,  
Taluka Sinnar, Nashik - 422113,  
Maharashtra, India  
Email: [rmdrip.india@gmail.com](mailto:rmdrip.india@gmail.com)/  
[rmdrip@gmail.com](mailto:rmdrip@gmail.com)/[info@rmdrip.com](mailto:info@rmdrip.com)  
Contact: +91 77200 94737  
Web: [www.rmdrip.com](http://www.rmdrip.com)





Sujata R. Rajebahadur  
B.Com. F.C.S.  
Company Secretary  
'Gokul', 199, M.G.Road,  
Near Samarth Sahakari Bank, Nashik - 422 001  
Phone: (0253) 2502561 Cell: 9922420220.  
E-mail: cssujata.rajebahadur@gmail.com

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
CIN:L27200MH2004PLC150101  
Gat No. 475, Village Gonde,  
Taluka Sinnar  
Nashik 422113

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **R M DRIP AND SPRINKLERS SYSTEMS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended **31<sup>st</sup> March, 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2019**, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;







Sujata R. Rajebahadur  
B.Com. F.C.S.

Company Secretary  
'Gokul', 199, M.G.Road,  
Near Samarth Sahakari Bank, Nashik - 422 001  
Phone: (0253) 2502561 Cell: 9922420220.  
E-mail: cssujata.rajebahadur@gmail.com

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **[Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment]**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014**[Not applicable to the Company during the audit period];**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the Financial year under review];**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable as there was no reportable event during the period under review];**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1988 **[Not Applicable as there was no reportable event during the period under review];**

(vi) There are no laws which specifically apply to the type of activities undertaken by the Company.





**Sujata R. Rajebahadur**  
B.Com. F.C.S.  
Company Secretary  
'Gokul', 199, M.G.Road,  
Near Samarth Sahakari Bank, Nashik - 422 001  
Phone: (0253) 2502561 Cell: 9922420220.  
E-mail: cssujata.rajebahadur@gmail.com

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:-**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- All the decisions of the Board and Committees thereof were carried out with requisite majority;

**We further report that** based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is Commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

- As informed, the Company has not received any notice from any statutory/regulatory authorities including notice for initiating actions for corrective measures, wherever found necessary.





**Sujata R. Rajebahadur**  
B.Com. F.C.S.  
Company Secretary  
'Gokul', 199, M.G.Road,  
Near Samarth Sahakari Bank, Nashik - 422 001  
Phone: (0253) 2502561 Cell: 9922420220.  
E-mail: cssujata.rajebahadur@gmail.com

We further report that during the audit period there were no specific events/actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

*Sujata R. Rajebahadur*

**Sujata R. Rajebahadur**  
Company Secretary  
FCS 5728, C.P No. 4241  
Date: 20 May 2019  
Place: Nashik







**Sujata R. Rajebahadur**  
B.Com. F.C.S.

Company Secretary  
'Gokul', 199, M.G.Road,  
Near Samarth Sahakari Bank, Nashik - 422 001  
Phone: (0253) 2502561 Cell: 9922420220.  
E-mail: cssujata.rajebahadur@gmail.com

**Date: 20 May 2019**

To,  
The Members,  
**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
CIN: L27200MH2004PLC150101  
Gat No. 475, Village Gonde,  
Taluka Sinnar  
Nashik 422113

Our Secretarial Audit Report of even date, for the financial year 2018-19 is to be read along with this letter.

#### **Management's Responsibility**

1. It is the responsibility of the Management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

#### **Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules, and regulations and happening of events etc.





**Sujata R. Rajebahadur**

B.Com. F.C.S.

Company Secretary

'Gokul', 199, M.G.Road,

Near Samarth Sahakari Bank, Nashik - 422 001

Phone: (0253) 2502561 Cell: 9922420220.

E-mail: [cssujata.rajebahadur@gmail.com](mailto:cssujata.rajebahadur@gmail.com)

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**Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

*S. Rajebahadur*

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**Sujata R. Rajebahadur**  
Company Secretary  
FCS 5728, C.P No. 4241



**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
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**Annexure - 2**  
**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**  
**For financial year ended on 31.03.2019**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L27200MH2004PLC150101
2.	Registration Date	20/12/2004
3.	Name of the Company	<b>R M DRIP AND SPRINKLERS SYSTEMS LIMITED</b>
4.	Category/Sub-category of the Company	Public Company Limited by shares Indian Non-Government Company
5.	Address of the Registered office & contact details	<b>Address:</b> Gat No. 475, Village Gonde, Taluka Sinnar, Nashik - 422113, Maharashtra, India <b>Contact:</b> +91 77200 94737 <b>Email:</b> rmdrip.india@gmail.com/info@rmdrip.com
6.	Whether listed Company	Listed (SME Emerge platform of National Stock Exchange of India Limited), NSE Mumbai.
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>Bigshare Services Private Limited</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059 Maharashtra, India Contact Details :- 022-62638200 Email :- investors@bigshareonline.com

**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
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**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of Drip Inline Systems	22191	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
Not Applicable					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**A) Category-wise Share Holding:-**

Category of Shareholders	No. of Shares held at the beginning of the year [01-04-2018]				No. of Shares held at the end of the year [31-03-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	29,98,661	N.A.	29,98,661	44.82%	29,98,661	N.A.	29,98,661	44.82%	NIL
b) Central Govt	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
c) State Govt(s)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
d) Bodies Corp.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
e) Banks / FI	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
f) Any other (Promoters Relatives)	10,80,416	N.A.	10,80,416	16.15%	10,80,416	N.A.	10,80,416	16.15%	NIL
<b>Sub-total (A) (1):-</b>	40,79,077	N.A.	40,79,077	60.97%	40,79,077	N.A.	40,79,077	60.97%	NIL
(2) <b>Foreign</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
a) NRIs - Individuals	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
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b) Other – Individuals	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
c) Bodies Corp.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
d) Banks / FI	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
e) Any Other....	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Sub-total (A)(2)</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>40,79,077</b>	<b>N.A.</b>	<b>40,79,077</b>	<b>60.97%</b>	<b>40,79,077</b>	<b>N.A.</b>	<b>40,79,077</b>	<b>60.97%</b>	<b>NIL</b>
<b>B. Public Shareholding</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1. Institutions	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
a) Mutual Funds	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
b) Banks / FI	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
c) Central Govt	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
d) State Govt(s)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
e) Venture Capital Funds	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
f) Insurance Companies	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
g) FIIs	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
h) Foreign Venture Capital Funds	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
i) Others (specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Sub-total (B)(1):-</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>2. Non-Institutions</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
a) Bodies Corp.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
i) Indian	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
ii) Overseas	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
b) Individuals	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.



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i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	13,42,000	N.A.	13,42,000	20.06%	11,40,000	N.A.	11,40,000	17.04%	(3.01%)
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	9,32,923	N.A.	9,32,923	13.95%	11,46,923	N.A.	11,46,923	17.14%	+3.19%
c) Others (Bodies Corporate)	1,30,000	N.A.	1,30,000	1.94%	58,000	N.A.	58,000	0.87%	(1.07%)
Non Resident Indians	36,000	N.A.	36,000	0.54%	1,74,000	N.A.	1,74,000	2.60%	+2.06%
Overseas Corporate Bodies	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Foreign Nationals	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Clearing Members	1,70,000	N.A.	1,70,000	2.54%	92,000	N.A.	92,000	1.38%	(1.16%)
Trusts	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Foreign Bodies - D R	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Sub-total (B)(2):-</b>	26,10,923	N.A.	26,10,923	39.03%	26,10,923	N.A.	26,10,923	39.03%	NIL
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	26,10,923	N.A.	26,10,923	39.03%	26,10,923	N.A.	26,10,923	39.03%	NIL
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Grand Total (A+B+C)</b>	66,90,000	N.A.	66,90,000	100%	66,90,000	N.A.	66,90,000	100%	NIL

**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
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**B) Shareholding of Promoter:-**

S.N.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
01	Mr. VijayKumar Hanmant Kshirsagar	8,20,661	12.27%	N.A.	8,20,661	12.27%	N.A.	NIL
02	Mr. Nivrutti Pandurang Kedar	5,47,027	8.18%	N.A.	5,47,027	8.18%	N.A.	NIL
03	Mr. Arjun Ramji Makani	5,47,027	8.18%	N.A.	5,47,027	8.18%	N.A.	NIL
04	Mrs. Shubhangi V. Kshirsagar	5,43,738	8.13%	N.A.	5,43,738	8.13%	N.A.	NIL
05	Mrs. Surekha Nivrutti Kedar	2,70,104	4.04%	N.A.	2,70,104	4.04%	N.A.	NIL
06	Mrs. Lilaben Arjun Makani	2,70,104	4.04%	N.A.	2,70,104	4.04%	N.A.	NIL
	<b>Total</b>	<b>29,98,661</b>	<b>44..82%</b>	<b>N.A.</b>	<b>29,98,661</b>	<b>44.82%</b>	<b>N.A.</b>	<b>NIL</b>

**C) Change in Promoters' Shareholding:-**

S. No	Shareholding of each Promoter	Share Holding at the beginning of the year		Increase/Decrease in share holding			Date of Change	Cumulative Share holding during the year	
		No. of Share	% of total shares of the company	No. of Shares Decreased	No. of Shares Increased	Reason		No. of Shares	% of total Shares of the Company
NOT APPLICABLE									

**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
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**D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>As per Annexure - 8</b>		<b>As per Annexure - 8</b>	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

**E) Shareholding of Directors and Key Managerial Personnel:-**

S No	Shareholding of each Directors and each Key Managerial Personnel	Share Holding at the beginning of the year		Increase/Decrease in share holding			Date of Change	Cumulative Share holding during the year	
		No. of Share	% of total shares of the company	No. of Shares Decrease	No. of Shares Increase	Reason		No. of Shares	% of total Shares of the Company
1	Mr. VijayKumar Hanmant Kshirsagar (DIN: 00816360)	8,20,661	12.27%	N.A.	N.A.	N.A.	N.A.	8,20,661	12.27%
		<b>Total Share holding at the end of year as on 31/03/2019 – (i)</b>						<b>8,20,661</b>	<b>12.27%</b>
2	Mr. Nivrutti Pandurang Kedar (DIN: 06980548)	5,47,027	8.18%	N.A.	N.A.	N.A.	N.A.	5,47,027	8.18%
		<b>Total Share holding at the end of year as on 31/03/2019 – (ii)</b>						<b>5,47,027</b>	<b>8.18%</b>
3	Mr. Arjun Ramji	5,47,027	8.18%	N.A.	N.A.	N.A.	N.A.	5,47,027	8.18%

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	Makani (DIN: 00385450)								
		<b>Total Share holding at the end of year as on 31/03/2019 – (iii)</b>						<b>5,47,027</b>	<b>8.18%</b>
4	Mr. Shyam Sundar Dash (DIN: 07502666)	6,00,923	8.98%	N.A.	N.A.	N.A.	N.A.	6,00,923	8.98%
		<b>Total Share holding at the end of year as on 31/03/2019 – (iv)</b>						<b>6,00,923</b>	<b>8.98%</b>
		<b>Total Shareholding of Directors and Key Managerial Personnel as on 31/03/2019 = (i)+(iv)</b>						<b>25,15,638</b>	<b>37.60%</b>

**V) INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	9,88,97,612/-	3,50,000/-	0	9,92,47,612/-
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>9,88,97,612/-</b>	<b>3,50,000/-</b>	<b>0</b>	<b>9,92,47,612/-</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	8,51,36,622/-	0	0	8,51,36,622/-
* Reduction	(9,74,73,447/-)	0	0	(9,74,73,447/-)
<b>Net Change</b>	<b>(1,23,36,825/-)</b>	<b>0</b>	<b>0</b>	<b>(1,23,36,825/-)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,65,60,787/-	3,50,000/-	0	8,69,10,787/-
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>8,65,60,787/-</b>	<b>3,50,000/-</b>	<b>0</b>	<b>8,69,10,787/-</b>

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**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shyam Sundar Dash (MD)	Vijaykumar Kshirsagar (WTD)	----
1	Gross salary	24,00,000/-	6,00,000/-	30,00,000/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	N.A.	N.A.
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission - as % of profit - others, specify...	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.
	Total (A)	<b>24,00,000/-</b>	<b>6,00,000/-</b>	<b>30,00,000/-</b>
	Ceiling as per the Act	5% of net profit	5% Net Profit	10% of net Profit

**B. Remuneration to other directors:-**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Madhav Govind Ganpule	Ms. Ulka Krishna Kulkarni	Mr. Kewal Kundanlal Handa	
1	Independent Directors				
	Fee for attending board /committee meetings	24750	31500	27000	83250
	Commission	N.A.	N.A.	N.A.	N.A.
	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total (1)	24750	31500	27000	83250
2	Other Non-Executive Directors	Mr. Nivrutti Pandurang Kedar	Mr. Arjun Ramji Makani	N.A.	N.A.
	Fee for attending board committee meetings	N.A.	N.A.	N.A.	N.A.
	Commission	N.A.	N.A.	N.A.	N.A.

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	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total (2)	N.A.	N.A.	N.A.	N.A.
	Total (B)=(1+2)	24750	31500	27000	83250
	Total Managerial Remuneration	N.A.	N.A.	N.A.	83250
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD:**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS Ms. Anita Pagare	CFO Ms. Vijayeta Mudliar	Total
1	Gross salary	N.A.	29,375	4,25,129	4,54,504
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.	N.A.
	others, specify...	N.A.	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>	<b>N.A.</b>	<b>29,375</b>	<b>4,25,129</b>	<b>4,54,504</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>B. DIRECTORS</b>					



**RM Drip**  
& Sprinklers Systems Ltd.

**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
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Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

For R M DRIP AND SPRINKLERS SYSTEMS LIMITED

**MR. VIJAYKUMAR HANMANT KSHIRSAGAR**  
Chairman & Whole-Time Director  
(DIN: 00816360)

Date: 22/08/2019  
Place: Sinnar

**Registered Office:**  
Gat No. 475, Village Gonde,  
Taluka Sinnar, Nashik - 422113,  
Maharashtra, India  
Email: rmdrip.india@gmail.com/  
info@rmdrip.com  
Contact: +91 77200 94737  
Web: www.rmdrip.com



### **ANNEXURE -3**

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

*Water is considered as the most critical resource for sustainable agricultural development. However, the increasing population, and more erratic rainfall, is likely to reduce the water supply for agriculture. Therefore, time has come when Indian agriculture should appreciate the fact that water is a precious and limited resource and should be conserved and handled carefully in the most efficient manner, to minimize the dependence of agriculture on monsoon.*

*The solution lies in examining the innovative models for their contribution to higher efficiency of water usage. Micro irrigation is proved to be a one such efficient method which enables better control and monitoring of existing water which can be translated into higher water usage efficiency. Recognizing the importance of micro irrigation, the current government manifesto has talked about Har Khet Ko Pani. However, in spite of the sustained efforts made by central and state governments, the extent of success in adoption of Micro irrigation by farmers needs a review.*

#### **MICRO IRRIGATION - A RELIEF FOR DROUGHT PRONE AREAS:**

Indian agriculture which is heavily dependent on monsoon as source of water for agricultural activities, crumbles under the situation where there is shortage or failure of monsoon in that particular year. This results in farmers distress and below average crop yields. Particularly in the drought prone areas/ parts of Maharashtra, Karnataka, Andhra Pradesh, Odisha, Gujarat, Madhya Pradesh, and Rajasthan among others there is a visible impact. It may be noted that states like Maharashtra, Rajasthan, Gujarat, Haryana, Bihar, Karnataka and Andhra Pradesh are among the leading states having high potential for Micro Irrigation in India. Hence, Micro irrigation can not only save water, however this technology can come as a major relief for drought prone areas of the country with proper planning and implementation.

#### **COMPANY PROFILE:**

R M Drip and Sprinklers Systems Limited designs and manufactures world class micro irrigation equipments within its factory. The company also assists the farmers in designing and installation of its Sprinkler and Drip Irrigations systems accordingly to their needs. The dealer network expands from Maharashtra, Madhya Pradesh, Gujarat, Karnataka and extended its market to Uttar Pradesh, Bihar and Jharkhand with "Greaves Cotton Ltd." a renowned Agri base company.

R M Drip and Sprinklers Systems Limited believe on the principle "Quality comes from within". Considering this as motive, employees of the company are trained and accustomed to work strategically to improve the quality and maintain the standards. Company's world-class testing laboratories help to improve quality by timely analysis and quick implementation of its results.

**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
**(Erstwhile known as RM DRIP AND SPRINKLERS SYSTEMS PVT LTD)**  
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The laboratory is well equipped for analyzing the various critical parameters of the product. Company's Quality Assurance department works hand in hand with the manufacturing team to achieve zero defects in the goods dispatched from the factory. The company aims to achieve zero defects in every consignment it ships from its premises. Like no one else, RM Drip delivers on leading product brands, large scale operations, and global distribution to the irrigation industry and growing worldwide. The RM Drip approach combines the industry's leading irrigation products with the right people.

**OUTLOOK ON IRRIGATION SECTOR:**

Irrigation in India promises a great scope for growth. Areas with no irrigation facilities are totally dependent on unpredictable monsoons. Above all parameters promise a great potential for irrigation facilities. Proper irrigation facilities will provide food security, minimise dependence on monsoons, improves agricultural output and create rural job opportunities. Irrigation is the largest consumer of water in the country.

India's population is rapidly increasing so there is a need for the production to increase at a fast clip in order to meet the ever growing demand created with this population increase. Given this fact that land and water are limited resources, this would require an improvement in the productivity of crops. With the need to increase productivity while saving water, micro irrigation will play a key role for the future of Indian Agriculture.

**OPPORTUNITIES:**

With usage of micro irrigation systems, conveyance loss is minimal. Micro irrigation provides significantly higher water usage efficiency due to proximity and focused application. Efficient water use leads to additional benefits such as increase in the area under irrigation as well as more usage of marginal/unirrigated or cultivable land.

The company envisaged satisfactory growth over previous years. Government is providing various subsidies under Pradhan Mantri Krishi Vikas Yojna for Micro Irrigation all over the country. Due to over 1 decade experience in manufacturing, the Customers are also growing rapidly. We have always maintained high quality standard and also make a good track record, at the same time, there is intense price pressure from the competitors and international financial crisis.

**THREATS AND KEY RISKS:**

Withdrawal of subsidies for micro irrigation is a key risk that could impact the growth of the Company. Poor monsoon, seasonality and cyclical nature of agriculture could impact the Company by hitting the purchasing power of the farming community.

Micro Irrigation Industry has threats such as uneven distribution of rainfall, competition from unorganized sector, government policies and a constant fluctuation in raw material prices.

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**INITIATIVES:**

The initiatives are being taken by the Company for improving the product quality, adoption of advanced technologies and reduction of costs at appropriate level and thereby to supply the world class products to the Indian Farming Community to maximize the Farming Productivity and Farm produce marketability. New machineries were installed to provide better result and to cope up with changing requirement of the industry. The employees at all levels are being made aware of the changing conditions and the challenges of the open market conditions and to train the personnel to tackle the difficult situations which will improve the overall technology, productivity, quality and profitability. Also initiatives were taken by company to directly connect with farmers and also providing them quality services and requisite knowledge.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Significant financial highlights in FY 2018-19 are as follows:-

**a) Revenue from Operation**

During the fiscal 2018-19, the company has Revenue from Operations of Rs. 22.29 Crores as compared to the previous year's figure of Rs. 42.63 Crores.

**b) Profit Before Tax (PBT)**

During the fiscal 2018-19, the company has a loss of Rs. 5.42 Crores as compared to the previous year's profit of Rs. 2.27 Crores.

**c) Profit After Tax (PAT)**

During the fiscal 2018-19, the company has reported a loss of Rs. 5.44 Crores as compared to the previous year's figure of Rs. 1.57 Crores.

During the F.Y. 2018-2019, your Company has registered a loss of Rs. 5.42 Crore due to the following reasons:

- During the major part of F.Y. 2018-2019, Government portals were closed in the State of Maharashtra, Karnataka, Madhya Pradesh and Gujarat, as a result the sales in all these four states was substantially reduced leading to lessen the turnover of the company in aggregate, kindly note that this particular issue of closing of Government portal was faced by all the corporate falling under our sector .

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- ✚ During the F.Y. 2018-2019, company has changed bankers and switched loans from TJSB to SBI, the process has costs dearly affecting the cash flow of the company.
- ✚ During the F.Y. 2018-2019, government subsidies were released lately by approx 9 to 12 months that has affected cash flow as simultaneously causing to pay heavy interest on credit facilities and loans obtained from banks.
- ✚ Some of orders received during financial year 2018-2019 got modified / changed, as a result material and stocks invested in such orders had to be scrapped & granulated leading to drop in sales during the year.
- ✚ During this year, company has taken steps for expansion of activities in states of Uttar Pradesh, Bihar and Jharkhand, necessitated recruitment of additional staff and other incremental expenses for new branches/extensions on administrative and infrastructural work and causing frequent travelling and Government deposits.

Due to various corrective measures, your Company will surely register a growth and bring its business in profits during the current financial year.

**INTERNAL CONTROL SYSTEM:**

The Company has a proper and adequate system of internal controls, to ensure the safeguarding of assets and their usage, maintenance of proper records, adequacy and reliability of operational information. The internal control is supplemented by an extensive audit by internal and external audit teams and periodic review by the top management, Audit Committee and Board of Directors.

**HUMAN RESOURCES:**

In a competitive economy, the proper utilization of human resources plays a crucial role. It begins with best practices in recruiting people and moves through learning and development, engagement, employee feedback and rewards and recognition. Towards this, your Company took various initiatives and has maintained healthy and harmonious industrial relations at all levels. The dedication and hard work of productive and dynamic goal oriented team is the key factor to the success of your Company. We believe that hiring the right personnel and proper retaining is key to this success. To keep the Company and its human resource competitive, we organized various training programs and experts were engaged to train the employees at various levels. This active process of learning has allowed employees to enhance their competence and motivation.

**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
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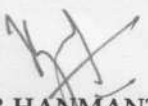
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**FUTURE PLAN:**

As we are into Subsidy business where working capital gets stuck for a long time, looking at that the cash business is planned to have healthy financial condition of the Company:

- ✦ PVC Pipes manufacturing facility for commercial selling.
- ✦ Manufacturing all the traded items in house.
- ✦ Product expansion - BIS 4984 is added in the product basket.
- ✦ Planning to expand in the State of Telangana & State of Chhattisgarh
- ✦ Planning to manufacture Rain pipe and low cost Drip Line

By Order of Board,  
For R M DRIP AND SPRINKLERS SYSTEMS LIMITED



**MR. VIJAYKUMAR HANMANT KSHIRSAGAR**  
Chairman & Whole-Time Director  
(DIN: 00816360)

Date: 22/08/2019  
Place: Sinnar

**Registered Office:**  
Gat No. 475, Village Gonde,  
Taluka Sinnar, Nashik - 422113,  
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rmdrip@gmail.com/info@rmdrip.com  
Contact: +91 77200 94737  
Web: www.rmdrip.com

**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
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**ANNEXURE 4 - TO THE BOARD'S REPORT**

**DISCLOSURE ON THE REMUNERATION OF THE MANAGERIAL PERSONNEL**

Pursuant to section 197(12) of The Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014, the details are as follows:

a. The ratio of the remuneration of each director to the median remuneration of the employee of the Company for the Financial year:-

Sr. No.	Name of Director / KMP	Remuneration of Director/ KMP for FY: 2018-2019 ( Figures in Rs )	% increase in the remuneration for FY: 2018-2019	Ratio of Remuneration of each Director/to median remuneration of Employee
1	Mr. Shyam Sundar Dash	24,00,000	Nil	7.14 : 1
2	Mr. Vijay Kumar Hanmant Kshirsagar	6,00,000	Nil	1.79 : 1
3	Mr. Nivrutti Pandurang Kedar	Nil	Nil	Nil
4	Mr. Arjun Ramji Makani	Nil	Nil	Nil
5	Ms. Anita Vasant Pagare	29,375	Nil	0.09 : 1
6	Ms. Vijayeta Mudliar	4,25,129	Nil	1.33 : 1

b. The percentage increase in remuneration of each Director, managing Director, Chief Financial Officer, and the Company Secretary in the Financial Year: Nil

c. The percentage increase in the median remuneration of employee in the Financial Year: Nil

d. The number of permanent employee on the rolls of the Company as on March 31, 2019: 48 Nos. (Inclusive of KMP)

e. Comparison of the remuneration of the KMP's against the performance of the Company for Financial Year 2018-2019:

During the year under review there was decline in revenue from operations of the company.

No change was effected in the remuneration paid to Managing director and key Managerial personnel. While remuneration paid to Mr. Vijaykumar Hanmant Kshirsagar was lessened in compare to last year.

**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
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There is no change in remuneration given to KMP's of the company i.e. Ms. Vijayeta Mudliar, Chief Financial Officer and Ms. Anita Vasant Pagare, Company Secretary of the Company.

f. Variations in the market capitalization of the Company, Price Earning Ratio as at the closing date of the current financial year and previous financial year is as follows:

Price earning ratio during the year 2017-2018 = 2.77

Price earning ratio during the year 2018-2019 = (8.98)

g. Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer:

Company came with IPO at the price of Rs. 57/- (with premium) in year 2017.

As on 29/08/2019 the price is Rs. 15.50/- (as quoted on NSE SME Emerge platform)

So, there is decrease in the share price of the Company by 0.73%

h. Comparison of remuneration of the KMP against the performance of the Company: (Amount in Rs.)

Particulars	Mr. Shyam Sundar Dash	Mr. Vijay Kumar Hanmant Kshirsagar	Mr. Nivrutti Pandurang Kedar	Mr. Arjun Ramji Makani
Remuneration in FY- 2018-19	Rs. 24,00,000/-	Rs. 6,00,000/-	NA	NA
Revenue	Rs 23,12,94,126/-	Rs 23,12,94,126/-	NA	NA
Remuneration as % of revenue	1.0376%	0.2594%	NA	NA

i. The ratio of the remuneration of the highest paid director to that of the employee who are not director but receive remuneration in excess of the highest paid director during the year: 0.62:1

j. Key parameters for any variable component of remuneration availed by the directors: Remuneration to the Directors is as per the policy of the Company and as approved by Nomination and remuneration committee of the company.

k. The Company affirms remuneration is as per the remuneration policy of the Company.


L. Information of employee drawing remuneration of Rs. 1.02 Crs per annum or Rs. 8.50 Lakhs per month for part of the year or more pursuant to Rule 5(2) of Chapter XII, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 : Nil



**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
**(Erstwhile known as RM DRIP AND SPRINKLERS SYSTEMS PVT LTD)**  
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By Order of Board,  
For R M DRIP AND SPRINKLERS SYSTEMS LIMITED

  
**MR. VIJAYKUMAR HANMANT KSHIRSAGAR**  
Chairman & Whole-Time Director  
(DIN: 00816360)

Date: 22/08/2019  
Place: Sinnar



**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
**(Erstwhile known as RM DRIP AND SPRINKLERS SYSTEMS PVT LTD)**  
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**Annexure - 5**  
**Form No. AOC-2**

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis - Not Applicable**

Sr. no.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date (s) of approval by the Board	Amount paid as advances	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
**(Erstwhile known as RM DRIP AND SPRINKLERS SYSTEMS PVT LTD)**  
**Annual Report F.Y. 2018-2019**

**2. Details of material contracts or arrangement or transactions at arm's length basis**

Sr. no.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board	Amount paid as advances
1.	Mr. Arjun Ramji Makani	Director	Professional Fees	During Last Year 2018-2019	Rs. 2,70,000/- p.a.	30.04.2018 Refer Note -1	Nil
2	Mr. Nivrutti Pandurang Kedar	Director	Professional Fees	During Last Year 2018-2019	Rs. 3,00,000/- p.a.	30.04.2018 Refer Note -1	Nil
3	Greaves Cotton Limited	Mr. Kewal Handa, Independent Director of the Company is also Independent Director in Greaves Cotton Limited	Purchases	2 years subject to renewal from 14th December, 2017	Rs. 10,65,550/- p.a.	30.04.2018 Refer Note -1	Nil
4	Greaves Cotton Limited	Mr. Kewal Handa,	Commission Expenses	2 years subject to	Rs. 8,68,778/- p.a.	30.04.2018 Refer Note -1	Nil



**RM Drip**  
SPECIALTY SPRINKLER SYSTEMS LTD.

**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
(Firstwhile known as RM DRIP AND SPRINKLERS SYSTEMS PVT LTD)  
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	Independent Director of the Company is also Independent Director in Greaves Cotton Limited		renewal from 14th December, 2017			
--	--------------------------------------------------------------------------------------------	--	----------------------------------	--	--	--

- Note 1: - The company has obtained omnibus approval of audit committee in their meeting held on 30th April 2018. The board of directors has accorded consent to said related party transaction in their meeting held on 30th April, 2018 as per recommendation of audit committee.

For R M DRIP AND SPRINKLERS SYSTEMS LIMITED

  
MR. VIJAY KUMAR HANMANT KSHIRSAGAR  
Chairman & Whole-Time Director  
(DIN: 00816360)

Date: 22/08/2019  
Place: Sinnar

**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
**(Erstwhile known as RM DRIP AND SPRINKLERS SYSTEMS PVT LTD)**  
**Annual Report F.Y. 2018-2019**

**ANNEXURE-6**

**CEO & CFO COMPLIANCE CERTIFICATE**

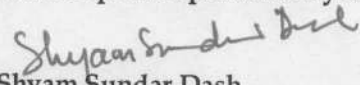
**(Pursuant to Regulation 17 (8) of Listing Obligation and Disclosure Regulation)**


To,  
The Board of Directors,  
R M Drip and Sprinklers Systems Limited

We, Mr. Shyam Sundar Dash, Managing Director and Mrs. Vijayeta Ravichandran Mudliar, Chief Financial Officer (CFO) of the R M Drip and Sprinklers Systems Limited, to the best of our knowledge and belief, certify that:

- a. We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2019 and to the best of our knowledge and belief ;
  - i. These Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These Financial Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2019 are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee wherever applicable,
  - i. That there is no significant change in internal control over financial reporting during the year under reference;
  - ii. There is no significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. There is no significant fraud of which we have become aware and that the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For, R M Drip and Sprinklers Systems Limited

  
**Mr. Shyam Sundar Dash**  
Managing Director  
Date: 28<sup>th</sup>, May 2019  
Place: Sinnar

  
**Mrs. Vijayeta Ravichandran Mudliar**  
Chief Financial Officer



# 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



**RM Drip**  
& Sprinkler Systems Ltd.

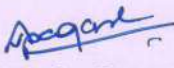
## R M DRIP AND SPRINKLERS SYSTEMS LIMITED

### ANNUAL REPORT ON SEXUAL HARASSMENT POLICY

#### Complaints Status for the period 01/04/2018 To 31/03/2019

Total Complaints Received	0
Total Resolved Complaints	0
Total Pending Complaints	0
Total Complaints Withdrawn	0

FOR R M DRIP AND SPRINKLERS SYSTEMS LIMITED

  
CS Anita Pagare  
Presiding Officer



ANNEXURE - 8					
UNIT :	R M DRIP & SPRINKLERS SYSTEMS LTD				
(NSDL-CDSL-Physical)	List of Top 10 Share Holders	AS ON DATE :	30/03/2019		
Sr.No	Category	FolioNo/ClientID	Shareholder's Name	Shares	Percentage Capital
1	PUBLIC	IN30302853024853	BRAJA GOPAL PAL	122000	1.8236
2	PUBLIC	1207170000026276	YASH MANISH MEHTA	56000	0.8371
3	PUBLIC	IN30018312000674	CHANDRESH JASVANTLAL PAREKH	50000	0.7474
4	PUBLIC	IN30051313632987	BHARTI VIJAY KATARIA	48000	0.7175
5	PUBLIC	IN30302867193565	MAYANK SINHA	44000	0.6577
6	PUBLIC	1207170000008227	ARVIND SHANTILAL SHAH	32000	0.4783
7	PUBLIC	1304140001604207	KUNAL HARESH MEHTA	28000	0.4185
8	PUBLIC	IN30302861234014	SHIVANGI SINHA	26000	0.3886
9	PUBLIC	IN30021420089383	RESHMA B SEQUEIRA	26000	0.3886
10	PUBLIC	IN30018311400185	AMITABH SINGH	24000	0.3587
			TOTAL	456000	6.8161





## 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

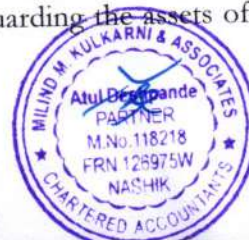
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we 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
<b>Revenue Recognition: Accounting for Sales.</b>		
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 &amp; 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"> <li>• Testing of the design and implementation of controls involved for determination of revenue from sales as well as their operating effectiveness.</li> <li>• Testing some sample of sales for appropriate identification of performance obligation.</li> <li>• Testing related information used in recording and disclosing the revenue in accordance with the Accounting Standard.</li> <li>• Obtaining the external confirmation for sample transaction selected and industry practice in the region.</li> <li>• Verifying Inventory records for confirming exclusion of sold stock from the total value of stock.</li> </ul>

### 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.

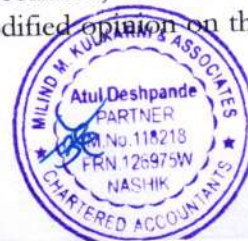
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 31<sup>st</sup> 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.

for Milind M Kulkarni & Associates  
Chartered Accountants  
FRN 126975W

  
CA Atul Deshpande  
Partner

Membership No: 118218



Place: Nashik

Date : July 17, 2019



## 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 31<sup>st</sup> 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 31<sup>st</sup> 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
<b>I Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share capital	2	6,69,00,000	6,69,00,000
Reserves & surplus	3	4,04,65,700	9,48,77,666
<b>Non-Current Liabilities</b>			
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
<b>Current Liabilities</b>			
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
<b>Total</b>		<b>26,94,25,608</b>	<b>32,46,10,945</b>
<b>II Assets</b>			
<b>Non-Current Assets</b>			
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
<b>Current Assets</b>			
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
<b>Total</b>		<b>26,94,25,608</b>	<b>32,46,10,945</b>

See accompanying notes to the Financial Statements

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

30/06/2019  
CA Atul Deshpande

Partner  
Membership No: 118218



for and on behalf of the board of directors

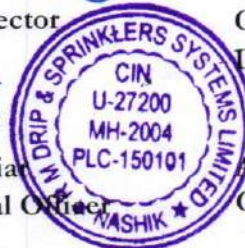
Shyam Sundar Dash

Shyam Sundar Dash  
Managing Director  
DIN : 816360

Vijaykumar Kshirsagar

Vijaykumar Kshirsagar  
Chairman  
DIN : 7502666

Vijayeta Mudliar  
Chief Financial Officer



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
<b>Revenues</b>			
Revenues from operations	20	22,29,09,257	42,63,44,229
Other income	21	83,84,869	26,63,780
<b>Total Revenues</b>		<b>23,12,94,126</b>	<b>42,90,08,009</b>
<b>Expenses:</b>			
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
<b>Total Expenses</b>		<b>28,55,35,490</b>	<b>40,62,84,212</b>
<b>(Loss)/Profit before tax</b>		<b>(5,42,41,364)</b>	<b>2,27,23,797</b>
Tax expenses			
Current tax		-	78,50,000
Deferred tax expenses / (surplus)		1,70,601	(8,02,841)
<b>(Loss)/Profit for the period</b>		<b>(5,44,11,965)</b>	<b>1,56,76,638</b>
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

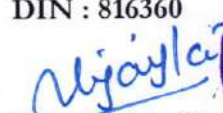
for and on behalf of the board of directors

  
Shyam Sundar Dash

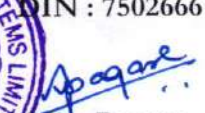
  
Vijaykumar  
Kshirsagar

Managing Director  
DIN : 816360

Chairman  
DIN : 7502666

  
Vijayeta Mudliar  
Chief Financial Officer



  
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
<b>Cash Flow from Operating Activities</b>		
(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)
<b>Operating (Loss)/Profit Before Working Capital Changes</b>	(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)
<b>Cash generated from Operations</b>	2,08,18,228	(5,45,72,386)
Income Tax Paid	(52,87,365)	(1,20,63,657)
<b>Net cash from Operating activities (A)</b>	<b>1,55,30,863</b>	<b>(6,66,36,043)</b>
<b>Cash Flow from Investing Activities</b>		
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
<b>Net cash from Investing activities (B)</b>	<b>11,88,993</b>	<b>(1,39,98,092)</b>




**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
<b>Cash Flow from Financing Activities</b>		
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)
<b>Net Cash From Financing activities (C)</b>	<b>(2,35,88,777)</b>	<b>7,52,62,348</b>
<b>Net Increase in Cash and Cash equivalents (A+B+C)</b>	<b>(68,68,921)</b>	<b>(35,70,537)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>1,24,38,657</b>	<b>1,60,09,194</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>55,69,736</b>	<b>1,24,38,657</b>

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

  
Vijaykumar  
Kshirsagar  
Director  
DIN : 7502666

  
Vijayeta  
Mudliar  
Chief Financial  
Officer

  
Anita Pagare

Company  
Secretary



Place : Nashik  
Date :- July 17, 2019

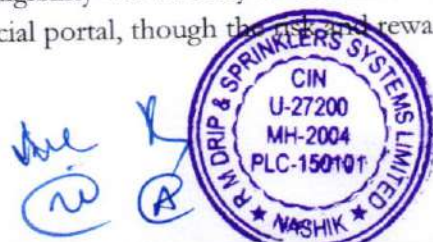
Place:- Nashik  
Date :- May 28, 2019



**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.
- Raw materials, stores, spares on FIFO basis.
  - Finished Products – on raw material cost plus conversion cost
  - 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
- 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.
  - 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





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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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### Defined Benefit Plan

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.

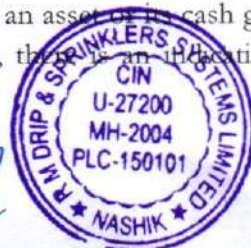
1) **Earnings Per Share:** - Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share 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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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**  
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Notes attached to and forming part of Financial Statements  
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**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
<b>Equity Shares</b>		
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**  
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G) Terms and details of shares reserved for issue under options and contracts/commitments - Nil

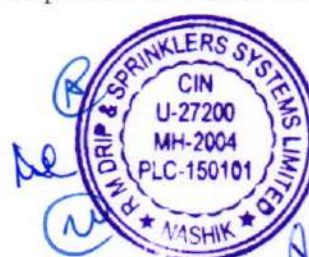
H) Details of ordinary equity shares issued in immediately preceding five years as on the date of Balance

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
<b>Securities Premium</b>		
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	<b>7,76,07,043</b>	<b>7,76,07,043</b>
<b>Surplus in Statement of Profit and Loss</b>		
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	<b>(3,71,41,343)</b>	<b>1,72,70,623</b>
Total Reserves and Surplus at the end of the year	<b>4,04,65,700</b>	<b>9,48,77,666</b>

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  
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**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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**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**  
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**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

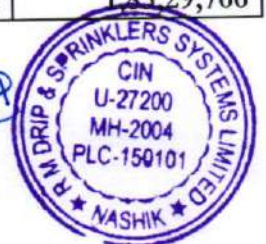
for the year ended 31st March, 2019

## 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**  
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 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	Adjust- ment	2018-19	Written Back	31.09.2019	31.03.2018
	<b>Tangible Assets</b>										
1	Land	63,76,914	-	-	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	-	91,45,351	95,64,491
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	5,86,99,391
4	Electrical Installations	58,13,251	1,51,022	-	59,64,274	32,05,207	-	7,05,534	-	39,10,740	26,08,045
5	Furniture	10,33,354	-	-	10,33,354	3,11,458	-	1,85,749	-	4,97,208	7,21,896
6	Office Equipments	8,81,123	3,20,951	-	12,02,074	5,42,793	-	2,59,255	-	8,02,047	3,38,331
7	Computers	10,37,353	2,38,937	-	12,76,290	5,85,156	-	3,52,897	-	9,38,053	4,52,197
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	28,52,966
	<b>Sub-Total</b>	<b>11,59,26,278</b>	<b>59,78,107</b>	<b>-</b>	<b>12,19,04,385</b>	<b>3,43,11,747</b>	<b>-</b>	<b>1,46,69,200</b>	<b>-</b>	<b>4,89,80,946</b>	<b>8,16,14,532</b>
	<b>Intangible Assets</b>										
1	Tally Software	43,200	-	-	43,200	35,579	-	4,813	-	40,392	7,621
2	Website	74,787	-	-	74,787	43,387	-	19,832	-	63,219	31,400
	<b>Sub-Total</b>	<b>1,17,987</b>	<b>-</b>	<b>-</b>	<b>1,17,987</b>	<b>78,966</b>	<b>-</b>	<b>24,645</b>	<b>-</b>	<b>1,03,612</b>	<b>39,021</b>
	<b>Capital WIP</b>										
1	Trade Mark WIP	1,45,000	65,000	-	2,10,000	-	-	-	-	2,10,000	1,45,000
2	SAP Software	7,16,520	8,63,187	-	15,79,707	-	-	-	-	15,79,707	7,16,520
	<b>Sub-Total</b>	<b>8,61,520</b>	<b>9,28,187</b>	<b>-</b>	<b>17,89,707</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,89,707</b>	<b>8,61,520</b>
	<b>Total</b>	<b>11,69,05,785</b>	<b>69,06,294</b>	<b>-</b>	<b>12,38,12,079</b>	<b>3,43,90,713</b>	<b>-</b>	<b>1,46,93,845</b>	<b>-</b>	<b>4,90,84,558</b>	<b>8,25,15,072</b>
	<b>Previous Year</b>	<b>10,20,60,385</b>	<b>1,67,791,760</b>	<b>19,16,358</b>	<b>11,69,05,785</b>	<b>1,88,54,576</b>	<b>14,780</b>	<b>1,55,21,357</b>	<b>-</b>	<b>8,25,15,072</b>	<b>8,31,75,809</b>





**R M Drip and Sprinklers Systems Limited**  
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**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/-



**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

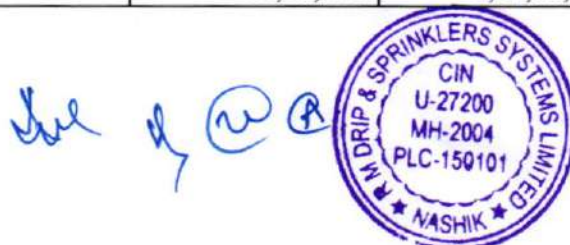
16.1 As part of its receivable collection policy, the management has preferred legal action against debtors amounting to Rs.31,61,981 (PY Rs. 32,53,743). On initiation of legal action these debtors are classified as doubtful. However based on the terms of contract with these debtors as well as their 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





**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

**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 receiveble.

**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**  
(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

**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



*See p @ A*



**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

**23 Changes in inventories**

Particulars	As on 31-03-2019	As on 31-03-2018
<b>A) Finished Goods</b>		
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 <span style="float: right;">Total (A)</span>	1,77,51,662	(42,198)
<b>B) Work-in-Progress</b>		
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 <span style="float: right;">Total (B)</span>	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
<b>A) Labour</b>		
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
<span style="float: right;">Total (A)</span>	28,30,574	29,28,673
<b>B) Staff</b>		
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
<span style="float: right;">Total (B)</span>	2,02,49,946	1,74,58,034
<b>C) Directors' Remuneration</b>	30,00,000	42,00,000
<b>D) Gratuity Expenses (Refer note 24.1)</b>	4,11,909	7,88,406
<b>Total Employee Benefit Expenses (A+B+C+D)</b>	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
<b>Key Managerial Personnel</b>		
<b>Managerial Remuneration</b>		
Shyam Sundar Dash	24,00,000	24,00,000
Vijaykumar Kshirsagar	6,00,000	12,00,000
<b>Unsecured Loan Repaid</b>		
Vijaykumar Kshirsagar	-	20,27,000
Shyam Sundar Dash	-	40,00,000
<b>Interest on Unsecured Loan</b>		
Vijaykumar Kshirsagar	-	15,845
Shyam Sundar Dash	-	27,616
<b>Emoluments</b>		
Chief Financial Officer	4,25,129	-
Company Secretary	29,375	1,56,098



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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

Particulars	As on 31-03-2019	As on 31-03-2018
<b>Shareholders</b>		
<b>Unsecured Loan Repaid</b>		
SV Kshirsagar		
Surekha Kedar	-	2,00,000
<b>Interest on Unsecured Loan</b>		
Surekha Kedar	-	22,636
Vinod Makani	-	18,863
<b>Consultancy Charges</b>		
SV Kshirsagar	-	1,50,000
<b>Other Related Parties</b>		
Sitting fees- Independent Directors	92,500	-
Professional fees- Non Executive Directors	12,00,000	-
<b>Consultancy Charges</b>		
Bhairavi Kshirsagar	1,50,000	1,50,000
<b>Purchases</b>		
Greaves Cotton Limited	10,65,550	-
<b>Commission Expenses</b>		
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
<b>Net (Loss)/Profit (considering extra ordinary items, if any)</b>	(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
<b>Basic and Diluted Earning Per share</b>	(8.13)	2.77
<b>Restated Earning Per share</b>		
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



  
Anita 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)	1,21,05,315	1,46,93,845		(1,78,269)	(42,82,706)	(11,30,773)	-	(49,113)	(11,79,886)
Share Issue Expenses	94,400	63,300	-		(63,300)	31,100	26,007	-	(17,439)	8,568
Gratuity	12,57,031	-	(3,77,674)		(3,77,674)	8,79,357	3,46,312	-	(1,04,049)	2,42,263
<b>Grand Total</b>	<b>(27,53,006)</b>	<b>1,21,68,615</b>	<b>1,43,16,171</b>	<b>-</b>	<b>(6,19,243)</b>	<b>(33,72,249)</b>	<b>(7,58,454)</b>	<b>-</b>	<b>(1,70,601)</b>	<b>(9,29,055)</b>



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**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
(Erstwhile known as RM DRIP AND SPRINKLERS SYSTEMS PVT LTD)  
Annual Report F.Y. 2018-2019

**ATTENDANCE SLIP**

(to be presented at the entrance)

**15<sup>TH</sup> ANNUAL GENERAL MEETING**

**ON TUESDAY, 24<sup>TH</sup> DAY OF SEPTEMBER, 2019 AT 12.00 Noon**

At Gat No. 475, Village Gonde, Taluka Sinnar, Nashik - 422113, Maharashtra, India

<b>Registered Folio OR DP ID &amp; Client ID ( For holders holding shares in DEMAT/ Electronic Form)</b>	
<b>Name and Address of the Shareholder(s)</b>  <b>Joint Holder 1</b>  <b>Joint Holder 2</b>	
<p>I certify that , I am /We are registered shareholder/ proxy for registered shareholder of the company and hereby record my/our presence at the 15th Annual General Meeting of the Company held at <b>Gat No. 475, Village Gonde, Taluka Sinnar, Nashik - 422113, Maharashtra, India</b>, on Tuesday, the 24<sup>th</sup> Day of September, 2019 at 12.00 Noon</p> <p>Member's/Proxy's Signature:_____</p> <p>Name of proxy :-</p> <p><b>Note:</b></p> <p>1. Please fill in the Folio/DP ID/Client ID No., Name and Sign this Attendance Slip and hand over at the Attendance Verification Counter at the Entrance of the Meeting Hall.</p> <p>2. Members signature should be in accordance with the specimen signature in the Register of Members of the Company.</p>	





**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
**(Erstwhile known as RM DRIP AND SPRINKLERS SYSTEMS PVT LTD)**  
**Annual Report F.Y. 2018-2019**

**Form No. MGT-11**

**Proxy form**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN	L27200MH2004PLC150101
Name of Company	R M DRIP AND SPRINKLERS SYSTEMS LIMITED
Registered office	Gat No. 475, Village Gonde, Taluka Sinnar, Nashik - 422113, Maharashtra, India

Name of Member(s)	
Residential Address/ Registered Address	
E-mail Id	
Folio No / Client Id	
DP ID	

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1.

NAME	
Address	
E-mail Id	
Signature	

or failing him /her ,

2.

NAME	
Address	
E-mail Id	
Signature	



**R M DRIP AND SPRINKLERS SYSTEMS LIMITED**  
**(Erstwhile known as RM DRIP AND SPRINKLERS SYSTEMS PVT LTD)**  
**Annual Report F.Y. 2018-2019**

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as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15<sup>th</sup> Annual General Meeting/ ~~Extraordinary general meeting~~ of the company, to be held on the **Tuesday, 24<sup>th</sup> Day of September, 2019 at 12.00 Noon at Gat No. 475, Village Gonde, Taluka Sinnar, Nashik - 422113, Maharashtra, India** and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary business  
Resolutions :-**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31st March 2019 and the Reports of the Board of Directors and the Auditors' thereon.
2. To re-appoint Directors in place of Mr. Arjun Ramji Makani (DIN: 00385450) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

**Signed this:-** -----  
(DD/MM/YYYY)

Signature of Shareholder .....

Signature of Proxy holder(s).....

Affix  
Revenue  
Stamp of  
Rs. 1/-

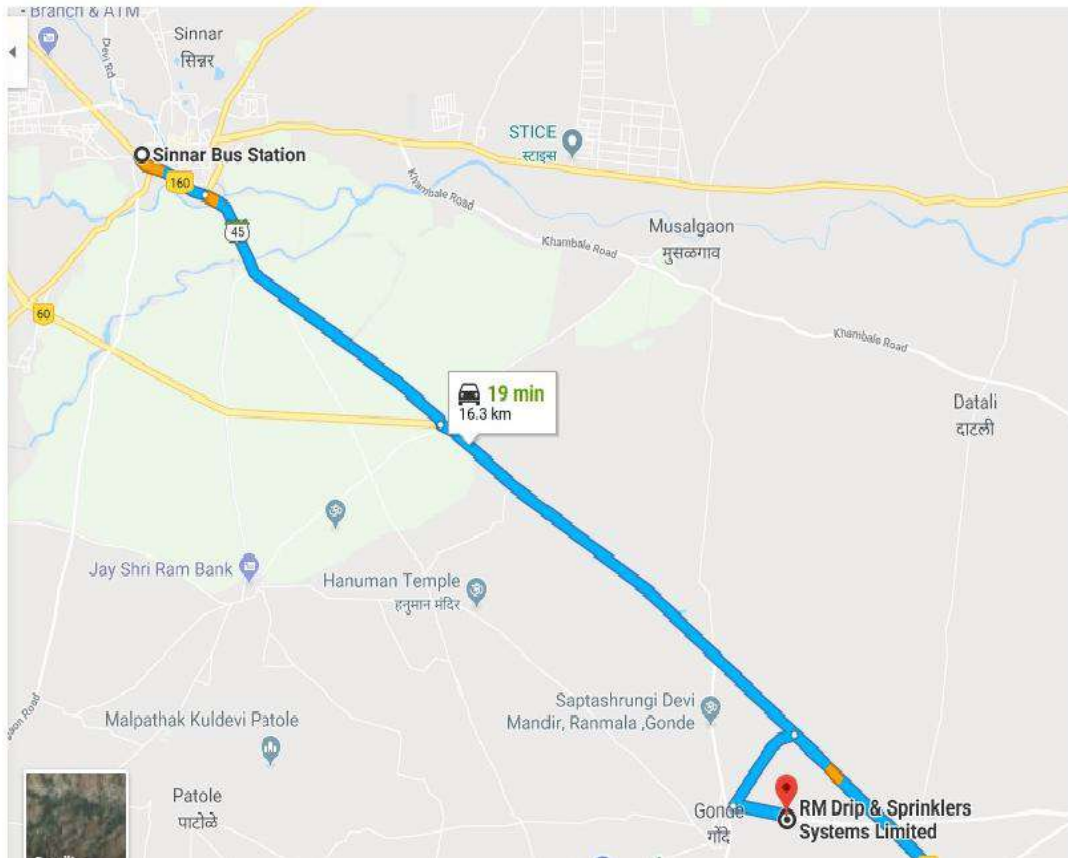
**Note:**

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such shall not act as proxy for any other person or shareholder.
3. Appointing a proxy does not prevent a member from attending the meeting in person, if he so wishes.

**ROUTE MAP OF AGM VENUE & CONTACT INFORMATION**



**R M Drip & Sprinklers Systems Ltd.**  
Address Map of Registered office



Landmark :- Malwadi Road.



**ROUTE MAP OF AGM VENUE & CONTACT INFORMATION**

**Registered Office:**

Gat No. 475, Village Gonde,  
Taluka Sinnar, Nashik - 422113,  
Maharashtra, India

**Contact:** +91 77200 94737

**Email:**

rmdrip.india@gmail.com/  
info@rmdrip.com

**Web:** [www.rmdrip.com](http://www.rmdrip.com)