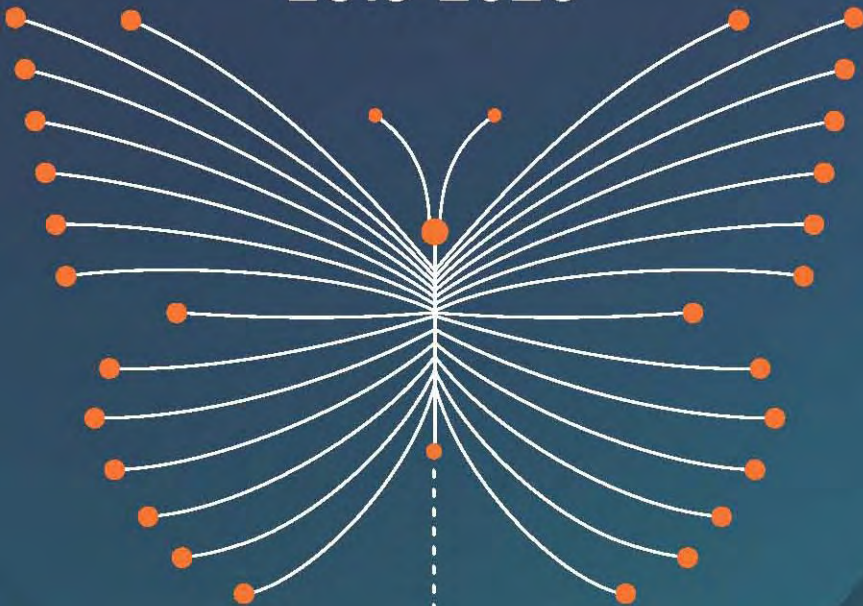
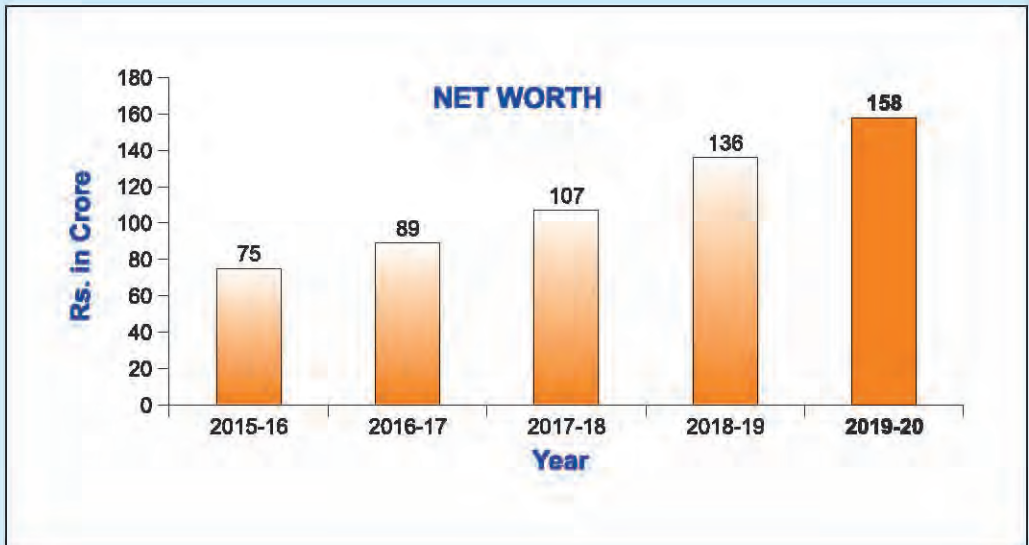
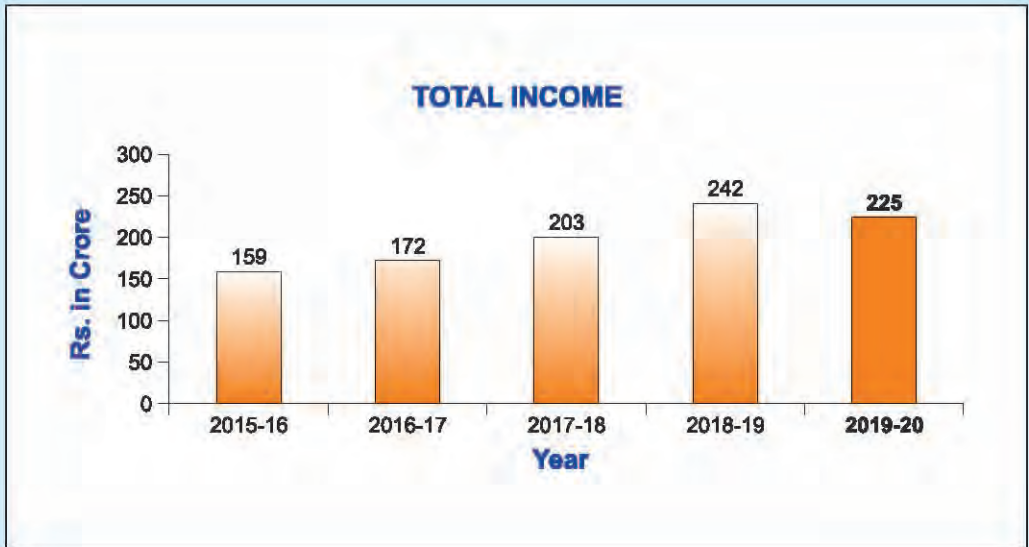


28<sup>th</sup> Annual Report  
2019-2020



**ROOTS MULTICLEAN LTD**



Note: The above data is based on standalone financial statements.

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**Statutory Auditors**

M/s Subramaniam Vasudev & Co.  
Chartered Accountants, Salem  
(Firm No. 004110S)

**Cost Auditors**

M/s Ramakrishnan & Co.  
Cost Accountants, Coimbatore  
(Firm No. 100285)

**Bankers**

Indian Overseas Bank  
State Bank of India  
Citi Bank N.A.  
The Hongkong and Shanghai  
Banking Corporation Ltd  
HDFC Bank Ltd  
ICICI Bank Ltd

**Company's Registrar and Share Transfer Agents**

M/s S.K.D.C. Consultants Limited  
Registrar and Share Transfer Agents  
Post Box No.2016, Kanapathy Towers  
3<sup>rd</sup> Floor, 1391/A1, Sathy Road  
Ganapathy Post, Coimbatore – 641 006  
Telephone: +91 0422-4958995, 2539835  
Email: info@skdc-consultants.com  
Web: www.skdc-consultants.com

**Board of Directors**

Sri K Ramasamy (DIN 00034360)  
(Executive Chairman)  
Sri R Varun Karthikeyan (DIN 00585158)  
(Managing Director)  
Sri A Kasilingam (DIN 00912883) (w.e.f. 1.7.2020)  
(Director – Engineering)  
Sri P T Kuppuswamy (DIN 00032309)  
Dr M P Vijayakumar (DIN 05103089)  
Smt R K Umaadhevi (DIN 01067950)  
Sri K Ravi (DIN 01590268)  
Sri Preben Laustsen (DIN 06554783)  
Dr S Chandrasekar (DIN 01773256)  
Sri V M Rajashekar (DIN 08208467)  
Sri Frank Ulbricht (DIN 08258166)  
Sri S T Velu (DIN 00054195)  
(Upto 31.3.2020)

**Company Secretary**

Sri G Balasubramaniam (FCS 9699)

**Registered Office**

R.K.G. Industrial Estate  
Ganapathy, Coimbatore – 641 006. India  
Phone : +91 422 4330330 Fax: +91 422 2332107  
Email : gbala@roots.co.in  
Web : www.rootsmulticlean.com

**Factories****Main Unit**

Mettupalayam Post, Kovilpalayam  
Kinathukadavu Taluk – 642 110

**Ezeclean Division**

Sanganoor Road  
Ganapathy, Coimbatore – 641 006

**Flipper Division**

Mettupalayam Post  
Kinathukadavu Taluk – 642 110

**Logistics Division**

Malumichampatti  
Coimbatore – 641 050

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 28<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held on Tuesday, the **29<sup>th</sup> day of September 2020 at 12.30 p.m. IST** through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 and the reports of the Board of Directors and the Auditors thereon; and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon and in this regard to pass the following resolutions as Ordinary Resolution :
  - a) “RESOLVED THAT the Audited Standalone financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”
  - b) “RESOLVED THAT the Audited Consolidated financial statements of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.”
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Smt R.K.Umaadhevi (DIN 01067950), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in the place of Sri K.Ravi (DIN 01590268), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

5. To approve the increase in the remuneration payable to Sri R.Varun Karthikeyan (DIN 00585158), Managing Director of the Company and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the Company be and hereby accords its approval for the increase in the remuneration payable to Sri R.Varun Karthikeyan (DIN 00585158), Managing Director of the Company with effect from 1<sup>st</sup> January 2020 until the expiry of his present tenure on the following terms and conditions.

  - I. Salary : Rs.1,63,317/- per month.
  - II. Perquisites : In addition to Salary, perquisites restricted to an amount equal to annual salary, shall be allowed as detailed below:
    - a. Housing:

The expenditure on hiring unfurnished accommodation shall not exceed 40% of the salary over and above 10% payable by the Managing Director. Where he resides in his own house or where

the Company does not provide accommodation to the Managing Director, House rent allowance may be paid subject to the ceiling mentioned above. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings will be valued as per the Income-tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary.

- b. Other perquisites:
- i) Medical Expenses for self and family, subject to a ceiling of one month's salary.
  - ii) Leave Travel Concession for self and family once in a year to any place in India, subject to a ceiling of one month's salary.
  - iii) Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
  - iv) Personal Accident Insurance premium not exceeding 10% of the salary.
- c. He shall also be eligible to the following benefits, which shall not be included in the computation of the ceiling on the remuneration.
- i) PF/SAF : Contribution to Provident Fund and / or Super Annuation Fund and / or Annuity Fund to the extent of 27% of the salary.
  - ii) Gratuity : Payable at a rate not exceeding half a month's salary for each completed year of service or at the rate as may be modified from time to time as per the Payment of Gratuity Act, 1972.
- d. He shall be entitled for reimbursement of all actual expenses including on entertainment, conveyance, travelling etc., incurred during the course of the Company's business.
- e. He shall be paid a commission of 0.30% on the profit before tax and 0.75% on the incremental profit before tax every year computed under Section 197 of the Companies Act, 2013.

The Company shall provide a car and telephone facility at his residence, which will not be considered as perquisites.

The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

The appointment is terminable by three months' notice on either side.

RESOLVED FURTHER THAT in the event of no profits or inadequacy of profits, the remuneration payable to Sri R.Varun Karthikeyan, Managing Director shall not exceed the limits specified in Schedule V of the Companies Act, 2013 or such other limits as may be notified by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT Sri G.Balasubramaniam, Company Secretary (FCS 9699) of the Company be and is hereby authorized to file necessary returns with Registrar of Companies in connection with the above."

6. To consider and approve the appointment of Sri Kasilingam Arumugam (DIN 00912883) as Whole Time Director (Director – Engineering) of the Company and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 152, 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force) as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the Company be

and hereby accords its approval for the appointment of Sri Kasilingam Arumugam (DIN 00912883) as Whole Time Director (Director – Engineering) of the Company, for a period of Three years with effect from 01.07.2020 at a remuneration of Rs. 48.84 Lakhs (Rupees Forty Eight Lakhs Eighty Four Thousand Only) per annum.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary the remuneration payable to the Whole Time Director (Director – Engineering) as and when necessary.

RESOLVED FURTHER THAT Sri R. Varun Karthikeyan (DIN 00585158), Managing Director and Sri G.Balasubramaniam, Company Secretary (FCS 9699) of the Company be and are hereby severally authorized to file necessary forms with the Registrar of Companies and to do all such acts, deeds, things as may be necessary to give effect to the above resolution.”

7. To approve and ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2021 and in this regard, to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the Cost Auditors M/s. Ramakrishnan & Co.(Firm No. 100285), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, be paid a remuneration of Rs.1,00,000/- per annum plus applicable GST and other out of pocket expenses, be and is hereby ratified.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board

Coimbatore  
Date: 13.08.2020

**(Sd.) G.Balasubramaniam**  
Company Secretary  
(FCS 9699)

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**NOTES:**

In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members at the Annual General Meeting (AGM) venue is not required and AGM be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the MCA Circulars and the relevant provisions of the Companies Act, 2013 ('Act') the AGM of the Company is being held through VC/OAVM.

Accordingly, the facility for appointment of proxies by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories / Registrar and Share Transfer Agents (RTA). Members participating through the VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Members may also note that the Notice and Annual

Report will also be available on the Company's website [www.rootsmulticlean.com](http://www.rootsmulticlean.com) and on the website of National Securities Depository Limited ("NSDL") at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 200 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by MCA dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

Corporate members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution (pdf/jpeg format) to [gbala@roots.co.in](mailto:gbala@roots.co.in), authorizing their representative to attend and vote on their behalf at the Meeting. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

The voting rights of Members shall be in proportion of their shares of the paid up equity share capital of the company as on the cut-off date of 22<sup>nd</sup> September 2020. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.

Sri B. Krishnamoorthi, B.Sc., FCA, Chartered Accountant (Membership No. 20439) Coimbatore has been appointed as the Scrutinizer for voting at 28<sup>th</sup> Annual General Meeting, e-voting process. The Scrutinizer will scrutinize the e-voting process (both before the AGM and on the AGM date) in a fair and transparent manner.

Considering the above, we urge the members to update their e-mail ID, Bank account details and Permanent Account Number (PAN) with the Company / Depositories / RTA to ensure receipt of Annual Report and / or any other communications from the Company.

#### **EVEN For E-voting (NSDL) – ROOTS MULTICLEAN LTD - 113769**

##### **The Instructions for Members for Remote E-Voting are as under:**

The remote e-voting period begins on Saturday the 26<sup>th</sup> September 2020 at 9.00 A.M. and ends on Monday the 28<sup>th</sup> September 2020 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 22<sup>nd</sup> September 2020 may cast their vote electronically. Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently.

##### **How to vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

**DETAILS ON STEP 1 IS MENTIONED BELOW:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.



6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details / Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**DETAILS ON STEP 2 IS GIVEN BELOW:****How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [info@skdc-consultants.com](mailto:info@skdc-consultants.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [info@skdc-consultants.com](mailto:info@skdc-consultants.com).
3. Alternatively shareholder may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) above as the case may be.
4. Please follow all steps given in detail on Step 2 above, to cast vote.

5. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members / Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR NON-INDIVIDUAL SHAREHOLDERS AND CUSTODIANS:**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evoting.nsdl.com> and register themselves in the "Corporates" module.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or 1800-222-990

**OTHER INSTRUCTIONS:**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User

- Details / Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).  
In case of any grievance in connection with remote e-voting, Members may contact Ms. Pallavi Mhatre, NSDL, 4<sup>th</sup> Floor, "A" Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, e-mail: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), Tel:1800-222-990 / + 91 22 24994545.
  3. Shareholders are encouraged to download the user manual available in <https://www.evoting.nsdl.com> well in advance to have a better understanding of the login and voting process.
  4. Any person who acquires shares of the Company and becomes member of the Company after despatch of the Notice of AGM and holding shares as on the cut-off date i.e., 22<sup>nd</sup> September, 2020, may obtain login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting, then you can use your existing password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  5. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
  6. The Chairman will declare the results of voting forthwith upon receipt of report from Scrutinizer and the same shall be immediately placed on the Company's website [www.rootsmulticlean.com](http://www.rootsmulticlean.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  7. The resolutions shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of Voting results (i.e. remote e-Voting and the e-Voting held at the AGM).
  8. Since the AGM will be held through VC / OAVM, the route map to the venue is not annexed to this Notice.

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to [gbala@roots.co.in](mailto:gbala@roots.co.in) from Saturday the 26<sup>th</sup> September 2020, 9.00 A.M. to Monday the 28<sup>th</sup> September 2020 at 5.00 P.M. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM.

The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

The Register of Members and Share Transfer books will remain closed from 23.09.2020 to 29.09.2020 (Both days inclusive).

As per the recent notification by Government the securities of the companies can be transferred only in dematerialised form. Hence Members are requested to dematerialise their equity shares from physical form to demat form. The International Security Identification Number (ISIN) allotted to the Equity Shares of the Company is INE01LF01013.

Company's Registrar and Share Transfer Agents:

M/s. S.K.D.C. Consultants Limited,  
Registrar and Share Transfer Agents,  
Post Box No.2016, Kanapathy Towers,  
3<sup>rd</sup> Floor, 1391/A1, Sathy Road,  
Ganapathy Post, Coimbatore – 641 006.  
Telephone: +91 0422-4958995, 2539835  
Email: info@skdc-consultants.com  
Web: www.skdc-consultants.com

Members are requested to note that dividends not claimed within Seven Years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF).

Members who wish to claim dividends, which remain unclaimed, are requested to communicate with the Company Secretary, Registered Office of the Company and the Company's Registrar and Share Transfer Agents, M/s. S.K.D.C. Consultants Limited.

The members who have a claim on the dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form (Form No. IEPF-5) available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with required documents as prescribed in the Form.

The Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.**

### **For item No.5**

Sri R.Varun Karthikeyan (DIN 00585158) was re-appointed as Managing Director of the Company, for a period of five years with effect from 23<sup>rd</sup> January 2017 and the same was approved by the Shareholders in the 25<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September 2017. The Nomination and Remuneration Committee in its meeting held on 13<sup>th</sup> December 2019 recommended to the Board for increase in the remuneration payable to Sri R.Varun Karthikeyan.

Accordingly, the Board accepted the recommendation of the Nomination and Remuneration Committee in its 123<sup>rd</sup> meeting held on 13<sup>th</sup> December 2019 and recommends the Ordinary resolution set forth in item No.5 for the approval of the members.

Except Sri R.Varun Karthikeyan, Sri K.Ramasamy (DIN 00034360) and Smt R.K.Umaadhevi (DIN 01067950) none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary resolution as set out in item No.5 of this Notice.

### **For item No.6**

In the 93<sup>rd</sup> Meeting of the Board of Directors of the Company held on 30<sup>th</sup> December 2012, Sri Kasilingam Arumugam (DIN 00912883) was appointed as an Additional Director of the Company. In the 21<sup>st</sup> Annual

General Meeting held on 4<sup>th</sup> September 2013, the Shareholders approved the appointment of Sri Kasilingam Arumugam as a Director of the Company.

Sri Kasilingam Arumugam is employed in M/s. American Auto Service (P) Ltd, one of the Roots Group companies, which focused on development of special products through continuous research, development and innovation. Sri Kasilingam Arumugam holds a Masters Graduate in Engineering with more than 39 years of experience in the field of Engineering Design.

M/s. Roots Multiclean Ltd (RMCL) and its group Company M/s. Roots Industries India Limited (RIL) have introduced many new products with the support and innovation carried out by M/s. American Auto Service (P) Ltd under the guidance of Sri Kasilingam Arumugam. He is leading a team of Engineers, who are catering to the needs of Roots Group of Companies mainly Cleaning equipment for RMCL and Automotive products for RIL. To reduce overhead cost, it has been now proposed to merge the team members of M/s. American Auto Service (P) Ltd into the respective companies, RMCL & RIL, based on their portfolio and field of work.

Sri Kasilingam Arumugam is a key person involved in the development of many new cleaning equipment for RMCL, like RHINO, RHINO+ etc., Now RMCL is in the process of developing more advanced Road sweepers.

The Nomination and Remuneration Committee in its meeting held on 25<sup>th</sup> June 2020 recommended for the appointment of Sri Kasilingam Arumugam as a Whole Time Director (Director – Engineering) of the Company.

Accordingly, the Board accepted the recommendation of the Nomination and Remuneration Committee in its 125<sup>th</sup> meeting held on 25<sup>th</sup> June 2020 and recommends the Ordinary resolution set forth in item No.6 for the approval of the members.

Except Sri Kasilingam Arumugam, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary resolution as set out in item No.6 of this Notice.

#### **For item No.7**

The Board of Directors in their 124<sup>th</sup> Meeting held on 24<sup>th</sup> March 2020 has approved the appointment and remuneration of the Cost Auditors to conduct audit of Cost Accounting Records maintained in accordance with Companies (Cost Records and Audit) Rules 2014 at a remuneration of Rs.1,00,000/- per annum plus applicable GST and other out of pocket expenses for the financial year ending March 31, 2021.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary resolution as set out in item No.7 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March 2021.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in item No.7 of the notice. The Board recommends the Ordinary resolution set out in item No.7 of the notice for approval of the members.

Coimbatore  
Date: 13.08.2020

By order of the Board  
**(Sd.) G.Balasubramaniam**  
Company Secretary  
(FCS 9699)

## DIRECTORS' REPORT

Dear Shareholders,

Your Board has pleasure in presenting the Twenty Eighth Annual Report and Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March 2020.

### FINANCIAL RESULTS

	2019-20 (Rs. in Crore)	2018-19 (Rs. in Crore)
Revenue from Sale of Products		
Sales - Domestic	159.31	169.42
- Export	54.52	63.85
<b>Total Sales</b>	<b>213.83</b>	233.27
Revenue from Sale of services	7.48	4.98
Other Operating Revenue	3.52	3.68
Other Income	0.43	0.21
<b>Total Revenue</b>	<b>225.26</b>	242.14
<b>Earnings Before Interest, Tax, Depreciation and Amortisations (EBITDA)</b>	<b>40.69</b>	51.07
Less : Finance Costs	3.73	3.35
Depreciation	7.09	6.77
<b>Profit Before Tax</b>	<b>29.87</b>	40.95
Less : Provision for taxation	7.80	12.25
Provision for Deferred tax Asset / (Liability)	(0.30)	(0.30)
<b>Profit After Tax</b>	<b>22.37</b>	29.00
Balance brought forward	18.64	10.25
<b>Profit Available for Appropriation</b>	<b>41.01</b>	39.25

### Results of Operations, State of Company's Affairs and Future Outlook

Your Company has achieved a Total Revenue of Rs.225.26 Crore for the financial year 2019-20 as against Rs. 242.14 Crore in the previous year 2018-19.

Export Turnover stands at Rs.54.52 Crore for the year 2019-20 as against Rs. 63.85 Crore in the previous year 2018-19. Your Company has not only added quite a lot of new customers into the fold but also increased the product portfolio in the export front.

Your Company is giving more focus to improve its performance in the domestic manufacturing by way of import substitution and export market development for indigenous products.

Profit before tax for the year ended 31<sup>st</sup> March 2020 is Rs.29.87 Crore as compared to Rs. 40.95 Crore in the corresponding previous year. Profit after tax for the year under review stood at Rs.22.37 Crore compared to Rs. 29.00 Crore in the corresponding previous year.

During the year, your Company's flagship product "Wizzard" has surpassed its previous record in terms of monthly production and is expected to continue to perform better in the years to come.

Further, during the year the first ever Airport runway sweeper with a capacity of 9.5 m<sup>3</sup> has been produced and exported. For the first time, factory built Truck mounted vacuum cleaner has been sold during the year.

The COVID-19 pandemic has caused a great deal of disturbance, especially in the last month of the financial year 2019-20, when the Indian Government issued a total lockdown order, due to which lot of orders could not be executed. However, going forward the awareness of cleanliness and hygiene is only increasing and the need for mechanised cleaning equipment's will only keep increasing.

### **New Products**

One of the areas that your Company always focuses is on Research and Development of new and innovative products. For 2019-20, three new products - RB650, RB750 and Rhino Dual fuel were launched. The contribution towards turnover from new products launched in the last three years is to the tune of Rs.35 Crores which is around 16% of the overall sales. These newly launched products have been very well accepted in the market and are expected to contribute immensely to the future sales.

### **Reserves**

A sum of Rs.20 Crore from the current profits of the financial year 2019-20 has been transferred to General Reserve.

### **Details of dividend proposed and paid**

In respect of the current year, the Directors propose that a dividend of Rs.2.50 per share be paid on equity shares. This equity dividend is subject to approval of Shareholders at the ensuing Annual General Meeting and has not been included as a liability in the financial statements. The proposed equity dividend is payable to those Shareholders whose name appear in the Register of Members as on the Book Closure / Record Date.

The total estimated equity dividend to be paid is Rs.50,00,000/-. As per the Finance Act, 2020, members may note that the said Dividend is taxable in the hands of shareholders.

### **Share Capital**

The paid-up capital of the Company as at 31.03.2020 stood at Rs.2.00 Crore. During the year under review, the Company has not made any fresh issue of shares.

### **Extract of Annual Return**

The extract of Annual Return, in form MGT – 9, for the Financial Year 2019-20 has been enclosed with this report (Annexure 1).

### **Number of Board Meetings**

During the Financial Year 2019-20, five meetings of the Board of Directors of the Company were held.

The details of Board meetings are given below:

<b>Date</b>	<b>Board Strength</b>	<b>Number of Directors Present</b>
29 <sup>th</sup> June 2019	12	4
8 <sup>th</sup> July 2019	12	11
4 <sup>th</sup> November 2019	12	10
13 <sup>th</sup> December 2019	12	9
24 <sup>th</sup> March 2020	12	8

Attendance of Directors during the year:

<b>Name of the Director</b>	<b>Number of Meetings</b>	
	<b>Held</b>	<b>Attended</b>
Sri K Ramasamy	5	4
Sri R Varun Karthikeyan	5	4
Sri S T Velu (Upto 31.03.2020)	5	3
Sri P T Kuppuswamy	5	3
Dr.M.P. Vijayakumar, IAS (Retd.)	5	3
Sri K Ravi	5	5
Sri A Kasilingam	5	5
Smt R K Umaadhevi	5	4
Dr.S.Chandrasekar	5	5
Sri Preben Laustsen	5	1
Sri V M Rajashekar	5	4
Sri Frank Ulbricht	5	1

### **Particulars of Loans, Guarantees and Investments under Section 186 of Companies Act, 2013**

During the year under review, the Company has given loan / guarantee to its Wholly owned subsidiary, Roots Multi Clean Inc., USA, within the ambit of Companies Act, 2013.

Other than the above, no other investments were made by the Company covered under Section 186 of the Companies Act, 2013.

The Company has not made any investments during the financial year 2019-20.

### **Comments on Auditor's Report**

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors of the Company.



## HR Development and Industrial Relation

Your Company’s biggest asset is its highly skilled and dedicated employees at all levels and it is proud of the excellent relationship with its employees. People are our most valuable asset and your Company places the engagement, development and retention of talent as its highest priority, to enable the achievement of organisation’s vision.

## Particulars of Contracts or Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm’s length basis. (Annexure 2). Since there are no transactions which are not on arm’s length basis and material in nature, Form AOC-2 is not being annexed.

The policy on materiality of related party transactions and dealing with related party transactions has been approved by the Board.

Your Directors draw attention of the members to Note No.35 to the financial statements which sets out related party disclosures.

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as below:

### a) Conservation of Energy:

Steps taken for conservation	To stop unnecessary running of air conditioners when no one is there in a room and there by to save electricity, Digital sensor based controllers are installed to switch on the air conditioner only when a person(s) are in the room and automatically switch off when no one is in the room.  In Sewage Treatment Plant, 2 motors are used to pump raw water and sludge separately. By changing the pipelines, the pumping process is combined to run together with one motor only and thereby eliminated one motor and savings in electricity resulted.
Steps taken for utilizing alternate sources of energy	The Company continues to explore the possibilities of using solar thermal technology to avoid / reduce fossil fuel (LPG) for the powder coating process.
Capital investment on energy conservation equipments	NIL

### b) Technology Absorption:

Efforts made for technology absorption	To meet the ever increasing customer expectations and regulatory requirements, R&D team of your Company is taking customer expectations and regulatory requirements as a part of design input and makes every effort to embed the appropriate technologies to give best reliability in the products, electronic controls & user friendly systems, contemporary styling that will satisfy the customer, compete in the market effectively and make the products comply with regulatory requirements.
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Benefits derived	Cost reduction, competitiveness and improved efficiency.
Expenditure on Research & Development, if any	Rs.5.20 Crore
Details of technology imported, if any	NIL
Year of import	NIL
Whether imported technology fully absorbed	NIL
Areas where absorption of imported technology has not taken place, if any	Not Applicable

**c) Foreign Exchange Earnings / Outgo:**

The Foreign Exchange earnings and outgo are as below:

Foreign exchange earned Rs.54.50 Crore (FOB Value of Exports)

Foreign exchange outgo Rs.41.13 Crore

**Risk Management Policy**

During the year, Your Company's rate of growth in sales volume has outgrown the industry growth rate, which was made possible through several measures implemented by the Management. Managing risks while strategizing was key in the successful outcome of these initiatives. The Risk Management process includes risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting.

The Company is also continuously developing and launching new and improved products to stay ahead of competition. In both the value and premium product segments, your Company has introduced models and variants, which promise customers, superior value and lower cost of ownership.

**Your Company has identified the following risks:**

1. Business Risk
  - a. Market risk
  - b. Foreign Investment Risk
  - c. Competition Risk
  - d. Business Model Risk
2. Operational Risk
  - a. People
  - b. Technology Risk
  - c. Process and Systems
  - d. Fixed Assets

3. Financial Risk
  - a. Credit Risk
  - b. Currency Risk
  - c. Liquidity Risk
  - d. Interest Rate risk

The Apex Committee of the Company reviews the Risk management Matrix on monthly basis, to achieve the business objectives, effectively and efficiently, which is brought to the attention of the Audit Committee of the Board.

### **Directors and Key Managerial Personnel**

All the Independent Directors hold office for a fixed term and are not liable to retire by rotation and are entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the meetings of the Board and / or committees and profit related commission in terms of applicable provisions of the Companies Act as determined by the Board from time to time.

In line with Clause No. 6 of the Articles of Association Sri S.T.Velu, Director, retired at the end of the year under review.

Sri S.T.Velu, Managing Director, Vako Seals Pvt.Ltd., Mumbai is one of the First Directors of the Company who held the position of Director from 24.02.1992 and had been guiding the Company since inception. However, due to personal reasons, he ceased to be a Director from the 70<sup>th</sup> Board Meeting held on 10.03.2007. In the 82<sup>nd</sup> meeting of Board of Directors of the Company held on 28<sup>th</sup> March 2010 he was re-appointed in the Board of the Company.

Sri S.T.Velu, with his vision, rich and varied experience and expert knowledge of the corporate sector has, as a senior member of the Board contributed significantly for the growth of the Company.

The Board hereby places on record its sincere appreciation for the invaluable services rendered by Sri S.T.Velu during his tenure as a Director of the Company.

The Nomination and Remuneration Committee in its meeting held on 25<sup>th</sup> June 2020 recommended for the appointment of Sri Kasilingam Arumugam (DIN 00912883) as Whole Time Director (Director – Engineering) of the Company. Accordingly, the Board accepted the recommendation of the Nomination and Remuneration Committee in its 125<sup>th</sup> meeting held on 25<sup>th</sup> June 2020. The resolution for appointment of Sri Kasilingam Arumugam as Whole Time Director (Director – Engineering) is placed before the Shareholders for approval.

The Directors Smt R.K.Umaadhevi (DIN 01067950) and Sri K.Ravi (DIN 01590268) are retiring by rotation and are eligible for re-appointment.

The Nomination and Remuneration Committee in its meeting held on 13<sup>th</sup> December 2019 recommended to the Board for the increase in the remuneration payable to Sri R.Varun Karthikeyan (DIN 00585158), Managing Director of the Company with effect from 1<sup>st</sup> January 2020 until the expiry of his present tenure, subject to approval of the Shareholders.

The Executive Chairman and Managing Director of the Company are in receipt of commission from the Company. The details of remuneration / commission received by them are disclosed in MGT-9 (Annexure 1) annexed to this report. However, they did not receive any remuneration or commission from the Wholly Owned Subsidiary Company.

### **Internal control systems and their adequacy**

Process measures have been identified in association with respective process owners for the organizational process determined by the management and documented. Trend on these measures are being monitored and appropriate corrective action are implemented in time to arrest the negative trend and improve the performance. Product, Process and System Audits are determined and documented to conduct internal audit as per audit plan and auditors are qualified to perform the task objectively. Monthly MIS on various parameters determined are submitted to the management at defined target days. The scope includes internal audit related to financial aspects as well.

In the opinion of the Board, appropriate internal control systems do exist commensurate to the size and nature of the Company.

### **Internal Financial Control**

The Company has an established Internal Financial Control framework including internal controls over financial reporting, operating controls and anti-fraud framework. The framework is reviewed regularly by the management and tested by internal audit team and presented to the Audit Committee. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls.

### **Deposits**

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding as of the Balance sheet date.

### **Declaration by Independent Directors**

The Company has received necessary declaration from all the Independent Directors under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of Independence laid down in Section 149 (6) of the Companies Act, 2013.

### **Compliance with Secretarial Standards**

The Company has in place proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

### **Corporate Social Responsibility (CSR)**

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR report for the year ended March 31, 2020 is attached as Annexure 3 to the Board's report.

### **Audit Committee**

Audit Committee comprising of Sri P.T.Kuppuswamy (DIN 00032309), Dr.M.P.Vijayakumar, IAS (Retd.) (DIN 05103089) and Sri K.Ravi (DIN 01590268), as members of the Committee had Two meetings during the year under review viz., 08.07.2019 and 04.11.2019. All the recommendations made by the Audit Committee during the year were accepted by the Board of Directors.

### **Credit Rating**

The Rating Committee of ICRA Limited, has retained the rating for the long term banking facilities as [ICRA] A (pronounced ICRA A) and the short term banking facilities rating as [ICRA] A1 (pronounced ICRA A one) for your Company.

### **Transfer of unclaimed / unpaid amounts and shares to the Investor Education and Protection Fund**

In terms of Section 124(5) of the Companies Act, 2013 ('the Act') read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer, then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund (IEPF), a fund established under sub-section (1) of Section 125 of the Act.

In terms of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, if the shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the demat account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due. Upon transfer of such shares, all benefits, if any, accruing on such shares shall also be credited to such demat account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

In light of the aforesaid provisions, the Company has during the year:

- (i) transferred the unclaimed dividend of Rs. 43,500/- to IEPF which were declared during the FY 2011-2012;
- (ii) transferred 2,200 equity shares to the demat account of IEPFA on 28.11.2019 in respect of which dividend have been remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account.

The members who have a claim on above dividends and shares may claim the same from IEPFA by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in).

The following table gives the information relating to various outstanding dividends and the dates by which they can be claimed by the Shareholders from the Company's Registrar and Share Transfer Agent:

<b>Details of Unclaimed Dividend as on March 31, 2020 and due dates for transfer</b>				
<b>S.No.</b>	<b>Financial Year</b>	<b>Date of Declaration of Dividend</b>	<b>Unclaimed Amount (in Rs.)</b>	<b>Due Date for transfer to IEPF Account</b>
1	2012-2013	04.09.2013	47,500	11.10.2020
2	2013-2014	24.09.2014	46,500	31.10.2021
3	2014-2015	28.09.2015	52,500	04.11.2022
4	2015-2016	29.06.2016	52,250	05.11.2023
5	2016-2017	27.09.2017	56,250	03.11.2024
6	2017-2018	27.09.2018	60,250	03.11.2025
7	2018-2019	26.09.2019	42,750	02.11.2026

### **Nomination & Remuneration Committee**

Nomination and Remuneration Committee comprising of Dr.M.P.Vijayakumar, IAS (Retd.) (DIN 05103089), Sri P.T.Kuppuswamy (DIN 00032309) and Sri A.Kasilingam (DIN 00912883) as members of the Committee had met on 13.12.2019. All the recommendations made by the Nomination and Remuneration Committee during the year were accepted by the Board of Directors.

The Company's policy on Director's, Key Managerial Personnel, other employees appointment and remuneration including criteria for determining Qualification, Attributes, Independence etc., is as below:

This policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

### **Objective and purpose of the policy**

1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors.
2. The policy also addresses the following items:
  - Committee member qualifications;
  - Committee member appointment and removal;
  - Committee structure and operations; and
  - Committee reporting to the Board.
3. To formulate the criteria for evaluation of performance of all the Directors on the Board;
4. To devise a policy on Board diversity; and
5. To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

**Applicability:**

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel

*Definitions*

'Board' means Board of Directors of the Company.

'Directors' means Directors of the Company.

'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

'Company' means Roots Multiclean Ltd.

'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013 and its rules.

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and nomination; and

Part – C covers remuneration and perquisites etc.

*Part – A covers the matters to be dealt with and recommended by the Committee to the Board;*

(a) Size and composition of the Board:

Reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;

(b) Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

(c) Succession plans:

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board.

(d) Evaluation of performance:

Make recommendations to the Board on appropriate performance criteria for the Directors.

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company. Identify ongoing training and education programs for the Board to ensure that Non-Executive

Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

(e) Board diversity:

The Committee is to assist the Board in ensuring Board nomination process with the diversity of thought, experience, knowledge and perspective in the Board, in accordance with the Board Diversity policy.

*Part – B covers the appointment and nomination:*

General Appointment Criteria:

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director / Independent Director shall not be disqualified under the Companies Act, 2013.

The Director / Independent Director shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013.

Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

Retirement:

The Whole Time Directors, shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director.

*Part – C covers remuneration and perquisites etc.*

General:

The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.

The remuneration to be paid to the Whole time Directors shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.



Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Whole time Directors.

### **Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

Your Directors state that during the year under review, there were no cases / complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with the provisions relating to the constitution of internal compliant committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to prevent, prohibit and provide redressal measures to women.

### **Statutory Auditors**

The Statutory Auditors M/s. Subramaniam Vasudev & Co., Chartered Accountants (Firm No : 004110S) appointed in the 27<sup>th</sup> Annual General Meeting retires at the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company.

The Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

### **Report on performance and financial position of the subsidiaries, associates and joint ventures**

The Company has a Wholly Owned Subsidiary (WOS), Roots Multi Clean Inc., USA. During the year under review, the Board of Directors reviewed the affairs of the WOS and have in accordance with Section 129(3) of the Companies Act, 2013 prepared the consolidated financial statements of the Company and its WOS, which form part of this Report. Further, the report on the performance and financial position of WOS and salient features of their Financial Statements in the prescribed Form AOC-1 is annexed to this report.

### **Internal Auditor**

In order to comply with the provisions of Section 138 of Companies Act 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, the Board of Directors in their 124<sup>th</sup> meeting held on 24<sup>th</sup> March 2020, re-appointed M/s. Astral Business Consulting LLP, as the Internal Auditor of the Company for a further period of one year i.e., for the financial year ending 31<sup>st</sup> March 2021.

### **Cost Records**

Cost records as specified by the Central Government under sub-section (i) of Section 148 of the Companies Act, 2013 is applicable to our Company and accordingly such accounts and records are made and maintained.

### **Cost Auditors**

The Board of Directors in their 124<sup>th</sup> Meeting held on 24<sup>th</sup> March 2020 has approved the appointment and remuneration of the Cost Auditors to conduct audit of Cost Accounting Records maintained in accordance

with Companies (Cost Records and Audit) Rules 2014 for the financial year ending March 31, 2021. The remuneration payable to the Cost Auditor of the Company is subject to ratification by the Shareholders at the Annual General Meeting.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and other applicable provisions M/s. Ramakrishnan & Co., Cost Accountants, (Firm no. 100285) Coimbatore has been appointed as Cost Auditors of the Company for the year ending 31<sup>st</sup> March 2021 to conduct audit of Cost Accounting Records maintained in accordance with Companies (Cost Records and Audit) Rules 2014.

A proposal for ratification of remuneration of Cost Auditors for the financial year 2020-21 is placed before the Shareholders for ratification / approval.

### **Dematerialisation of Securities of the Company**

In accordance with the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 and its amendment thereof your Company has passed the necessary resolution in the 114<sup>th</sup> Meeting of Board of Directors held on 7<sup>th</sup> November 2017 for dematerialisation of the securities of the Company. In view of that, the Company has made arrangements with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialisation of Company's Equity Shares.

The International Security Identification Number (ISIN) allotted to the Equity Shares of the Company is INE01LF01013.

### **Vigil Mechanism**

Provisions relating to Vigil Mechanism is not applicable to the Company as per the provisions of the Companies Act, 2013.

### **Details in respect of frauds reported by Auditors under Section 143(12) of the Companies Act, 2013 other than those which are reportable to the Central Government**

There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.

### **Particulars of Employees as per [Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel Rules), 2014]**

During the year under review, there were no employees drawing remuneration in excess of limit specified under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **Change in Nature of Business**

There was no change in the nature of the business.

### **Material Changes**

No material changes and commitment affecting the financial position of the Company occurred between the end of the financial year as on 31<sup>st</sup> March 2020 and the date of this Report.

### **Significant and material orders passed by the Regulators or Courts or Tribunals**

There are no significant and material orders passed by the Regulators or Courts or Tribunals, which would impact the going concern status of the Company and its future operations.

### **Directors' Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your Directors confirm that:

- a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same;
- 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 31<sup>st</sup> March, 2020 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the accounts on a going concern basis;
- e) the Directors have laid down internal financial controls, which are adequate and are operating effectively.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Acknowledgement**

Your Board wishes to thank its customers, vendors, bankers, Government authorities, associates, shareholders and employees for their continued support for the growth of the Company.

For and on behalf of the Board

Coimbatore

Date: 13.08.2020

**(Sd.) K.Ramasamy**  
Executive Chairman  
(DIN 00034360)

**Annexure 1**
**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31<sup>st</sup> March 2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : U36999TZ1992PLC003662
- ii) Registration Date : 24<sup>th</sup> February 1992
- iii) Name of the Company : ROOTS MULTICLEAN LTD
- iv) Category / Sub-Category : Public Limited Company having Share Capital
- v) Address of the Registered office and contact details : R.K.G. Industrial Estate  
Ganapathy, Coimbatore – 641 006. India  
Phone: +91 422 4330330. Fax: +91 422 2332107  
Email: gbala@roots.co.in  
Web: www.rootsmulticlean.com
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: : M/s. S.K.D.C. Consultants Limited  
Post Box No. 2016, "Kanapathy Towers"  
3<sup>rd</sup> Floor, 1391/A1, Sathy Road, Ganapathy Post  
Coimbatore – 641 006, Tamil Nadu.  
Telephone: +91 0422-4958995, 2539835  
Email: info@skdc-consultants.com  
Web: www.skdc-consultants.com

**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 (2004)	% to total turnover of the Company
1	Floor Cleaning Equipments and Industrial vacuum cleaners	29299	95.01

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

S. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Roots Multi Clean Inc., Corporation Trust Center 160 Greentree Drive Suite 101, Dover County of Kent Delaware 19904,USA.	NIL	Wholly Owned Subsidiary	100	2(87)

**IV. SHARE HOLDING PATTERN ( Equity Share Capital Breakup as percentage of Total Equity) as on 31.03.2020:**
**(i) Category - wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual / HUF	–	619360	619360	30.97	264200	355360	619560	30.98	0.01
b. Central Govt.	–	–	–	–	–	–	–	–	–
c. State Govt. (s)	–	–	–	–	–	–	–	–	–
d. Bodies Corp.	–	360000	360000	18.00	–	360000	360000	18.00	–
e. Banks / FI	–	–	–	–	–	–	–	–	–
f. Any Other....	–	–	–	–	–	–	–	–	–
Sub - total (A) (1)		979360	979360	48.97	264200	715360	979560	48.98	0.01
(2) Foreign									
a. NRIs - Individuals	–	–	–	–	–	–	–	–	–
b. Other - Individuals	–	–	–	–	–	–	–	–	–
c. Bodies Corp.	–	520000	520000	26.00	–	520000	520000	26.00	–
d. Banks / FI	–	–	–	–	–	–	–	–	–
e. Any Other...	–	–	–	–	–	–	–	–	–
f. Sub - total (A) (2)		520000	520000	26.00	–	520000	520000	26.00	–
Total share holding of Promoter (A) = (A)(1) + (A)(2)		1499360	1499360	74.97	264200	1235360	1499560	74.98	0.01

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Share holding									
1. Institutions	-	-	-	-	-	-	-	-	-
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks / FI	-	-	-	-	-	-	-	-	-
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a. Bodies Corp.									
i) Indian	59900	151000	210900	10.54	91564	151000	242564	12.12	1.58
ii) Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2600	85440	88040	4.40	7235	75440	82675	4.13	(0.27)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	30000	109200	139200	6.96	10100	100400	110500	5.53	(1.43)
c. FIs	-	-	-	-	-	-	-	-	-
d. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
e. Others (specify)									
IEPF	12000	-	12000	0.60	14200	-	14200	0.71	0.11
Directors	50500	-	50500	2.53	50500	-	50500	2.53	-
HUF	-	-	-	-	1	-	1	-	-
Sub-total (B)(2):	155000	345640	500640	25.03	173600	326840	500440	25.02	(0.01)
Total Public Share holding (B) = (B)(1) + (B)(2)	155000	345640	500640	25.03	173600	326840	500440	25.02	(0.01)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	155000	1845000	2000000	100.00	437800	1562200	2000000	100.00	-

## (ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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
1	Sri K. Ramasamy	234900	11.75	NIL	234900	11.75	NIL
2	Smt R.K.Umaadhevi	30500	1.53	NIL	30500	1.53	NIL
3	Sri R.Varun Karthikeyan	353960	17.70	NIL	354160	17.71	NIL
4	M/s. Hako GmbH	520000	26.00	NIL	520000	26.00	NIL
5	M/s. Roots Industries India Limited	360000	18.00	NIL	360000	18.00	NIL
	Total	1499360	74.98	NIL	1499560	74.99	NIL

## (iii) Change in Promoters' Shareholding (please specify, if there is no change):

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Reason for change	Cumulative Shareholding during the year	
		No. of shares	% of Total Shares of the company		No. of shares	% of Total Shares of the company
1	Sri R. Varun Karthikeyan At the beginning of the year	353960	17.70			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase	200	0.01	Transfer		
	At the End of the year	354160	17.71		354160	17.71

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of 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
1	M/s. Roots Auto Products (P) Limited	150000	7.50	150000	7.50
2	Smt R. Yokanayaki	100400	5.02	100400	5.02
3	M/s. 3A Financial Services Ltd	59900	3.00	91553	4.57
4	Sri Mahesh Madhavan	30000	1.50	–	–
5	Investor Education And Protection Fund Authority, Ministry of Corporate Affairs	12000	0.60	14200	0.71
6	Sri N. Venugopal	10100	0.51	10100	0.51
7	Smt Bagyam Ramamoorthy	10000	0.50	10000	0.50
8	Sri G. Ramamoorthy	10000	0.50	10000	0.50
9	Sri G.K.S. Selvakumar	7500	0.37	7500	0.37
10	Sri V. Manoharan	5000	0.25	5000	0.25
11	Smt J. Rajeshwari	2000	0.10	2000	0.10
12	Smt N. Sathikumari	2000	0.10	2000	0.10

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Reason for change	Cumulative Shareholding during the year	
		No. of shares	% of Total Shares of the company		No. of shares	% of Total Shares of the company
1	Sri K. Ramasamy	234900	11.75	–	234900	11.75
2	Sri R. Varun Karthikeyan	353960	17.70	Transfer	354160	17.71
3	Smt R.K. Umaadhevi	30500	1.53	–	30500	1.53
4	Sri S.T. Velu	50000	2.50	–	50000	2.50
5	Dr. S. Chandrasekar	500	0.03	–	500	0.03



**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	37,56,26,123	–	–	37,56,26,123
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	37,195	–	–	37,195
Total (i + ii + iii)	37,56,63,318	–	–	37,56,63,318
Change in Indebtedness during the financial year				
Addition	12,14,21,612	–	–	12,14,21,612
Reduction	–	–	–	–
Net Change	12,14,21,612	–	–	12,14,21,612
Indebtedness at the end of the financial year				
i) Principal Amount	49,70,29,132	–	–	49,70,29,132
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	55,798	–	–	55,798
Total (i + ii + iii)	49,70,84,930	–	–	49,70,84,930

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

A. Remuneration to Managing Director, Whole-time Directors and / or Manager (Amount in Rs.)

S. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total
		Sri K Ramasamy	Sri R Varun Karthikeyan	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	–	18,18,475	18,18,475
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	–	16,75,189	16,75,189
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	95,47,974	9,54,797	1,05,02,771
	– as % of profit			
	– others, specify...			
5	Others, please specify	–	–	–
	Total (A)	95,47,974	44,48,461	1,39,96,435
	Ceiling as per the Act	10 % of the Net Profit of the Company		

**B. Remuneration to other directors:** (Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Sri P.T. Kuppuswamy	Dr. M.P. Vijayakumar	Sri S.T. Velu	
	– Fee for attending board / committee meetings	50,000	50,000	30,000	1,30,000
	– Commission	5,00,000	5,00,000	5,00,000	15,00,000
	– Others, please specify	–	–	–	–
	<b>Total (1)</b>	<b>5,50,000</b>	<b>5,50,000</b>	<b>5,30,000</b>	<b>16,30,000</b>
2	Other Non-Executive Directors	Smt R.K. Umaadhevi			
	– Fee for attending board / committee meetings	30,000	–	–	30,000
	– Commission	–	–	–	–
	– Others, please specify	–	–	–	–
	<b>Total (2)</b>	<b>30,000</b>	<b>–</b>	<b>–</b>	<b>30,000</b>
	<b>Total (B) = (1 + 2)</b>				<b>16,60,000</b>
	<b>Total Managerial Remuneration</b>				<b>1,56,56,435</b>
	<b>Overall Ceiling as per the Act</b>	<b>11% of the Net Profit of the Company</b>			

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:** (Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		CEO	Sri G Balasubramaniam Company Secretary	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	–	19,43,158	–	19,43,158
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission				
	– as % of profit	–	–	–	–
	– others, specify...	–	–	–	–
5	Others, please specify	–	–	–	–
	<b>Total</b>	<b>–</b>	<b>19,43,158</b>	<b>–</b>	<b>19,43,158</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	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Coimbatore  
Date: 13.08.2020

For and on behalf of the Board

**(Sd.) K.Ramasamy**  
Executive Chairman  
(DIN 00034360)

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**Annexure 2****RELATED PARTY TRANSACTIONS**

All transactions entered by the Company with Related Parties were in the ordinary course of business and at arm's length pricing basis. The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors.

**POLICY ON RELATED PARTY TRANSACTIONS**

The broad Policy covering various aspects of review, approval mechanism and implementation is described below:

**I) APPROVING AUTHORITY:****A. BY THE AUDIT COMMITTEE:**

Under the Companies Act, 2013:

Any transaction or any subsequent modification of transactions of the Company with related parties shall require the approval of the Audit Committee at a Meeting of the Audit Committee or by circulation.

**B. BY THE BOARD OF DIRECTORS:**

Under the Companies Act, 2013:

All "Related Party Transactions which are not in ordinary course of business or not at an arm's length" shall require the prior approval of the Board of Directors at a Meeting of the Board and cannot be passed by circulation.

**C. BY THE SHAREHOLDERS:**

Under the Companies Act, 2013:

All "Related Party Transactions which are not in ordinary course of business or not at an arm's length" and exceeding the prescribed criteria under Section 188 of the Companies Act, 2013 shall require prior approval of the Shareholder's by means of a special resolution passed at a General Meeting or through postal ballot.

In case of Wholly Owned Subsidiary, the special resolution passed by the Company shall be sufficient (for the Wholly Owned Subsidiary Company) for the purpose of entering into the transactions between the Wholly Owned Subsidiary and the Company.

For and on behalf of the Board

Coimbatore  
Date: 13.08.2020

**(Sd.) K.Ramasamy**  
Executive Chairman  
(DIN 00034360)

### **Annexure 3**

#### **Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20** (Pursuant to Section 135 of Companies Act, 2013)

#### **1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

##### **CSR Policy**

We at Roots are committed to undertake Corporate Social Responsibility activities in integration with our Culture, Values, Ethics, Tradition and Spirituality with augmented Commitment to contribute for the social well being.

Our focus shall be on the Environment combined with Cleanliness, Health & Hygiene and Education covering financial assistance to education at all levels, particularly in the rural areas including the provisions of infrastructures & amenities for promoting education among the youth of the nation. In addition to the above, we intend to cater to the welfare benefit of senior citizens.

##### **Environment includes:**

- Protection of Environment, Flora & Fauna
- Prevention of pollution
- Creating awareness on the Environmental protection
- Personal Health and Hygiene awareness and promotion
- Social Health and Hygiene awareness and promotion
- Cleanliness in Public places

##### **Education includes:**

- Education to all
- Providing the basic amenities to the Rural schools
- Sponsoring the poor, needy & brilliant students for their education

##### **Health care includes:**

- Promoting Health Care.
- Promoting Preventive Health Care
- Sanitation

##### **Welfare benefit to Senior Citizens:**

- Setting up of old age homes, day care centres and such other facilities for senior citizens

The above CSR activities will be carried out through employee and employer involvement and contributions. The Management shall contribute in terms of financial support and the employees by way of services.

The field of CSR shall be flexible based on the needs of our society.

The CSR Policy of the Company is available at [www.rootsmulticlean.com/csr-policy/](http://www.rootsmulticlean.com/csr-policy/)

2. The Corporate Social Responsibility Committee comprising of Sri P.T.Kuppuswamy, Sri R.Varun Karthikeyan and Sri K.Ravi as members of the Committee had two meetings during the year under review viz., 8<sup>th</sup> July 2019 and 4<sup>th</sup> November 2019.
3. Average net profit of the Company for last three financial years is Rs.3134.78 Lakhs.
4. The Prescribed CSR Expenditure is Rs.62.69 Lakhs.
5. Details of CSR spent during the financial year:
  - a) Total amount to be spent for the financial year: Rs. 62.69 Lakhs.
  - b) Amount unspent, if any: NIL
  - c) Manner in which the amount spent during the financial year is detailed below: (Rs. in Lakhs)

S.No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Avinashi Road – Cleaning	Protection of Environment	Coimbatore, Tamilnadu	51.68	51.68	51.68	Direct
2	Infrastructure to Rural Hospital	Promoting preventive health care	Coimbatore, Tamilnadu	10.00	10.00	10.00	Through a Registered Trust
3	Infrastructure to Rural Hospital	Promoting preventive health care	Coimbatore, Tamilnadu	0.50	0.50	0.50	Direct
4	Disaster Relief	Preventive health care	The Nilgiris District, Tamilnadu	1.00	1.00	1.00	Direct
5	Providing basic amenities to Government College and schools	Education	Coimbatore, Tamilnadu	0.48	0.48	0.48	Direct
Total				63.66	63.66	63.66	

### Responsibility statement of the CSR Committee

The CSR Committee confirms that the implementation and governance of CSR programs have been elaborated in the Company's CSR policy. The CSR committee further confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Coimbatore  
Date: 13.08.2020

**(Sd.) R.Varun Karthikeyan**  
Managing Director  
(DIN 00585158)

**(Sd.) P.T.Kuppuswamy**  
Chairman - CSR Committee  
(DIN 00032309)

## **INDEPENDENT AUDITOR'S REPORT**

**SUBRAMANIAM VASUDEV AND CO.,**  
Chartered Accountants

SAUBHAGYA 168, Second Agraharam,  
Salem - 636 001

**To the Members of Roots Multiclean Ltd.,**  
**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the standalone financial statements of Roots Multiclean Ltd., ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss and Statement of cash flows for the year then ended and notes to the financial statements, including a summary of 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 Standalone 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 principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibility of Management for Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 also 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 scepticism 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 control 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 internal financial controls with reference to financial statements 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.

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.

## **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



As required by Section 143(3) of the Act, we report that:

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.

- (a) 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.
- (b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (c) 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.
- (d) On the basis of written representations received from the Directors as on March 31, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020 from being appointed as a Director in terms of Section 164(2) of the Act.
- (e) 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 -B".
- (f) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements ;
  - b. The Company did not have any material foreseeable losses in long-term contracts including derivative contracts.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Salem  
Date : 13.08.2020

For **Subramaniam Vasudev and Co.,**  
Chartered Accountants  
Firm No: 004110S  
(S. Subramaniam)  
Partner  
M.No. 013174  
(UDIN 20013174AAAAAN9302)

**“ANNEXURE A” to the Independent Auditor’s Report**

**Annexure referred to in our report of even date to the Members of Roots Multiclean Ltd on the Financial statements for the year ended 31<sup>st</sup> March 2020.**

- i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing in most cases, full particulars including quantitative details and situation of its fixed assets.
  - (b) The Company has program of verification of fixed assets to cover all the items in a phased manner over a period of three years which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were identified on such verification.
  - (c) According to the information and explanations given to us by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- ii) The Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii) According to the information and explanations given to us, we are of the opinion that the rate of interest and terms and conditions of loan granted by the Company to its Wholly Owned Subsidiary Company in which two of the Directors are interested, are not prima facie prejudicial to the interest of the Company.
- iv) The Company has not granted any loans or advances, or made any investments or given any guarantee covered under Section 185 and 186 of the Act.
- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of the Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- vii) According to the information and explanations given to us and on the basis of our examination of the books of account and records:
  - a. The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income tax, Goods and Services Tax and other Statutory Dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of the above were in arrears as at 31<sup>st</sup> March, 2020 for a period of more than 6 months from the date on when they become payable.

- b. Details of dues of Customs duty, Income Tax and Goods and Services Tax which have not been deposited as on 31<sup>st</sup> March, 2020 on account of disputes are as follows:

S. No.	Particulars	Financial Year to which the matter relates	Forum where dispute is pending	Amount (Rs.)
1	Customs	2010-13	CESTAT	7,10,312
2	Income Tax	2004-05	CIT Appeal	3,42,278
3	Income Tax	2009-10	CIT Appeal	2,01,565
4	Goods and Services Tax	2017-18	Sales Tax Department, Gujarat	5,32,800

- viii) In our opinion and according to the information and explanations given to us the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the Government and has not issued any debentures.
- ix) Based upon the audit procedures performed and as per the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company and hence not commented upon.
- x) Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) Based upon the Audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) In our opinion, the Company is not a Nidhi Company. Therefore the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii) In our opinion, all transactions with the related parties are in accordance with Section 177 and 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) Based upon the Audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of Shares or fully or partially convertible debentures during the year under review. Accordingly, the provisions of the Clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv) Based upon the Audit procedures performed and the information and explanations given by the management, the Company has not entered into any non – cash transactions with Directors or persons connected with them, as covered under Section 192 of the Act. Accordingly the provisions of the Clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi) In our opinion, the Company is not required to be registered under Section 45 – IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of the Clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

Place : Salem  
Date : 13.08.2020

For **Subramaniam Vasudev and Co.,**  
Chartered Accountants  
Firm No: 004110S  
(S. Subramaniam)  
Partner  
M.No. 013174  
(UDIN 20013174AAAAAN9302)

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Roots Multiclean Ltd.**

**Report on the Internal Financial Controls 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 Roots Multiclean Ltd (“the Company”) as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls 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 (ICAI). 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 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 Act.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls, issued by ICAI. 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 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 with reference to financial statements 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 judgment, 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 Company’s internal financial controls with reference to financial statements over financial reporting.

**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 authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

### **Inherent 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, internal financial controls with reference to financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 ICAI.

Place : Salem  
Date : 13.08.2020

For **Subramaniam Vasudev and Co.,**  
Chartered Accountants  
Firm No: 004110S  
(S. Subramaniam)  
Partner  
M.No. 013174  
(UDIN 20013174AAAAAN9302)

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

Particulars	Note	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	2,00,00,000	2,00,00,000
Reserves and Surplus	2	<u>1,55,63,78,900</u>	<u>1,33,87,18,084</u>
		<u>1,57,63,78,900</u>	<u>1,35,87,18,084</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	3	19,78,26,865	14,16,43,860
Deferred tax liabilities (Net)	4	<u>2,68,66,189</u>	<u>2,98,93,431</u>
		<u>22,46,93,054</u>	<u>17,15,37,291</u>
<b>Current Liabilities</b>			
Short-term borrowings	5	25,54,15,902	21,45,56,755
Trade payables	6		
(a) Outstanding dues of Micro and Small Enterprises		3,67,49,998	5,95,53,041
(b) Outstanding dues of Creditors other than Micro and Small Enterprises		16,08,78,895	23,68,43,601
Other current liabilities	7	11,08,19,537	8,59,16,477
Short-term provisions	8	<u>14,93,71,246</u>	<u>19,17,26,486</u>
		<u>71,32,35,578</u>	<u>78,85,96,360</u>
<b>TOTAL</b>		<u>2,51,43,07,532</u>	<u>2,31,88,51,735</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9		
(i) Tangible Assets	9A	62,83,92,891	61,22,69,315
(ii) Intangible Assets	9B	3,17,89,691	3,11,60,722
(iii) Capital work-in-progress		30,38,56,738	4,69,38,572
Non-current investments	10	11,15,65,715	11,15,65,715
Long term loans and advances	11	<u>1,00,79,081</u>	<u>3,32,46,006</u>
		<u>1,08,56,84,116</u>	<u>83,51,80,330</u>
<b>Current Assets</b>			
Inventories	12	62,11,15,264	62,99,84,761
Trade receivables	13	65,09,89,346	69,59,53,738
Cash and Cash Equivalents	14	2,10,23,163	2,31,70,416
Short-term loans and advances	15	11,60,47,197	12,05,08,409
Other current assets	16	<u>1,94,48,446</u>	<u>1,40,54,081</u>
		<u>1,42,86,23,416</u>	<u>1,48,36,71,405</u>
<b>TOTAL</b>		<u>2,51,43,07,532</u>	<u>2,31,88,51,735</u>

Significant Accounting Policies and Notes on Financial Statements 1 to 39

As per our report of even date  
For Subramaniam Vasudev and Co.,  
Chartered Accountants  
Firm No.004110S

(Sd.) K.Ramasamy  
Executive Chairman  
(DIN 00034360)

(Sd.) R.Varun Karthikeyan  
Managing Director  
(DIN 00585158)

(Sd.) S. Subramaniam  
Partner  
Membership No. 013174  
Salem  
Date : 13.08.2020

(Sd.) K.Ravi  
Director  
(DIN 01590268)  
Coimbatore

(Sd.) G.Balasubramaniam  
Company Secretary  
(FCS 9699)  
Date : 13.08.2020

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Particulars	Note	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>INCOME</b>			
Revenue from operations	17	2,24,83,67,307	2,41,92,34,572
Other Income	18	42,65,501	21,41,176
<b>Total Revenue</b>		<b>2,25,26,32,808</b>	<b>2,42,13,75,748</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	19	76,42,12,146	75,73,78,084
Purchase of Traded Goods		24,84,45,358	30,74,42,504
Changes in Inventories of Finished goods, Work in Progress and Traded Goods	20	(4,38,60,603)	(7,10,35,056)
Employee Benefits Expense	21	43,72,11,755	41,55,42,635
Other expenses	22	43,97,51,529	50,13,14,423
<b>Total Expenses</b>		<b>1,84,57,60,185</b>	<b>1,91,06,42,590</b>
<b>Earnings Before Interest, Tax, Depreciation and Amortisations (EBITDA)</b>		<b>40,68,72,623</b>	<b>51,07,33,158</b>
Depreciation and Amortisation Expense	23	7,09,26,151	6,76,68,120
Finance costs	24	3,72,85,132	3,35,18,480
<b>Profit before Tax</b>		<b>29,86,61,340</b>	<b>40,95,46,558</b>
<b>Tax expenses</b>			
Current tax		7,80,00,000	12,25,00,000
Deferred tax	4	(30,27,242)	(29,42,147)
<b>Profit for the year</b>		<b>22,36,88,582</b>	<b>28,99,88,705</b>
<b>Earning per equity share (Face Value of Share Rs.10/- each)</b>			
Basic and Diluted	25	<b>111.84</b>	144.99

Significant Accounting Policies and Notes on Financial Statements 1 to 39

 As per our report of even date  
 For Subramaniam Vasudev and Co.,  
 Chartered Accountants  
 Firm No.004110S

**(Sd.) S. Subramaniam**

 Partner  
 Membership No. 013174  
 Salem  
 Date : 13.08.2020

**(Sd.) K.Ramasamy**  
 Executive Chairman  
 (DIN 00034360)

**(Sd.) K.Ravi**  
 Director  
 (DIN 01590268)  
 Coimbatore

**(Sd.) R.Varun Karthikeyan**  
 Managing Director  
 (DIN 00585158)

**(Sd.) G.Balasubramaniam**  
 Company Secretary  
 (FCS 9699)  
 Date : 13.08.2020

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Particulars	2019-20 (Rs.)	2018-19 (Rs.)
<b>Net Profit before Tax and Extra ordinary items</b>	<b>29,86,61,340</b>	40,95,46,558
<b>Adjustments for</b>		
Depreciation	7,09,26,151	6,76,68,120
Finance Costs	3,72,85,132	3,35,18,480
Interest Income from Roots Multi Clean Inc., USA	(21,96,170)	(6,02,429)
Dividend Income	(1,73,000)	(1,73,000)
(Profit) / Loss on Sale of Assets (Net)	(3,81,654)	4,94,652
Agricultural Income (Net)	15,32,217	8,41,486
	<b>40,56,54,016</b>	51,12,93,867
<b>Add : Adjustment for</b>		
Increase / (Decrease) in Trade Payables	(9,87,67,749)	3,08,83,760
Increase / (Decrease) in Short Term Provisions	(4,23,55,240)	2,97,08,155
Increase / (Decrease) in Other Current Liabilities	5,23,600	(2,00,18,423)
(Increase) / Decrease in Inventories	88,69,497	(24,73,62,138)
(Increase) / Decrease in Other Current Assets	(53,94,365)	(65,99,190)
(Increase) / Decrease in Receivables	4,49,64,392	(8,53,38,195)
(Increase) / Decrease in Short-Term Loans and Advances	94,82,597	(1,96,10,040)
(Increase) / Decrease in Long Term Advance - Deposits	(29,11,336)	-
<b>Cash generated from operations</b>	<b>32,00,65,412</b>	19,29,57,796
Income Tax	(7,80,00,000)	(12,25,00,000)
<b>I. Net Cash from operating activities (A)</b>	<b>24,20,65,412</b>	7,04,57,796
<b>II. Cash flow from (used in) Investing activities</b>		
Capital expenditure including capital advance	(31,94,53,074)	(15,35,20,315)
Proceeds from Sale of assets (Net)	13,16,126	32,25,335
Loan to Roots Multi Clean Inc., USA - (Wholly Owned Subsidiary)	(50,21,385)	(50,59,017)
Interest from Roots Multi Clean Inc., USA - (Wholly Owned Subsidiary)	21,96,170	6,02,429
Dividend Income	1,73,000	1,73,000
Agricultural Income (Net)	(15,32,217)	(8,41,486)
	<b>(32,23,21,380)</b>	(15,54,20,054)
<b>III. Cash flow from financing activities:</b>		
Increase / (Decrease) in Current and Non-Current Borrowings	12,14,21,612	11,93,04,055
Finance Costs	(3,72,85,131)	(3,35,18,480)
Dividend & Dividend Distribution Tax	(60,27,766)	(60,27,766)
<b>Net Cash Generated from financing activities (C)</b>	<b>7,81,08,715</b>	7,97,57,809
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(21,47,253)</b>	(52,04,449)
Cash and Cash equivalents at the beginning of the period	2,31,70,416	2,83,74,865
<b>Cash and Cash equivalents at the end of the period</b>	<b>2,10,23,163</b>	2,31,70,416

As per our report of even date  
For Subramaniam Vasudev and Co.,  
Chartered Accountants  
Firm No.0041105

**(Sd.) S. Subramaniam**  
Partner  
Membership No. 013174  
Salem  
Date : 13.08.2020

**(Sd.) K.Ramasamy**  
Executive Chairman  
(DIN 00034360)

**(Sd.) K.Ravi**  
Director  
(DIN 01590268)  
Coimbatore

**(Sd.) R.Varun Karthikeyan**  
Managing Director  
(DIN 00585158)

**(Sd.) G.Balasubramaniam**  
Company Secretary  
(FCS 9699)  
Date : 13.08.2020



**SIGNIFICANT ACCOUNTING POLICIES**

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**a. Property, Plant & Equipment**

Property, Plant & Equipment have been stated at cost net of accumulated depreciation and interest on Long Term Borrowings upto date of commissioning has been Capitalised.

**b. Valuation of Inventories**

- i. Raw Materials and Bought out components have been valued at cost or at net realisable value whichever is lower.
- ii. In house fabricated components and work in progress have been valued at Raw Material Cost and in house activity cost / outside job order charges wherever applicable.
- iii. Finished Goods are valued at lower of cost or net realisable Value.
- iv. Bought out items have been valued at lower of cost or net realisable value.
- v. Cost of inventories is generally calculated on yearly moving weighted average basis.

**c. Depreciation**

Tangible Assets other than land are depreciated on a pro rata basis based on the straight line method over the estimated useful life of the assets considering the guidelines of part C of Schedule II of the Companies Act, 2013. Based on technical evaluation and assessment of useful life the estimated useful life of following assets are considered less compared to the life prescribed under part C of the Schedule II of the Companies Act, 2013 and depreciated accordingly.

- Leased equipments - over a period of 3 years  
Storage Racks - over a period of 10 years  
Tools & Dies - over a period of 6 years

Following intangible assets have been amortised on straight line basis over their estimated useful life as follows:  
Technical knowhow - over a period of 5 years : Computer Software - over a period of 6 years.

**d. Revenue Recognition**

Revenue has been accounted on accrual basis.

Export Incentive under various schemes are recognised as income on certainty of realisation.

**e. Investment**

Investment has been shown at cost.

**f. R & D Expenses**

Revenue Expenditure on R & D is charged to profits for the year in which it is incurred.

**g. Foreign Currency Transaction**

Transaction on account of import of raw materials, components and boughtout products are accounted based on the actual liability incurred if the transactions are settled within the accounting year. Such transactions not settled during the accounting year are accounted on rates prevailing on close of the accounting year. Export sales realisations are accounted at actuals and those not realised within the accounting year are stated at rates prevailing on close of the accounting year. Monetary items denominated in foreign currencies at the year end are restated at year end rates.

**h. Employee benefits**

**a) Short Term:** Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

**b) Post Retirement:** Post Retirement Benefits comprise of Provident Fund, Superannuation Fund and Gratuity which are accounted for as follows:

- i) Provident Fund (Government PF): This is a defined contribution plan, and contributions made to the fund are charged to revenue. The Company has no further obligations for future Provident Fund benefits other than monthly contributions.
- ii) Superannuation Fund: This is a defined contribution plan. The Company contributes a sum equivalent to defined contribution plan to eligible employee's salary towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its annual contributions and recognises such contributions as expense in the year incurred.
- iii) Gratuity: Gratuity is provided on discounted basis by the projected unit credit method on the basis of Actuarial Valuation, in conformity with the AS15. Gratuity is administered through Group Gratuity scheme with Life Insurance Corporation of India.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Particulars	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>1. SHARE CAPITAL</b>		
Authorised Share Capital (20,00,000 Equity Shares of Rs.10/- each)	<b>2,00,00,000</b>	2,00,00,000
Issued, Subscribed & Fully Paid up Capital		
20,00,000 Equity Shares of Rs.10/- each fully paid up	<b>2,00,00,000</b>	2,00,00,000
<b>1.1 Reconciliation of the Number of Shares</b>		
Equity shares at the beginning of the year outstanding	<b>20,00,000</b>	20,00,000
Add : Issued during the Year	-	-
	<b>20,00,000</b>	20,00,000
Less : Buy back during the year	-	-
Equity Shares at the end of the year	<b>20,00,000</b>	20,00,000

**1.2** The Company has only one class of equity shares having a face value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

**1.3** There are no bonus shares issued / shares bought back during the year 2019-20.

**1.4** There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment as on 31<sup>st</sup> March 2020.

**1.5 Details of shareholders holding more than 5% shares**

S.No.	Name of the Shareholder	2019-20		2018-19	
		% of holding	No. of Shares	% of holding	No. of Shares
1	M/s Hako GmbH	<b>26.00</b>	<b>5,20,000</b>	26.00	5,20,000
2	M/s Roots Industries India Ltd	<b>18.00</b>	<b>3,60,000</b>	18.00	3,60,000
3	Sri R.Varun Karthikeyan	<b>17.71</b>	<b>3,54,160</b>	17.70	3,53,960
4	Sri K.Ramasamy	<b>11.75</b>	<b>2,34,900</b>	11.75	2,34,900
5	M/s Roots Auto Products Private Ltd	<b>7.50</b>	<b>1,50,000</b>	7.50	1,50,000
6	Smt R.Yokanayaki	<b>5.02</b>	<b>1,00,400</b>	5.02	1,00,400
	<b>Total</b>		<b>17,19,460</b>		17,19,260

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Particulars	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>2. RESERVES AND SURPLUS</b>		
<b>a. General Reserve</b>		
Opening Balance	1,15,22,91,400	95,22,91,400
Add : Transfer from Statement of Profit and Loss	<u>20,00,00,000</u>	<u>20,00,00,000</u>
	<b>1,35,22,91,400</b>	<b>1,15,22,91,400</b>
<b>b. Surplus in Statement of Profit and Loss</b>		
Opening Balance	18,64,26,684	10,24,65,745
Add : Profit for the year	22,36,88,582	28,99,88,705
Less : Appropriations:		
Equity dividend Paid*	(50,00,000)	(50,00,000)
Tax on equity dividend	(10,27,766)	(10,27,766)
Transferred to General Reserve	<u>(20,00,00,000)</u>	<u>(20,00,00,000)</u>
Net Balance	<u>20,40,87,500</u>	<u>18,64,26,684</u>
<b>Total</b>	<u><b>1,55,63,78,900</b></u>	<u><b>1,33,87,18,084</b></u>

\* (Refer Note No.36)

**3. LONG TERM BORROWINGS**
**Secured**

Term Loans from Banks	<u>19,78,26,865</u>	<u>14,16,43,860</u>
<b>Total</b>	<u><b>19,78,26,865</b></u>	<u><b>14,16,43,860</b></u>

**3.1 Term Loans - Secured - Long Term**

S.No.	Particulars	Limit Sanctioned (Rs.)	Type of Security	Terms of Repayment	Amount Outstanding As at 31.03.2020 (Rs.)	Amount Outstanding As at 31.03.2019 (Rs.)
From Banks:						
1	CITI	2,70,00,000	First Exclusive charge on the	Monthly	-	90,00,000
2	HSBC	25,00,00,000	Fixed Assets funded out of the Term Loan.	Quarterly	<b>18,93,75,000</b>	12,19,05,630
3	HDFC - Car Loan	1,61,00,000	Secured against first charge on Car Purchased out of the Auto Premium Loan	Monthly	<b>84,51,865</b>	1,07,38,230
<b>Total</b>		29,31,00,000			<b>19,78,26,865</b>	14,16,43,860

**Maturity Profile of Secured Term Loans**
**(Rs.)**

S.No.	Particulars	1-2 Years	2-3 Years	3-4 Years	Beyond 4 years	Total
1	HSBC	5,75,00,000	5,75,00,000	4,93,75,000	2,50,00,000	<b>18,93,75,000</b>
2	HDFC - Car Loan	22,85,230	22,54,395	22,33,801	16,78,439	<b>84,51,865</b>
	<b>Total</b>	<b>5,97,85,230</b>	<b>5,97,54,395</b>	<b>5,16,08,801</b>	<b>2,66,78,439</b>	<b>19,78,26,865</b>

**4. DEFERRED TAX LIABILITIES (NET)**

Particulars	Opening Balance 01.04.2019 (Rs.)	Added during the year (Rs.)	Reversed during the year (Rs.)	Closing Balance 31.03.2020 (Rs.)
<b>A. Deferred Tax Assets</b>				
Depreciation - Excess claimed in the Books	-	-	-	-
Other Expenses - Disallowance under tax laws	-	-	-	-
<b>Total</b>	-	-	-	-
<b>B. Deferred Tax Liability</b>				
Depreciation - Excess claimed in the IT - A	10,32,90,909	15,50,300	-	<b>10,48,41,209</b>
Other Expenses - Deferred Revenue - B	(6,34,900)	6,34,900	-	-
<b>TOTAL - (A + B)</b>	10,26,56,009	21,85,200	-	<b>10,48,41,209</b>
Net Deferred Tax Liability	2,98,93,431	-	-	<b>2,68,66,189</b>
Less: Opening Deferred Tax Liability	3,28,35,578	-	-	<b>2,98,93,431</b>
Net Deferred Tax Debited / (Credited) to Statement of P & L	-	(30,27,242)	-	-

Particulars	31.03.2020 (Rs.)	31.03.2019 (Rs.)
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**5. SHORT TERM BORROWINGS**
**SECURED**

Working Capital Loans - from Banks	<b>25,54,15,902</b>	21,45,56,755
<b>Total</b>	<b>25,54,15,902</b>	21,45,56,755

**Loans repayable on demand (Working Capital Loan)**

S.No.	Particulars	Limit Sanctioned (Rs)	Type of Security	31.03.2020 (Rs.)	31.03.2019 (Rs.)	
	From Banks:-					
1	Indian Overseas Bank - Cash Credit	9,00,00,000	Secured against First Paripassu charge on Current Assets and Fixed Assets excluding Fixed Assets charged to Term Lenders of the Company	<b>3,46,85,958</b>	1,12,99,260	
2	State Bank of India - Cash Credit	5,00,00,000		<b>3,41,60,045</b>	26,63,056	
3	- Cash Credit	22,00,00,000		<b>1,11,81,939</b>	64,13,061	
	Citi Bank - Packing Credit			<b>7,67,36,182</b>	13,55,03,479	
	- Short Term-PCINR			-	1,60,33,900	
4	- Short Term Loan	11,00,00,000		<b>8,00,00,000</b>	2,00,04,658	
	HSBC - Packing Credit			-	1,55,32,000	
	- Cash Credit			<b>1,86,51,778</b>	71,07,341	
	<b>Total</b>	47,00,00,000			<b>25,54,15,902</b>	21,45,56,755

Particulars	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>6. TRADE PAYABLES</b>		
a. Total outstanding Dues of Micro and Small Enterprises	<b>3,67,49,998</b>	5,95,53,041
b. Total outstanding Dues of Creditors other than Micro & Small Enterprises	<b>16,08,78,895</b>	23,68,43,601
<b>Total</b>	<b>19,76,28,893</b>	29,63,96,642

**Note:**
**DUES TO MICRO AND SMALL ENTERPRISES**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”). The disclosures pursuant to the said MSMED Act are as follows:

Particulars		31.03.2020 (Rs.)	31.03.2019 (Rs.)
a.	The principal amount remaining unpaid to any supplier at the end of the year	<b>3,67,49,998</b>	5,95,53,041
b.	Interest due remaining unpaid to any supplier at the end of the year	NIL	NIL
c.	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	NIL	NIL
d.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	NIL	NIL
e.	The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
f.	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006	NIL	NIL

Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprises Development Act, 2006” is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company.

Particulars		31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>7.</b>	<b>OTHER CURRENT LIABILITIES</b>		
1.	Current Maturities of Long Term Borrowings	<b>4,37,86,365</b>	1,94,25,508
2.	Interest accrued but not due	<b>55,798</b>	37,195
3.	Unclaimed dividend	<b>3,58,000</b>	3,61,250
4.	Creditors for Capital Expenditure	<b>1,85,54,111</b>	1,03,41,816
5.	TDS payable and advance from customers	<b>4,80,65,263</b>	5,57,50,708
	<b>Total</b>	<b>11,08,19,537</b>	8,59,16,477
<b>8.</b>	<b>SHORT TERM PROVISIONS</b>		
1.	Provision for Salaries & Wages	<b>9,86,46,879</b>	10,43,60,236
2.	Provision for Leave encashment	<b>35,00,000</b>	42,00,000
3.	Income Tax Provisions (Net)	<b>2,95,73,455</b>	4,78,02,225
4.	Provision for Warranties	<b>65,76,455</b>	67,35,437
5.	Outstanding Expenses	<b>1,10,74,457</b>	2,86,28,588
	<b>Total</b>	<b>14,93,71,246</b>	19,17,26,486

**Standalone Financial Statements**
**9. PROPERTY, PLANT AND EQUIPMENT**

Particulars	Gross Block		Depreciation		Net Block			
	As on 01.04.2019 (Rs.)	Additions / (Deletions) (Rs.)	As on 31.03.2020 (Rs.)	Upto 31.03.2019 (Rs.)	For the year / (Withdrawal) (Rs.)	Upto 31.03.2020 (Rs.)	As on 31.03.2020 (Rs.)	As on 31.03.2019 (Rs.)
<b>A. TANGIBLE ASSETS</b>								
Land	10,86,22,560	-	10,86,22,560	-	-	-	10,86,22,560	10,86,22,560
Building	22,65,68,796	75,59,302	23,41,28,098	3,73,52,462	72,12,915	4,45,65,377	18,95,62,721	18,92,16,334
Plant & Machinery	18,75,98,759	1,22,56,548	19,98,55,307	6,16,94,974	1,19,57,717	7,36,52,691	12,62,02,616	12,59,03,785
Leased Equipments	1,28,57,835	-	1,19,46,126	1,22,14,944	-	1,13,48,820	5,97,306	6,42,891
		(9,11,709)			(8,66,124)			
Wind Mill	7,26,53,303	-	7,26,53,303	5,90,94,433	10,03,269	6,00,97,702	1,25,55,601	1,35,58,870
Tools,Dies & Moulds	20,54,38,249	3,05,57,552	23,59,95,801	14,91,77,131	1,48,55,969	16,40,33,100	7,19,62,701	5,62,61,118
Electrical Equipments	2,47,65,376	2,87,527	2,50,52,903	1,28,66,642	20,01,970	1,48,68,612	1,01,84,291	1,18,98,734
Measuring Instruments Fixtures etc	65,71,431	10,69,715	76,41,146	39,52,146	4,99,430	44,51,576	31,89,570	26,19,285
Storage Racks	1,86,32,055	18,43,930	2,04,75,985	1,13,13,848	15,46,151	1,28,59,999	76,15,986	73,18,207
Vehicles	9,63,48,559	1,67,17,489	11,06,72,135	3,32,52,190	1,19,72,555	4,36,79,357	6,69,92,778	6,30,96,369
		(23,93,913)			(15,45,388)			
Furniture & Fittings	2,45,04,649	3,90,192	2,48,22,457	1,34,02,358	15,08,849	1,48,66,647	99,55,810	1,11,02,291
		(72,384)			(44,560)			
Office & Misc. Equipments	2,16,12,352	8,09,671	2,24,22,023	1,01,98,166	15,62,509	1,17,60,675	1,06,61,348	1,14,14,186
Computer	5,07,21,321	44,66,548	5,50,65,869	4,01,06,636	47,79,091	4,47,76,266	1,02,89,603	1,06,14,685
		(1,22,000)			(1,09,461)			
<b>Total</b>	1,05,68,95,245	7,59,58,474	1,12,93,53,713	44,46,25,930	5,89,00,425	50,09,60,822	62,83,92,891	61,22,69,315
		(35,00,006)			(25,65,533)			
<b>B. INTANGIBLE ASSETS</b>								
Computer Software	1,95,21,307	1,26,54,695	3,21,76,002	90,78,473	29,25,541	1,20,04,014	2,01,71,988	1,04,42,834
Technical Know-How	5,69,59,262	-	5,69,59,262	3,62,41,374	91,00,185	4,53,41,559	1,16,17,703	2,07,17,888
<b>Total</b>	7,64,80,569	1,26,54,695	8,91,35,264	4,53,19,847	1,20,25,726	5,73,45,573	3,17,89,691	3,11,60,722
<b>Grand Total</b>	1,13,33,75,814	8,86,13,169	1,21,84,88,977	48,99,45,777	7,09,26,151	55,83,06,395	66,01,82,582	64,34,30,037
		(35,00,006)			(25,65,533)			

Particulars	Standalone Financial Statements	
	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>10. NON-CURRENT INVESTMENTS</b>		
<b>Unquoted Investments (valued at cost)</b>		
In equity shares of companies unquoted, fully paid-up		
1,73,000 Equity shares of Rs. 10/- each fully paidup in Roots Precision Products P. Ltd	<b>17,30,000</b>	17,30,000
1,34,127 Equity shares of Rs. 10/- each fully paidup in Roots Cast P. Ltd	<b>60,35,715</b>	60,35,715
16,000 Equity shares of USD 100 each fully paidup in Roots Multi Clean Inc., USA (Wholly Owned Subsidiary)	<b>10,38,00,000</b>	10,38,00,000
<b>Total</b>	<b>11,15,65,715</b>	11,15,65,715
<b>Aggregate amount of unquoted Investments</b>	<b>11,15,65,715</b>	11,15,65,715
<b>11. LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured Considered Good)		
1. Capital Advances	<b>58,97,348</b>	3,19,75,609
2. Deposits - EB, Sales Tax and Telephone	<b>41,81,733</b>	12,70,397
<b>Total</b>	<b>1,00,79,081</b>	3,32,46,006
<b>12. INVENTORIES</b>		
(As certified by the Management)		
1. Raw materials, Boughtout & Components	<b>31,45,60,636</b>	36,65,20,557
2. Goods in transit-Raw Materials	<b>2,67,083</b>	2,30,214
3. Work in Progress	<b>5,73,73,712</b>	3,52,86,721
4. Finished Goods	<b>10,98,77,462</b>	10,05,47,769
5. Stock -Traded Goods	<b>13,35,47,829</b>	12,11,03,909
6. Packing Materials	<b>37,69,424</b>	42,58,282
7. Consumables and Stores	<b>17,19,118</b>	20,37,309
<b>Total</b>	<b>62,11,15,264</b>	62,99,84,761

**Valuation of Inventory:**

- Raw Materials and Bought out components have been valued at cost or at net realisable value whichever is lower.
- In house fabricated components and work in progress have been valued at Raw Material Cost and in house activity cost / outside job order charges wherever applicable.
- Finished Goods are valued at lower of cost or net realisable Value.
- Bought out items have been valued at lower of cost or net realisable value.
- Cost of inventories is generally calculated on yearly moving weighted average basis.



<b>Standalone Financial Statements</b>		
<b>Particulars</b>	<b>31.03.2020 (Rs.)</b>	<b>31.03.2019 (Rs.)</b>
<b>13. TRADE RECEIVABLES*</b> (Unsecured considered good)		
Exceeding Six months	<b>16,91,40,764</b>	9,40,59,630
Less than Six Months	<b>48,18,48,582</b>	60,18,94,108
Considered Doubtful	<b>1,58,84,823</b>	1,15,55,150
	<b>66,68,74,169</b>	70,75,08,888
Less: Provision for Doubtful Debts	<b>(1,58,84,823)</b>	(1,15,55,150)
<b>Total</b>	<b>65,09,89,346</b>	69,59,53,738
* Trade Receivables include due from following Group Concerns in which the Directors are interested.		
1. Roots Auto Products Private Limited	-	5,11,656
2. Hako Group of Companies	<b>1,69,04,758</b>	1,78,12,064
3. Swami Satchidananda Foundation	-	13,572
<b>14. CASH AND CASH EQUIVALENTS</b>		
1. Cash on hand	<b>7,56,436</b>	5,31,741
2. Balance With Banks *	<b>48,61,426</b>	56,67,104
3. Cheques in Hand	-	20,33,532
4. Deposit with Banks - Margin Money against Guarantees	<b>1,54,05,301</b>	1,49,38,039
<b>Total</b>	<b>2,10,23,163</b>	2,31,70,416
* Balance with banks includes unpaid dividend account	<b>3,58,000</b>	3,61,250
<b>15. SHORT TERM LOANS AND ADVANCES</b> (Unsecured considered good)		
1. Prepaid Expenses	<b>37,28,540</b>	29,13,951
2. GST Advances & TDS Receivables	<b>5,22,09,558</b>	7,40,77,562
3. Loan to Roots Multiclean Inc., USA - (Wholly Owned Subsidiary) #	<b>2,64,56,385</b>	2,14,35,000
4. Advances to Suppliers	<b>3,36,52,714</b>	2,20,81,896
<b>Total</b>	<b>11,60,47,197</b>	12,05,08,409
# Disclosure as per Section 186: The Company has advanced loan to its Wholly Owned Subsidiary to meet their working capital requirements. The Loan carries interest rate of 11.00% p.a. for USD 1,65,000 and 9.00% p.a. for USD 1,50,000 (Previous Year - Loan carries Interest rate of 11.00% p.a. for USD 3,00,000) in line with the prevailing market rate. (Refer Note No.35)		
<b>16. OTHER CURRENT ASSETS</b>		
1. Export Incentive Receivables ( DBK & MEIS )	<b>1,25,78,420</b>	77,75,499
2. Export GST Rebate Receivable	<b>68,70,026</b>	62,78,582
<b>Total</b>	<b>1,94,48,446</b>	1,40,54,081

Particulars	31.03.2020		31.03.2019	
	(Rs.)		(Rs.)	
<b>17. REVENUE FROM OPERATIONS</b>				
<b>Revenue from Manufactured Products</b>				
Domestic	<b>1,19,17,27,627</b>		1,22,58,13,025	
Export	<b>51,91,41,021</b>	<b>1,71,08,68,648</b>	<b>61,55,63,687</b>	1,84,13,76,712
<b>Revenue from Traded Products</b>				
Domestic	<b>40,14,31,657</b>		46,83,97,451	
Export	<b>2,60,25,641</b>	<b>42,74,57,298</b>	<b>2,29,01,246</b>	49,12,98,697
<b>Revenue from sale of services</b>				
Annual Maintenance Charges	<b>5,23,89,204</b>		3,92,29,692	
Service Charges Received	<b>91,75,275</b>		81,25,090	
Operation & Maintenance Charges	<b>59,28,793</b>		19,94,592	
Commission Received	<b>70,05,257</b>		3,64,948	
Machinery Lease Rent	<b>2,80,000</b>	<b>7,47,78,529</b>	90,000	4,98,04,322
<b>Other Operating Revenue</b>				
Export Incentive		<b>2,99,74,874</b>		2,93,24,555
Wind Mill Income		<b>33,84,569</b>		72,16,855
Foreign exchange gain		<b>19,03,389</b>		2,13,431
<b>Total</b>		<b>2,24,83,67,307</b>		<b>2,41,92,34,572</b>
<b>18. OTHER INCOME</b>				
<b>Other Non Operating income</b>				
Interest income		<b>31,41,439</b>		14,41,524
Profit on Sale of Fixed Assets		<b>4,31,662</b>		-
Dividend income		<b>1,73,000</b>		1,73,000
Agriculture income		<b>1,36,600</b>		1,17,152
Rent received		<b>3,82,800</b>		4,09,500
<b>Total</b>		<b>42,65,501</b>		<b>21,41,176</b>

Particulars	Standalone Financial Statements	
	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>19. COST OF MATERIALS CONSUMED</b>		
1. Consumption of Raw materials, Bought out & Components	73,49,33,726	72,57,01,907
2. Consumption of Packing Materials	2,92,78,420	3,16,76,177
<b>Total</b>	<b>76,42,12,146</b>	<b>75,73,78,084</b>
<b>1. Consumption of Raw materials, Bought out &amp; Components</b>		
Opening stock of Raw materials, Bought out & Components	36,67,50,771	19,18,31,787
Add: Purchases during the year	68,30,10,674	90,06,20,891
	<b>1,04,97,61,445</b>	<b>1,09,24,52,678</b>
Less: Closing stock of Raw materials, Bought out & Components	31,48,27,719	36,67,50,771
<b>Total</b>	<b>73,49,33,726</b>	<b>72,57,01,907</b>
<b>2. Consumption of Packing Materials</b>		
Opening stock of Packing Materials	42,58,282	33,28,488
Add: Purchases during the year	2,87,89,562	3,26,05,971
	<b>3,30,47,844</b>	<b>3,59,34,459</b>
Less: Closing stock of Packing Materials	37,69,424	42,58,282
<b>Total</b>	<b>2,92,78,420</b>	<b>3,16,76,177</b>
<b>20. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS</b>		
1. Finished Goods	(93,29,692)	(1,79,39,043)
2. Work-in-progress	(2,20,86,991)	(79,04,586)
3. Traded Goods	(1,24,43,920)	(4,51,91,427)
<b>Total</b>	<b>(4,38,60,603)</b>	<b>(7,10,35,056)</b>
<b>1. Changes in inventories of Finished Goods</b>		
Opening stock of Finished Goods	10,05,47,769	8,26,08,726
Less : Closing stock of Finished Goods	10,98,77,461	10,05,47,769
<b>Total</b>	<b>(93,29,692)</b>	<b>(1,79,39,043)</b>
<b>2. Changes in inventories of Work-in-progress</b>		
Opening stock of Work-in-progress	3,52,86,721	2,73,82,135
Less : Closing stock of Work-in-progress	5,73,73,712	3,52,86,721
<b>Total</b>	<b>(2,20,86,991)</b>	<b>(79,04,586)</b>
<b>3. Changes in inventories of Traded Goods</b>		
Opening stock of Traded Goods	12,11,03,909	7,59,12,482
Less : Closing stock of Traded Goods	13,35,47,829	12,11,03,909
<b>Total</b>	<b>(1,24,43,920)</b>	<b>(4,51,91,427)</b>

Particulars	Standalone Financial Statements	
	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>21. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	37,27,37,744	35,07,26,179
Contribution to Provident Fund, Gratuity and other funds	3,65,46,986	3,04,94,138
Employee Welfare expenses	1,24,30,590	1,45,99,162
Directors' Remuneration	1,54,96,435	1,97,23,156
<b>Total</b>	<b>43,72,11,755</b>	<b>41,55,42,635</b>
<b>Gratuity:</b>		
<b>Defined Benefit Plan - As on 31<sup>st</sup> March, 2020</b>		
<b>I Change in obligation during the year ended as at 31<sup>st</sup> March 2020</b>		
1 Present Value of Obligation as at beginning of the year	5,21,47,646	4,54,89,236
2 Interest cost	39,11,074	34,11,693
3 Current Service cost	67,99,537	58,81,912
4 Benefit payment	(16,87,851)	(25,10,585)
5 Actuarial (gain) / loss	28,85,623	(1,24,610)
6 Present value of defined benefit obligation at the end of the year	6,40,56,029	5,21,47,646
<b>II Change in the fair value of plan assets as at 31<sup>st</sup> March 2020</b>		
1 Fair Value of Plan Assets at beginning of the year	5,65,34,868	4,95,62,392
2 Expected return on plan assets	38,66,348	38,83,708
3 Contributions	–	55,99,353
4 Benefits paid	(16,87,851)	(25,10,585)
5 Actuarial (gain) / loss on plan assets		
6 Fair value of plan assets at the end of year	5,87,13,365	5,65,34,868
<b>III Actuarial (Gain) / Loss recognised as at 31<sup>st</sup> March 2020</b>		
1 Actuarial (gain) / loss on obligations	(28,85,623)	1,24,610
2 Actuarial (gain) / loss for the year - Plan assets	NIL	NIL
3 Actuarial (gain) / loss on obligations	28,85,623	(1,24,610)
4 Actuarial (gain) / loss recognised in the year	28,85,623	(1,24,610)
<b>IV Net Asset / (Liability) recognised in the Balance sheet as at 31<sup>st</sup> March 2020</b>		
1 Present Value of Defined Benefit Obligation as at March 31, 2020	6,40,56,029	5,21,47,646
2 Fair value of plan assets as at March 31, 2020	5,87,13,365	5,65,34,868
3 Funded status	(53,42,664)	43,87,222
4 Net Asset / (Liability) as at March 31, 2020	(53,42,664)	43,87,222
<b>V Expenses recognised in the Statement of Profit &amp; Loss for the year ended 31<sup>st</sup> March 2020</b>		
1 Current Service cost	67,99,537	58,81,912
2 Interest cost	39,11,074	34,11,693
3 Expected return on plan assets	(38,66,348)	(38,83,708)
4 Net actuarial (gain) / loss recognised in the year	28,85,623	(1,24,610)
5 Expenses recognised in Statement of Profit and Loss	97,29,886	52,85,287

<b>Particulars</b>	<b>31.03.2020 (Rs.)</b>	<b>31.03.2019 (Rs.)</b>	
<b>22. OTHER EXPENSES</b>			
<b>Manufacturing Expenses</b>			
Consumption of stores	<b>1,71,41,859</b>	2,04,91,059	
Power and fuel	<b>1,50,84,754</b>	1,62,76,736	
Operation & Maintenance Expenses	<b>70,646</b>	7,24,742	
Labour, Conversion and Testing Charges	<b>4,58,32,372</b>	7,00,98,320	
Carriage Inwards	<b>58,11,218</b>	1,00,07,482	
Repairs & Maintenance:			
Building	<b>68,27,071</b>	1,63,82,170	
Machinery	<b>60,43,570</b>	57,67,537	
Computer / Software	<b>1,10,20,142</b>	1,64,83,421	
Electrical	<b>35,37,978</b>	51,37,019	
Office	<b>47,40,070</b>	44,92,661	
Factory	<b>18,46,234</b>	21,13,085	
Tool	<b>31,42,480</b>	32,10,536	17,11,84,768
	<b>12,10,98,394</b>		
<b>Selling and Distribution Expenses</b>			
Advertisement	<b>6,99,431</b>	19,36,113	
Freight outward	<b>5,28,76,150</b>	4,41,52,505	
ECGC Premium	<b>4,26,432</b>	1,19,619	
Sales Promotion / Demo Expenses	<b>1,64,74,008</b>	1,91,16,851	
Discounts	<b>52,12,121</b>	47,05,000	
Dealer Commission	<b>20,89,941</b>	1,26,54,757	
Travelling & Conveyance	<b>7,42,27,431</b>	6,50,43,878	
Royalty	<b>2,50,91,263</b>	3,05,65,922	
Warranty Claims & Allowances	<b>75,46,455</b>	88,59,678	18,71,54,323
	<b>18,46,43,232</b>		
<b>Establishment Expenses</b>			
Rent	<b>2,53,62,472</b>	2,45,36,381	
Insurance	<b>61,26,218</b>	65,64,806	
Rates and Taxes	<b>33,43,772</b>	91,61,742	
Payment to Auditors' (Refer Note No.31)	<b>3,96,000</b>	3,96,000	
Postage, Courier & Telephone	<b>47,89,948</b>	55,09,439	
Electricity charges	<b>16,50,439</b>	17,33,884	
Directors' Sitting fees	<b>1,60,000</b>	2,00,000	

Particulars	Standalone Financial Statements	
	31.03.2020 (Rs.)	31.03.2019 (Rs.)
Vehicle Maintenance expenses	52,76,606	60,95,583
Printing & Stationery	42,14,120	37,58,299
Books & Periodicals	47,922	45,874
Legal & Professional Charges	1,41,15,274	1,09,07,885
Donation	31,64,500	18,77,597
CSR Expenditure	63,66,457	60,64,464
Subscription & Membership	9,70,526	9,25,363
Loss on sale of assets	50,009	4,94,652
Provision for Doubtful Debts	43,29,673	28,13,170
Agricultural Expenses	16,68,817	9,58,638
R & D Expenses	5,19,77,150	13,40,09,903
<b>Total</b>	<b>43,97,51,529</b>	<b>50,13,14,423</b>
<b>23. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of Tangible assets	5,89,00,425	5,43,30,496
Amortisation of Intangible assets	1,20,25,726	1,33,37,624
<b>Total</b>	<b>7,09,26,151</b>	<b>6,76,68,120</b>
<b>24. FINANCE COSTS</b>		
Interest expense	2,86,43,205	2,69,65,733
Other Borrowing costs	42,64,078	79,90,946
Applicable net loss / (gain) on foreign currency transactions	43,77,849	(14,38,199)
<b>Total</b>	<b>3,72,85,132</b>	<b>3,35,18,480</b>
<b>25. EARNING PER EQUITY SHARE (EPS) - BASIC AND DILUTED</b>		
Profit after tax (A)	22,36,88,582	28,99,88,705
Number of equity shares (B)	20,00,000	20,00,000
Basic & Diluted EPS (A/B)	111.84	144.99
<b>26. CONTINGENT LIABILITY</b>		
Bank Guarantees / SBLC / LC Furnished	20,55,29,667	13,26,31,629
<b>27. CAPITAL COMMITMENTS (Net of Advances)</b>		
	2,48,88,988	42,27,576
<b>28. CIF VALUE OF IMPORTS</b>		
1. Raw Materials & Packing Materials	53,06,798	1,02,12,817
2. Components & Spares	23,20,55,256	26,95,10,780
3. Traded Goods & Bought out	8,29,93,872	11,76,38,996
4. Capital Goods	6,20,14,695	33,36,762

**Standalone Financial Statements**

Particulars	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>29. EXPENDITURE INCURRED IN FOREIGN CURRENCY</b>		
1. Foreign Travel	<b>94,53,161</b>	85,78,196
2. Exhibition Expenses	<b>37,86,868</b>	31,85,227
3. Commission	<b>35,70,901</b>	40,16,703
4. Salary	<b>64,55,815</b>	65,09,926
5. Legal & Professional charges	<b>8,60,951</b>	12,10,757
6. R & D Expenditure	<b>34,62,984</b>	43,83,707
7. Dividend	<b>13,00,000</b>	13,00,000
Total Number of Non-Resident Shareholder	<b>1</b>	1
Total Number of Shares held by them	<b>5,20,000</b>	5,20,000
Tax Deducted at Source	-	-
Year to which Dividend relates	<b>2018-19</b>	2017-18
<b>30. EARNINGS IN FOREIGN EXCHANGE</b>		
1. Export Sales - FOB Value	<b>53,80,41,945</b>	63,13,78,872
2. Commission Received	<b>70,05,257</b>	3,64,948
<b>31. PAYMENT TO AUDITORS</b>		
1. Statutory Audit fees	<b>3,00,000</b>	3,00,000
2. Taxation Matters	<b>50,000</b>	50,000
3. Certification and Other Fees	<b>46,000</b>	46,000
<b>Total</b>	<b>3,96,000</b>	3,96,000
<b>32. CONSUMPTION OF RAW MATERIALS, COMPONENTS ETC.</b>		
	<b>2019-2020</b>	<b>2018-2019</b>
	(Rs.)	(Rs.)
	%	%
Imported	<b>14,96,66,198</b>	14,43,34,468
Indigenous	<b>58,52,67,528</b>	58,13,67,439
<b>Total</b>	<b>73,49,33,726</b>	72,57,01,907
	<b>100</b>	100

Particulars	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>33. DETAILS OF RESEARCH AND DEVELOPMENT EXPENSES</b>		
Salary to R&D Staff	2,18,25,606	2,57,42,766
Development Expenses	3,01,51,544	3,51,88,789
<b>Total</b>	<b>5,19,77,150</b>	<b>6,09,31,555</b>

34. The Company's operations mainly relate to One Primary Segment and there are no Secondary geographical segments.

### 35. RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosure of transactions with the related parties are given below:

- (i) List of related parties where control exists and related parties with whom transaction have taken place and relationship:

S. No.	Name of the Related Party	Relationship
1	Roots Industries India Limited	Entities under Common Control
2	Roots Auto Products Private Ltd	
3	Roots Cast Private Limited	
4	Roots Polycraft	
5	Roots Precision Products Private Limited	
6	American Auto Service (P) Limited	
7	HAKO Group	
8	MAHLE Electric Drives India (P) Limited (upto 22-8-2019)	
9	Sri K.Ramasamy, Executive Chairman	Key Managerial Personnel
10	Sri R.Varun Karthikeyan, Managing Director	
11	Sri G.Balasubramaniam, Company Secretary	
12	Roots Multi Clean Inc., USA	Wholly Owned Subsidiary
13	Swami Satchidananda Foundation	Enterprise over which Key Managerial Personnel are able to exercise significant influence
14	R.K. Nature Cure Home	
15	Smt R.K.Umaadhevi	Relative to Key Managerial Personnel



**Standalone Financial Statements**

## (ii) Transactions during the year with related parties

(Amount in Rs.)

Nature of Transactions (Excluding reimbursements)	Entities under Common Control		Key Managerial Personnel		Wholly Owned Subsidiary		Others*		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Purchase of Fixed Assets	1,83,86,413	1,53 67 667	-	-	-	-	-	-	1,83,86,413	1,53,67,667
Purchase of Materials & Consumables	11,31,35,499	12,48,07,119	-	-	-	-	-	-	11 31,35,499	12,48,07,119
Rent Paid	18,85,844	15 63 956	-	-	-	-	-	-	18,85,844	15,63,956
Labour & Calibration Charges	47,40,007	27 27,411	-	-	-	-	-	-	47,40,007	27,27,411
Research & Development Exps	1,64,02,000	1,27,07 344	-	-	-	-	-	-	1 64,02,000	1 27,07,344
Fuel Purchases (Veh. Maint)	31 79,433	34 95 650	-	-	-	-	-	-	31 79,433	34,95,650
Salary / Welfare Charges Paid	1,32,63,739	1,26,83,091	-	-	-	-	-	-	1 32,63 739	1 26,83,091
Sales	6 76,12,023	6,69 72,574	-	-	-	-	-	-	6,76,12,023	6 69,72,574
Windmill Income	33,84,569	58 69,817	-	-	-	-	-	-	33,84,569	58,69,817
Dividend Received	1 73,000	1 73,000	-	-	-	-	-	-	1 73,000	1,73,000
Interest and Financial Charges received	-	-	-	-	34,71,170	6,02,429	-	-	34 71,170	6,02,429
Rent Received	4,51,704	4,83 210	-	-	-	-	-	-	4,51 704	483,210
Salary / Welfare Charges Received	53,31,150	67 77,076	-	-	-	-	-	-	53,31,150	67,77,076
Royalty	1,15,05,520	1,29 93 221	1,56,44 937	1,81,81 342	-	-	-	-	2,71,50,457	3,11,74,563
Directors Sitting Fees	-	-	-	-	-	-	30000	20000	30,000	20,000
Managerial Remuneration	-	-	1,59 39,593	2,01,04,873	-	-	-	-	1,59,39,593	2,01,04,873
<b>Balance as at 31<sup>st</sup> March, 2020</b>										
Investments	77,65,715	77 65 715	-	-	10 38,00,000	10,38,00,000	-	-	11,15,65 715	11,15,65,715
Trade and Other Payables	5,81,40,706	5,88,50 970	-	-	5 64,017	-	-	-	5,87,04 723	5,88,50,970
Trade Receivables	1,69,04,758	1,87,87 625	-	-	-	-	-	-	1 69,04 758	1,87,87,625
Short Term Loans and Advances	-	-	-	-	2 38,59 703	2,14 35,000	-	-	2 38,59 703	2,14,35,000
Interest Receivable	-	-	-	-	25 96,682	4,00,512	-	-	25,96,682	4,00,512
Contingent Liability	-	-	-	-	18,75,00,000	11,00,00,000	-	-	18,75,00,000	11,00,00,000

Note : \* Relative to Key Managerial Personnel

The above figures are inclusive of Taxes wherever applicable.

**Standalone Financial Statements**

36. Dividend on the equity Shares is recognised in the books of account on the date of approval by the Shareholders of the Company.
37. During the year, the Company has incurred Rs.63,66,457/- towards Corporate Social Responsibility activities in accordance with Section 135 of the Companies Act, 2013 as against the statutory obligation of Rs. 62,69,562/-.
38. The Company is in the business of manufacturing and selling of Cleaning Equipment and offering cleaning solutions to varied industrial requirements. As hygiene is becoming very important, especially during this pandemic (COVID 19) period, this industry is not affected in a big way. After the lock down is being slowly lifted and easing of restriction imposed, turnover of the company is expected to grow in coming months both in domestic and export segments and the indications are positive in this direction. There is no major impact on Operating cash cycle during this pandemic period and the efforts of management are yielding positive results. Based on the internal and external information and the indicators of future economic conditions, the Company expects to recover the carrying amount of the assets.
39. Previous year figures have been re-grouped / re-arranged wherever necessary.

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As per our report of even date  
For Subramaniam Vasudev and Co.,  
Chartered Accountants  
Firm No.004110S

**(Sd.) S.Subramaniam**  
Partner  
Membership No.013174  
Salem  
Date : 13.08.2020

**(Sd.) K.Ramasamy**  
Executive Chairman  
(DIN 00034360)

**(Sd.) K.Ravi**  
Director  
(DIN 01590268)  
Coimbatore

**(Sd.) R.Varun Karthikeyan**  
Managing Director  
(DIN 00585158)

**(Sd.) G.Balasubramaniam**  
Company Secretary  
(FCS 9699)  
Date : 13.08.2020

**Form AOC - 1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014.

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**
**Part A : Subsidiaries**

S.No.	Particulars	Details
1	Name of the subsidiary	Roots Multi Clean Inc.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> March 2020
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	US Dollars Rs. 70.91 = 1 USD
4	Share capital	USD 16,00,000
5	Reserves & surplus	USD (6,76,107)
6	Total Assets	USD 46,64,403
7	Total Liabilities (Excluding Investments)	USD 46,64,403
8	Investments	-
9	Turnover	USD 63,54,094
10	Profit / (Loss) before taxation	USD 29,259
11	Provision for taxation	USD 500
12	Profit / (Loss) after taxation	USD 28,759
13	Proposed Dividend	-
14	% of shareholding	100%

**Part B : Associates and Joint Ventures**
**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

S.No.	Name of associates / joint ventures	Name
1	Latest audited Balance Sheet Date	Nil
2	Date on which the Associate or Joint Venture was associated or acquired	Nil
3	Shares of Associate or Joint Ventures held by the company on the year end. No.of shares	Nil
	Amount of Investment in Associates or Joint Venture	Nil
	Extent of Holding (in percentage)	Nil
4	Description of how there is significant influence	Nil
5	Reason why the associate / joint venture is not consolidated	Nil
6	Net worth attributable to shareholding as per latest audited Balance Sheet	Nil
7	Profit or (Loss) for the year	Nil
	i. Considered in Consolidation	Nil
	ii. Not Considered in Consolidation	Nil

As per our report of even date  
For Subramaniam Vasudev and Co.,  
Chartered Accountants  
Firm No.0041105

**(Sd.) S.Subramaniam**

Partner  
Membership No.013174  
Salem  
Date : 13.08.2020

**(Sd.) K.Ramasamy**  
Executive Chairman  
(DIN 00034360)

**(Sd.) K.Ravi**  
Director  
(DIN 01590268)  
Coimbatore

**(Sd.) R.Varun Karthikeyan**  
Managing Director  
(DIN 00585158)

**(Sd.) G.Balasubramaniam**  
Company Secretary  
(FCS 9699)  
Date : 13.08.2020

**FIVE YEAR FINANCIAL HIGHLIGHTS**

<b>Financial Year</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Operating Results</b>					<b>(Rs. in Crore)</b>
Revenue from operations	157.62	171.89	202.37	241.92	<b>224.84</b>
Earnings before depreciation, finance costs and tax	24.32	29.34	36.78	51.07	<b>40.69</b>
Depreciation and amortization	5.06	5.21	5.78	6.77	<b>7.09</b>
Finance Costs	1.61	0.85	1.75	3.35	<b>3.73</b>
Tax	6.73	8.68	10.58	11.96	<b>7.50</b>
Net Profit	10.92	14.60	18.67	29.00	<b>22.37</b>
Dividend *	0.60	0.60	0.60	0.60	<b>—*</b>
Retained Profit	10.32	14.00	18.67	28.40	<b>21.77</b>
<b>Performance Indicators</b>					
Net Fixed Assets	39.65	46.91	62.44	64.34	<b>66.02</b>
Share Capital	2.00	2.00	2.00	2.00	<b>2.00</b>
Reserves & Surplus	72.80	86.81	105.48	133.87	<b>155.64</b>
Networth	74.80	88.81	107.48	135.87	<b>157.64</b>
Borrowings	6.35	5.25	25.63	37.57	<b>49.71</b>
Dividend (%)*	25	25	25	25	<b>—*</b>
Return on Networth (%)	14.60	16.44	17.37	21.34	<b>14.19</b>
Debt Equity Ratio	0.08	0.06	0.24	0.28	<b>0.32</b>
Earnings per Share (Rs.)	54.58	73.02	93.35	144.99	<b>111.84</b>
Cash Earnings per Share (Rs.)	79.87	99.06	122.27	178.83	<b>147.31</b>

\* Refer note number 36

The above data is based on standalone financial statements.

Previous year figures have been regrouped / rearranged wherever necessary.

**CONSOLIDATED FINANCIAL  
STATEMENTS OF  
ROOTS MULTICLEAN LTD**

**SUBRAMANIAM VASUDEV AND CO.,**  
Chartered Accountants

**Consolidated Financial Statements**  
SAUBHAGYA 168, Second Agraharam,  
Salem - 636 001

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Roots Multiclean Ltd.,**  
**Report on the Audit of the Consolidated Financial Statements**  
**Opinion**

We have audited the accompanying consolidated financial statements of ROOTS MULTICLEAN LTD., ("the Holding Company") and its Wholly Owned Subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which includes the Group's share of profit in its Wholly Owned Subsidiary (WOS), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2020 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows for the year then ended, and a summary of 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 consolidated 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 Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the consolidated 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 Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Information Other than the Financial Statements and Auditor's Report thereon**

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Directors' report and its annexures, but does not include the consolidated financial statements, standalone financial statements and our Auditors' report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the WOS audited by the other Auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other Auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the WOS, is traced from their financial statements audited by the other Auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Consolidated Financial Statements**

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows of the Group in accordance with the Accounting Standards and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 control 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 Holding Company has adequate internal financial control system with reference to financial statements 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 the 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

**Consolidated Financial Statements**

that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the consolidated 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 Auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the Independent Auditors. For the other entities included in the consolidated financial statements, which have been audited by the other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the Independent Auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' 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.

**Other Matters**

We did not audit the financial statements of WOS, whose financial statements reflect total assets of Rs. 2210 Lakhs as at 31<sup>st</sup> March, 2020, total revenues of Rs. 2763 Lakhs and net cash out flows amounting to Rs. 88 Lakhs for the year ended on that date, as considered in the financial statements. These financial statements have been audited by other Auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosure included in respect of these subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other Auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other Auditors and the financial statements certified by the Management.



**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other Auditors on the separate financial statements of the WOS referred to in the Other Matters paragraph we report, to the extent applicable 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other Auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the Directors of the Holding Company as on 31<sup>st</sup> March 2020 taken on record by the Board of Directors of the Company none of the Directors of the Holding Company, incorporated in India is disqualified as on 31<sup>st</sup> March 2020 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - f) The financial results of WOS, incorporated in this consolidated statements is a Company incorporated outside India. Hence provisions of Section 143(3)(i) of the Companies Act, 2013 are not applicable.
  - g) With respect to the other matters to be included in the Auditors' 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 Holding 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 Auditors' 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 and based on the consideration of the report of the other Auditors on separate financial statements as also the other financial information of the WOS, as noted in the 'Other matters' paragraph:
    - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
    - ii) the Group did not have any material foreseeable losses 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 Holding company.

Place : Salem  
Date : 13.08.2020

For **Subramaniam Vasudev and Co.,**  
Chartered Accountants  
Firm No: 0041105  
  
(S. Subramaniam)  
Partner  
M.No. 013174  
(UDIN 20013174AAAAAO3625)

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

Particulars	Note	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	2,00,00,000	2,00,00,000
Reserves and Surplus	2	<u>1,52,24,40,936</u>	<u>1,29,64,31,463</u>
		<u>1,54,24,40,936</u>	<u>1,31,64,31,463</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	3	19,78,26,865	14,16,43,860
Deferred tax liabilities (Net)	4	<u>2,68,66,189</u>	<u>2,98,93,431</u>
		<u>22,46,93,054</u>	<u>17,15,37,291</u>
<b>Current Liabilities</b>			
Short-term borrowings	5	44,40,85,536	31,86,32,819
Trade payables	6	-	-
(a) Outstanding dues of Micro and Small Enterprises		3,67,49,998	5,95,53,041
(b) Outstanding dues of Creditors other than Micro and Small Enterprises		22,21,73,594	28,17,50,275
Other current liabilities	7	11,08,19,537	8,62,61,576
Short-term provisions	8	<u>15,43,55,895</u>	<u>19,61,96,472</u>
		<u>96,81,84,560</u>	<u>94,23,94,183</u>
<b>TOTAL</b>		<u>2,73,53,18,550</u>	<u>2,43,03,62,937</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9		
(i) Tangible Assets	9A	63,93,41,909	62,69,56,674
(ii) Intangible Assets	9B	5,67,34,546	5,74,57,205
(iii) Capital work-in-progress		30,38,56,738	4,69,38,571
Non-current investments	10	77,65,715	77,65,715
Long term loans and advances	11	<u>1,08,13,912</u>	<u>3,39,20,331</u>
		<u>1,01,85,12,820</u>	<u>77,30,38,496</u>
<b>Current Assets</b>			
Inventories	12	82,46,83,378	78,43,57,467
Trade receivables	13	66,64,93,403	70,84,78,571
Cash and Cash Equivalents	14	3,93,60,889	5,02,13,720
Short-term loans and advances	15	16,68,19,614	10,02,20,602
Other current assets	16	<u>1,94,48,446</u>	<u>1,40,54,081</u>
		<u>1,71,68,05,730</u>	<u>1,65,73,24,441</u>
<b>TOTAL</b>		<u>2,73,53,18,550</u>	<u>2,43,03,62,937</u>

Significant Accounting Policies and Notes on Financial Statements 1 to 25

As per our report of even date

 For Subramaniam Vasudev and Co.,  
 Chartered Accountants  
 Firm No.004110S

**(Sd.) S. Subramaniam**

 Partner  
 Membership No. 013174  
 Salem  
 Date : 13.08.2020

**(Sd.) K.Ramasamy**  
 Executive Chairman  
 (DIN 00034360)

**(Sd.) K.Ravi**  
 Director  
 (DIN 01590268)  
 Coimbatore

**(Sd.) R.Varun Karthikeyan**  
 Managing Director  
 (DIN 00585158)

**(Sd.) G.Balasubramaniam**  
 Company Secretary  
 (FCS 9699)  
 Date : 13.08.2020

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Particulars	Note	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>INCOME</b>			
Revenue from operations	17	<b>2,69,89,36,131</b>	2,68,81,48,771
Other Income	18	<b>20,69,331</b>	15,38,747
<b>Total Revenue</b>		<b>2,70,10,05,462</b>	2,68,96,87,518
<b>EXPENDITURE</b>			
Cost of Materials Consumed	19	<b>1,05,74,52,974</b>	95,60,48,146
Purchase of Traded Goods		<b>24,79,44,715</b>	30,74,42,504
Changes in Inventories of Finished goods, Work in Progress and Traded Goods	20	<b>(5,00,93,260)</b>	(10,43,53,340)
Employee Benefits Expense	21	<b>51,69,63,458</b>	47,71,02,566
Other expenses	22	<b>50,44,73,634</b>	55,38,41,092
<b>Total Expenses</b>		<b>2,27,67,41,521</b>	2,19,00,80,968
<b>Earnings Before Interest, Tax, Depreciation and Amortisations (EBITDA)</b>		<b>42,42,63,941</b>	49,96,06,550
Depreciation and Amortisation Expense	23	<b>7,91,42,283</b>	7,51,87,824
Finance costs	24	<b>4,45,23,756</b>	3,82,05,012
<b>Profit Before Tax</b>		<b>30,05,97,902</b>	38,62,13,714
<b>Tax Expenses</b>			
Current tax		<b>7,80,35,445</b>	12,25,57,306
Deferred tax	4	<b>(30,27,242)</b>	(29,42,147)
<b>Profit for the year</b>		<b>22,55,89,699</b>	26,65,98,555

Significant Accounting Policies and Notes on Financial Statements 1 to 25

 As per our report of even date  
 For Subramaniam Vasudev and Co.,  
 Chartered Accountants  
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**(Sd.) G.Balasubramaniam**  
 Company Secretary  
 (FCS 9699)  
 Date : 13.08.2020

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Particulars	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>Net Profit before Tax</b>	<b>30,05,97,902</b>	38,62,13,714
<b>Add : Depreciation</b>	<b>7,91,42,283</b>	7,51,87,824
Finance Costs	<b>4,45,23,756</b>	3,82,05,012
Dividend Income	<b>(1,73,000)</b>	(1,73,000)
(Profit) / Loss on Sale of Assets (Net)	<b>(3,81,654)</b>	4,94,652
Agricultural Income (Net)	<b>15,32,217</b>	8,41,486
	<b>42,52,41,504</b>	50,07,69,688
Increase / (Decrease) Forex Translation Reserve	<b>64,47,540</b>	46,49,868
Increase / (Decrease) in Trade Payables	<b>(8,23,79,724)</b>	6,92,94,384
Increase / (Decrease) in Short Term Provisions	<b>(4,18,40,577)</b>	3,27,74,063
Increase / (Decrease) in Other Current Liabilities	<b>1,78,502</b>	(1,97,56,887)
(Increase) / Decrease in Inventories	<b>(4,03,25,911)</b>	(35,54,02,332)
(Increase) / Decrease in Other Current Assets	<b>(53,94,365)</b>	(65,99,190)
(Increase) / Decrease in Receivables	<b>4,19,85,167</b>	(9,28,21,257)
(Increase) / Decrease in Short-Term Loans and Advances	<b>(6,65,99,012)</b>	(2,06,86,292)
(Increase) / Decrease in Long Term Advance-Deposits	<b>(29,71,842)</b>	(74,761)
<b>Cash generated from operations</b>	<b>23,43,41,282</b>	11,21,47,284
Income Tax	<b>(7,80,35,445)</b>	(12,25,57,306)
<b>I. Net Cash from operating activities (A)</b>	<b>15,63,05,837</b>	(1,04,10,022)
<b>II. Cash flow from Investing activities</b>		
Capital expenditure including capital advance	<b>(32,25,79,237)</b>	(16,27,70,227)
Proceeds from Sale of assets (Net)	<b>13,16,126</b>	32,25,335
Dividend Income	<b>1,73,000</b>	1,73,000
Agricultural Income (Net)	<b>(15,32,217)</b>	(8,41,486)
	<b>(32,26,22,328)</b>	(16,02,13,378)
<b>III. Cash flow from financing activities:</b>		
Increase / (Decrease) in Current and Non-Current Borrowings	<b>20,60,15,182</b>	22,33,80,120
Finance Costs	<b>(4,45,23,756)</b>	(3,82,05,012)
Dividend & Dividend Distribution Tax	<b>(60,27,766)</b>	(60,27,766)
<b>Net Cash Generated from financing activities (C)</b>	<b>15,54,63,660</b>	17,91,47,342
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(1,08,52,831)</b>	85,23,942
Cash and Cash equivalents at the beginning of the period	<b>5,02,13,720</b>	4,16,89,778
<b>Cash and Cash equivalents at the end of the period</b>	<b>3,93,60,889</b>	5,02,13,720

As per our report of even date  
For Subramaniam Vasudev and Co.,  
Chartered Accountants  
Firm No.004110S

**(Sd.) S. Subramaniam**  
Partner  
Membership No. 013174  
Salem  
Date : 13.08.2020

**(Sd.) K.Ramasamy**  
Executive Chairman  
(DIN 00034360)

**(Sd.) K.Ravi**  
Director  
(DIN 01590268)  
Coimbatore

**(Sd.) R.Varun Karthikeyan**  
Managing Director  
(DIN 00585158)

**(Sd.) G.Balasubramaniam**  
Company Secretary  
(FCS 9699)  
Date : 13.08.2020

**SIGNIFICANT ACCOUNTING POLICIES**
**Basis of Consolidation and Significant Accounting Policies :**

The consolidated financial statements relate to Roots Multiclean Ltd (the Company) and its Wholly Owned Subsidiary (WOS) Company. The Company and its WOS constitute the Group.

**a) Basis of preparation**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ('the 2013 Act').

**b) Use of estimates**

The preparation of financial statements requires management to make judgments, estimates and assumptions, which affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

**c) Principles of consolidation**

**The consolidated financial statements have been prepared on the following basis:**

- i. The financial statements of the WOS used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31,2020.
- ii. The financial statements of the Company and its WOS have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.
- iii. The excess of cost to the Company of its investments in the WOS over its share of equity of the WOS, at the dates on which the investments in the WOS are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the WOS as on the date of investments is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

**d) The following subsidiary company is considered in the Consolidated Financial Statements**

S. No.	Name of the Company	Relationship	Country of Incorporation	% of equity holding	
				31.03.2020	31.03.2019
1	Roots Multiclean Inc.,	Wholly Owned Subsidiary	USA	100%	100%

**e) Other Significant Accounting Policies :**

Other significant accounting policies are set out in the Standalone Financial Statement of Roots Multiclean Ltd.

As per our report of even date  
For Subramaniam Vasudev and Co.,  
Chartered Accountants  
Firm No.004110S  
**(Sd.) S. Subramaniam**  
Partner  
Membership No. 013174  
Salem  
Date : 13.08.2020

**(Sd.) K.Ramasamy**  
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**(Sd.) R.Varun Karthikeyan**  
Managing Director  
(DIN 00585158)  
  
**(Sd.) G.Balasubramaniam**  
Company Secretary  
(FCS 9699)  
Date : 13.08.2020

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Particulars	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>1. SHARE CAPITAL</b>		
Authorised Share Capital (20,00,000 Equity Shares of Rs.10/- each)	2,00,00,000	2,00,00,000
Issued, Subscribed & Fully Paid up Capital 20,00,000 Equity Shares of Rs.10/- each fully paid up	2,00,00,000	2,00,00,000
<b>1.1 Reconciliation of the Number of shares</b>		
Equity shares at the beginning of the year outstanding	20,00,000	20,00,000
Add : Issued during the Year	-	-
	20,00,000	20,00,000
Less : Buy back during the year	-	-
Equity Shares at the end of the year	20,00,000	20,00,000
<b>2. RESERVES AND SURPLUS</b>		
<b>a. General Reserve</b>		
Opening Balance	1,15,22,91,400	95,22,91,400
Add : Transfer from Statement of Profit and Loss	20,00,00,000	20,00,00,000
	1,35,22,91,400	1,15,22,91,400
<b>b. Surplus in Statement of Profit and Loss</b>		
Opening Balance	13,93,00,071	7,87,29,282
Add : Profit for the year	22,55,89,699	26,65,98,555
Less : Appropriations:		
Equity dividend Paid	(50,00,000)	(50,00,000)
Tax on equity dividend	(10,27,766)	(10,27,766)
Transferred to General Reserve	(20,00,00,000)	(20,00,00,000)
	15,88,62,004	13,93,00,071
Forex Translation Reserve:		
Opening Balance	48,39,992	1,90,124
Current Year Adjustment	64,47,540	46,49,868
<b>Total</b>	<b>1,52,24,40,936</b>	<b>1,29,64,31,463</b>
<b>3. LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Term Loans from Banks	19,78,26,865	14,16,43,860
<b>Total</b>	<b>19,78,26,865</b>	<b>14,16,43,860</b>

**4. DEFERRED TAX LIABILITIES (NET)**

Particulars	Opening Balance 01.04.2019 (Rs.)	Added during the year (Rs.)	Reversed during the year (Rs.)	Closing Balance 31.03.2020 (Rs.)
<b>A. Deferred Tax Assets</b>				
Depreciation - Excess claimed in the Books	-	-	-	-
Other Expenses - Disallowance under tax laws	-	-	-	-
<b>Total</b>	-	-	-	-
<b>B. Deferred Tax Liability</b>				
Depreciation - Excess claimed in the IT - A	10,32,90,909	15,50,300	-	<b>10,48,41,209</b>
Other Expenses - Deferred Revenue - B	(6,34,900)	6,34,900	-	-
<b>TOTAL - (A + B)</b>	10,26,56,009	21,85,200	-	<b>10,48,41,209</b>
Net Deferred Tax Liability	2,98,93,431	-	-	<b>2,68,66,189</b>
Less: Opening Deferred Tax Liability	3,28,35,578	-	-	<b>2,98,93,431</b>
Net Deferred Tax Debited / (Credited) to Statement of P & L	-	(30,27,242)	-	-

Particulars	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>5. SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
Working Capital Loans - from Banks	<b>44,40,85,536</b>	31,86,32,819
<b>Total</b>	<b>44,40,85,536</b>	31,86,32,819
<b>6. TRADE PAYABLES</b>		
Total outstanding Dues of Micro and Small Enterprises	<b>3,67,49,998</b>	5,95,53,041
Total outstanding Dues of Creditors other than Micro & Small Enterprises	<b>22,21,73,594</b>	28,17,50,275
<b>Total</b>	<b>25,89,23,592</b>	34,13,03,316
<b>7. OTHER CURRENT LIABILITIES</b>		
1. Current Maturities of Long Term Borrowings	<b>4,37,86,365</b>	1,94,25,508
2. Interest accrued but not due	<b>55,798</b>	37,195
3. Unpaid dividend	<b>3,58,000</b>	3,61,250
4. Creditors for Capital Goods	<b>1,85,54,111</b>	1,03,41,816
5. TDS payable and advance from customers	<b>4,80,65,263</b>	5,60,95,807
<b>Total</b>	<b>11,08,19,537</b>	8,62,61,576
<b>8. SHORT TERM PROVISIONS</b>		
1. Provision for Salaries & Wages	<b>10,10,16,621</b>	10,64,37,985
2. Provision for Leave encashment	<b>35,00,000</b>	42,00,000
3. Income Tax Provisions (Net)	<b>2,96,35,504</b>	4,78,30,695
4. Provision for Warranties	<b>73,53,283</b>	77,76,038
5. Outstanding Expenses	<b>1,28,50,487</b>	2,99,51,754
<b>Total</b>	<b>15,43,55,895</b>	19,61,96,472

**9. PROPERTY, PLANT AND EQUIPMENT**

PARTICULARS	Gross Block			Depreciation / Adjustment			Net Block		
	As on	Additions /	Upto	For the year / adjustment for	Upto	As on	Upto	As on	
	01.04.2019 (Rs.)	(Deletions) (Rs.)	31.03.2019 (Rs.)	sale of assets @ / adjustment for Foreign Exchange Translation Reserve # (Rs.)	31.03.2019 (Rs.)	31.03.2020 (Rs.)	31.03.2020 (Rs.)	31.03.2019 (Rs.)	
<b>A. TANGIBLE ASSETS</b>									
Land	10,86,22,560	-	-	-	-	10,86,22,560	-	10,86,22,560	
Building	22,65,68,796	75,59,302	3,73,52,462	72,12,915	4,45,65,377	18,95,62,721	18,92,16,334	18,92,16,334	
Plant & Machinery	18,75,98,759	1,22,56,548	6,16,94,974	1,19,57,717	7,36,52,691	12,62,02,616	12,59,03,785	12,59,03,785	
Leased Equipments	1,38,09,152	-	1,26,23,208	4,17,778	1,21,54,170	7,43,273	-	11,85,944	
	-	(9,11,709)	-	@ (8,66,124)	-	-	-	-	
	-	-	-	# (20,692)	-	-	-	-	
Wind Mill	7,26,53,303	-	5,90,94,433	10,03,269	6,00,97,702	1,25,55,601	1,35,58,870	1,35,58,870	
Tools, Dies & Moulds	20,98,50,830	3,05,57,552	14,94,45,629	1,59,04,334	16,52,89,863	7,51,18,519	6,04,05,201	6,04,05,201	
	-	-	-	# (60,100)	-	-	-	-	
Electrical Equipments	3,00,02,642	2,87,527	1,53,10,860	29,03,177	1,74,78,952	1,28,11,217	1,46,91,782	1,46,91,782	
	-	-	-	# (7,35,085)	-	-	-	-	
Measuring Instruments Fixtures etc	93,01,955	10,69,715	40,03,068	10,57,101	51,60,728	52,10,942	52,98,887	52,98,887	
	-	-	-	# 1,00,559	-	-	-	-	
Storage Racks	1,86,32,055	18,43,930	1,13,13,848	15,46,151	1,28,59,999	76,15,986	73,18,207	73,18,207	
Vehicles	9,64,17,998	1,67,17,489	3,32,83,029	1,19,96,191	4,37,31,922	6,70,09,652	6,31,34,969	6,31,34,969	
	-	(23,93,913)	-	@ (15,45,388)	-	-	-	-	
	-	-	-	# (1,910)	-	-	-	-	
Furniture & Fittings	2,69,86,409	3,90,192	1,40,64,161	20,15,714	1,59,05,985	1,13,98,232	1,29,22,248	1,29,22,248	
	-	(72,384)	-	@ (44,560)	-	-	-	-	
	-	-	-	# (1,29,330)	-	-	-	-	
Office & Misc. Equipments	2,16,12,352	8,09,671	1,01,98,166	15,62,509	1,17,60,675	1,06,61,348	1,14,14,186	1,14,14,186	
Computer	5,45,81,020	44,66,548	4,12,97,319	60,92,908	4,70,96,326	1,18,29,242	1,32,83,701	1,32,83,701	
	-	(1,22,000)	-	@ (1,09,461)	-	-	-	-	
	-	-	-	# (1,84,440)	-	-	-	-	
<b>Total</b>	<b>1,07,66,37,831</b>	<b>7,59,58,474</b>	<b>1,14,90,96,299</b>	<b>44,96,81,157</b>	<b>50,97,54,390</b>	<b>63,93,41,909</b>	<b>62,69,56,674</b>	<b>62,69,56,674</b>	
<b>Adjustment for sale of assets @</b>	<b>-</b>	<b>(35,00,006)</b>	<b>-</b>	<b>6,36,69,764</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Adjustment for Foreign Exchange</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,65,533)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Translation Reserve #</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,30,998)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>B. INTANGIBLE ASSETS</b>									
Computer Software	2,09,47,521	1,26,54,695	3,36,02,216	34,11,012	1,29,31,563	2,06,70,653	1,14,11,443	1,14,11,443	
	-	-	-	# (15,527)	-	-	-	-	
Good Will	2,92,24,444	-	2,92,24,444	29,61,322	47,78,254	2,44,46,190	2,53,27,874	2,53,27,874	
	-	-	-	# (20,79,638)	-	-	-	-	
Technical Know-How	5,69,59,262	-	3,62,41,374	91,00,185	4,53,41,559	1,16,17,703	2,07,17,888	2,07,17,888	
	10,71,31,227	1,26,54,695	11,97,85,922	1,54,72,519	6,30,51,376	5,67,34,546	5,74,57,205	5,74,57,205	
<b>Total</b>	<b>10,71,31,227</b>	<b>1,26,54,695</b>	<b>11,97,85,922</b>	<b>1,54,72,519</b>	<b>6,30,51,376</b>	<b>5,67,34,546</b>	<b>5,74,57,205</b>	<b>5,74,57,205</b>	
<b>Adjustment for sale of assets @</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,95,165)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Adjustment for Foreign Exchange</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,91,42,283</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Translation Reserve #</b>	<b>-</b>	<b>(35,00,006)</b>	<b>-</b>	<b>(25,65,533)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Grand Total</b>	<b>1,18,37,69,058</b>	<b>8,86,13,169</b>	<b>1,26,88,82,221</b>	<b>49,93,55,179</b>	<b>57,28,05,766</b>	<b>69,60,76,455</b>	<b>68,44,13,879</b>	<b>68,44,13,879</b>	
<b>Adjustment for sale of assets @</b>	<b>-</b>	<b>(35,00,006)</b>	<b>-</b>	<b>(25,65,533)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Adjustment for Foreign Exchange</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31,26,163)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Translation Reserve #</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	



Particulars	Consolidated Financial Statements	
	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>10. NON-CURRENT INVESTMENTS</b>		
<b>Unquoted Investments (valued at cost)</b>		
In equity shares of companies unquoted, fully paid-up		
1,73,000 Equity shares of Rs.10/- each fully paidup in Roots Precision Products P. Ltd	<b>17,30,000</b>	17,30,000
1,34,127 Equity shares of Rs.10/- each fully paidup in Roots Cast P. Ltd	<b>60,35,715</b>	60,35,715
<b>Total</b>	<b>77,65,715</b>	77,65,715
<b>Aggregate amount of unquoted Investments</b>	<b>77,65,715</b>	77,65,715
<b>11. LONG TERM LOANS &amp; ADVANCES</b> (Unsecured Considered Good)		
1. Capital Advances	<b>58,97,348</b>	3,19,75,609
2. Deposits - EB, Sales Tax and Telephone	<b>49,16,564</b>	19,44,722
<b>Total</b>	<b>1,08,13,912</b>	3,39,20,331
<b>12. INVENTORIES</b> (As certified by the Management)		
1. Raw materials, Bought out & Components	<b>46,22,94,178</b>	47,12,91,348
2. Goods in transit-Raw Materials	<b>2,67,083</b>	2,30,214
3. Work in Progress	<b>8,25,58,911</b>	5,47,20,038
4. Finished Goods	<b>11,05,83,333</b>	10,05,47,769
5. Stock -Traded Goods	<b>16,34,91,331</b>	15,12,72,507
6. Packing Materials	<b>37,69,424</b>	42,58,282
7. Consumables and Stores	<b>17,19,118</b>	20,37,309
<b>Total</b>	<b>82,46,83,378</b>	78,43,57,467
<b>Valuation of Inventory:</b>		
i. Raw Materials and Bought out components have been valued at cost or at net realisable value whichever is lower.		
ii. In house fabricated components and work in progress have been valued at Raw Material Cost and in house activity cost / outside job order charges wherever applicable.		
iii. Finished Goods are valued at lower of cost or net realisable Value.		
iv. Bought out items have been valued at lower of cost or net realisable value.		
v. Cost of inventories is generally calculated on yearly moving weighted average basis.		
<b>13. TRADE RECEIVABLES</b> (Unsecured considered good)		
Exceeding Six months	<b>16,91,40,764</b>	9,40,59,630
Less than Six Months	<b>49,73,52,639</b>	61,44,18,941
Considered Doubtful	<b>1,58,84,823</b>	1,15,55,150
	<b>68,23,78,226</b>	72,00,33,721
Less : Provision for Doubtful Debts	<b>(1,58,84,823)</b>	(1,15,55,150)
<b>Total</b>	<b>66,64,93,403</b>	70,84,78,571

Particulars	Consolidated Financial Statements	
	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>14. CASH AND CASH EQUIVALENTS</b>		
1. Cash on hand	11,82,831	7,33,177
2. Balance With Banks	2,27,72,757	3,25,08,972
3. Cheques in Hand	-	20,33,532
4. Deposits with Banks - Margin Money against Guarantees	1,54,05,301	1,49,38,039
<b>Total</b>	<b>3,93,60,889</b>	<b>5,02,13,720</b>
<b>15. SHORT TERM LOANS AND ADVANCES</b> (Unsecured considered good)		
1. Prepaid Expenses	37,28,540	29,13,951
2. GST Advances & TDS Receivables	5,22,09,558	7,40,77,562
3. Advances to Suppliers	11,08,81,516	2,32,29,089
<b>Total</b>	<b>16,68,19,614</b>	<b>10,02,20,602</b>
<b>16. OTHER CURRENT ASSETS</b>		
1. Export Incentive Receivables (DBK & MEIS)	1,25,78,420	77,75,499
2. Export GST Rebate Receivable	68,70,026	62,78,582
<b>Total</b>	<b>1,94,48,446</b>	<b>1,40,54,081</b>
<b>17. REVENUE FROM OPERATIONS</b>		
<b>Revenue from Manufactured Products</b>		
Domestic	1,64,13,33,434	1,49,47,27,223
Export	51,91,41,021	2,16,04,74,455
		61,55,63,687
		2,11,02,90,910
<b>Revenue from Traded Products</b>		
Domestic	40,14,31,657	46,83,97,451
Export	2,60,25,641	42,74,57,298
		2,29,01,246
		49,12,98,697
<b>Revenue from Sale of Services</b>		
Annual Maintenance Charges	5,23,89,204	3,92,29,692
Service Charges Received	1,01,38,292	81,25,090
Operation & Maintenance Charges	59,28,793	19,94,592
Commission Received	70,05,257	3,64,948
Machinery Lease Rent	2,80,000	7,57,41,546
		90,000
		4,98,04,322
<b>Other Operating Revenue</b>		
Export Incentive	2,99,74,874	2,93,24,555
Wind Mill Income	33,84,569	72,16,855
Foreign exchange gain	19,03,389	2,13,432
	<b>2,69,89,36,131</b>	<b>2,68,81,48,771</b>

Particulars	Consolidated Financial Statements	
	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>18. OTHER INCOME</b>		
<b>Other Non Operating Income</b>		
Interest income	9,45,269	8,39,095
Profit on Sale of Fixed Assets	4,31,662	–
Dividend income	1,73,000	1,73,000
Agricultural income	1,36,600	1,17,152
Rent Received	3,82,800	4,09,500
<b>Total</b>	<b>20,69,331</b>	<b>15,38,747</b>
<b>19. COST OF MATERIALS CONSUMED</b>		
1. Consumption of Raw materials, Bought out & Components	1,02,81,74,554	92,43,71,969
2. Consumption of packing materials	2,92,78,420	3,16,76,177
<b>Total</b>	<b>1,05,74,52,974</b>	<b>95,60,48,146</b>
<b>1. Consumption of Raw materials, Bought out &amp; Components</b>		
Opening stock of Raw materials, Bought out & Components	47,15,21,563	22,18,80,669
Add : Purchases during the year	1,01,92,14,253	1,17,40,12,863
	1,49,07,35,816	1,39,58,93,532
Less : Closing stock of Raw materials, Bought out & Components	46,25,61,262	47,15,21,563
<b>Total</b>	<b>1,02,81,74,554</b>	<b>92,43,71,969</b>
<b>2. Consumption of Packing materials</b>		
Opening stock of packing materials	42,58,282	33,28,488
Add : Purchases during the year	2,87,89,562	3,26,05,971
	3,30,47,844	3,59,34,459
Less : Closing stock of packing materials	37,69,424	42,58,282
<b>Total</b>	<b>2,92,78,420</b>	<b>3,16,76,177</b>
<b>20. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS</b>		
1. Finished goods	(1,00,35,564)	(1,79,39,042)
2. Work-in-progress	(2,78,38,873)	(1,87,68,047)
3. Traded Goods	(1,22,18,823)	(6,76,46,251)
<b>Total</b>	<b>(5,00,93,260)</b>	<b>(10,43,53,340)</b>
<b>1. Changes in inventories of Finished goods</b>		
Opening stock of Finished goods	10,05,47,769	8,26,08,727
Less : Closing stock of Finished goods	11,05,83,333	10,05,47,769
	(1,00,35,564)	(1,79,39,042)
<b>2. Changes in inventories of Work-in-progress</b>		
Opening stock of Work-in-progress	5,47,20,038	3,59,51,991
Less : Closing stock of Work-in-progress	8,25,58,911	5,47,20,038
	(2,78,38,873)	(1,87,68,047)
<b>3. Changes in inventories of Traded Goods</b>		
Opening stock of Traded Goods	15,12,72,507	8,36,26,256
Less : Closing stock of Traded Goods	16,34,91,330	15,12,72,507
	(1,22,18,823)	(6,76,46,251)

Particulars	Consolidated Financial Statements	
	31.03.2020 (Rs.)	31.03.2019 (Rs.)
<b>21. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	<b>44,44,39,420</b>	40,52,88,083
Contribution to Provident Fund, Gratuity and other funds	<b>3,65,46,986</b>	3,04,94,138
Employee Welfare expenses	<b>2,04,80,617</b>	2,15,97,189
Directors' Remuneration	<b>1,54,96,435</b>	1,97,23,156
<b>Total</b>	<b><u>51,69,63,458</u></b>	<u>47,71,02,566</u>
<b>22. OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Consumption of stores	<b>1,72,92,509</b>	2,09,98,310
Power and fuel	<b>1,62,10,198</b>	1,64,60,614
Operation & Maintenance Expenses	<b>73,36,066</b>	74,33,884
Labour, Conversion and Testing Charges	<b>4,80,27,517</b>	7,19,05,554
Carriage Inwards	<b>95,06,695</b>	1,40,10,639
Repairs & Maintenance:		
Building	<b>72,16,509</b>	1,68,72,757
Machinery	<b>64,90,830</b>	62,15,766
Computer / Software	<b>1,22,64,043</b>	1,75,23,259
Electrical	<b>35,37,978</b>	51,37,019
Office	<b>63,79,982</b>	49,64,839
Factory	<b>32,71,457</b>	34,33,750
Tool	<b>32,23,272</b>	32,33,477
	<b><u>14,07,57,056</u></b>	<u>18,81,89,868</u>
<b>Selling and Distribution Expenses</b>		
Advertisement	<b>13,84,513</b>	20,61,696
Freight outward	<b>5,32,62,443</b>	4,47,90,351
ECGC Premium	<b>4,26,432</b>	1,19,619
Sales Promotion / Demo Expenses	<b>2,57,92,450</b>	2,48,85,770
Discounts	<b>52,12,121</b>	47,05,000
Dealer Commission	<b>1,00,69,414</b>	1,67,85,965
Travelling & Conveyance	<b>7,63,53,092</b>	6,68,40,249
Royalty	<b>2,50,91,263</b>	3,05,65,922
Warranty Claims & Allowances	<b>98,45,377</b>	1,01,97,811
	<b><u>20,74,37,105</u></b>	<u>20,09,52,383</u>

**Consolidated Financial Statements**

Particulars	31.03.2020 (Rs.)	31.03.2019 (Rs.)	
<b>Establishment Expenses</b>			
Rent	2,90,85,369	2,86,69,919	
Insurance	83,63,677	93,54,946	
Rates and Taxes	38,09,186	92,75,589	
Payment to Auditors'	9,63,280	11,99,699	
Postage, Courier & Telephone	63,21,639	65,65,194	
Electricity charges	16,50,439	17,33,884	
Directors' Sitting Fees	1,60,000	2,00,000	
Vehicle Maintenance expenses	85,56,711	91,84,961	
Printing & Stationery	44,78,234	39,52,353	
Books & Periodicals	47,922	45,874	
Legal And Professional Charges	2,36,06,426	1,97,47,622	
Donation	31,64,500	18,77,597	
CSR Expenditure	63,66,457	60,64,464	
Subscription & Membership	16,79,984	16,28,724	
Loss on sale of assets	50,009	4,94,652	
Provision for Doubtful Debts	43,29,673	28,13,170	
Agricultural Expenses	16,68,817	9,58,638	
R & D Expenses	5,19,77,150	15,62,79,473	6,09,31,555
<b>Total</b>	<b>50,44,73,634</b>	<b>55,38,41,092</b>	<b>16,46,98,841</b>
<b>23. DEPRECIATION AND AMORTISATION EXPENSE</b>			
Depreciation of Tangible assets	6,36,69,764	5,84,10,280	
Amortisation of Intangible assets	1,54,72,519	1,67,77,544	
<b>Total</b>	<b>7,91,42,283</b>	<b>7,51,87,824</b>	
<b>24. FINANCE COSTS</b>			
Interest expense	3,43,82,334	3,04,14,879	
Other Borrowing costs	57,63,574	92,28,332	
Applicable net loss / (gain) on foreign currency transactions	43,77,848	(14,38,199)	
<b>Total</b>	<b>4,45,23,756</b>	<b>3,82,05,012</b>	

25. Previous year figures have been re-grouped / re-arranged wherever necessary.

As per our report of even date  
For Subramaniam Vasudev and Co.,  
Chartered Accountants  
Firm No.004110S

**(Sd.) S. Subramaniam**

Partner  
Membership No. 013174  
Salem  
Date : 13.08.2020

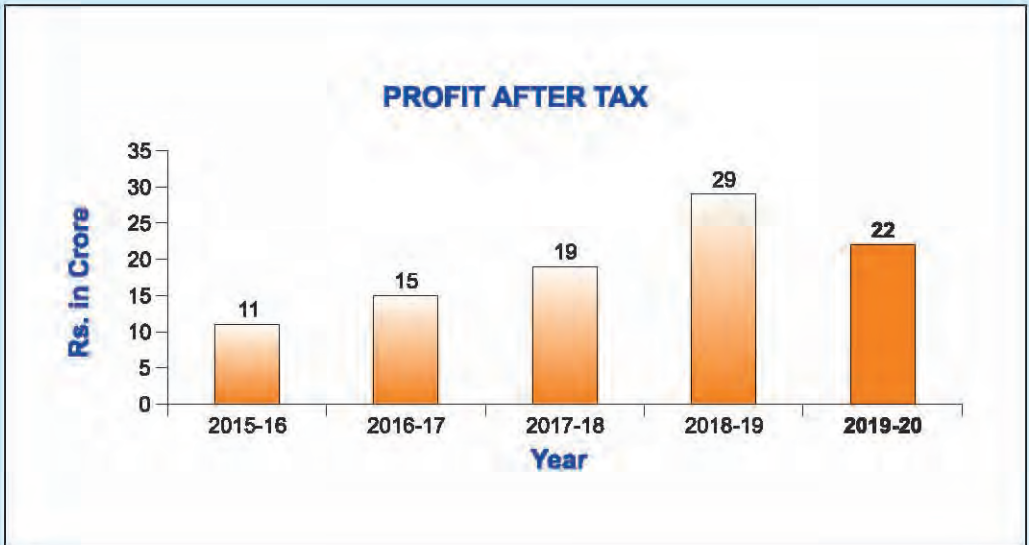
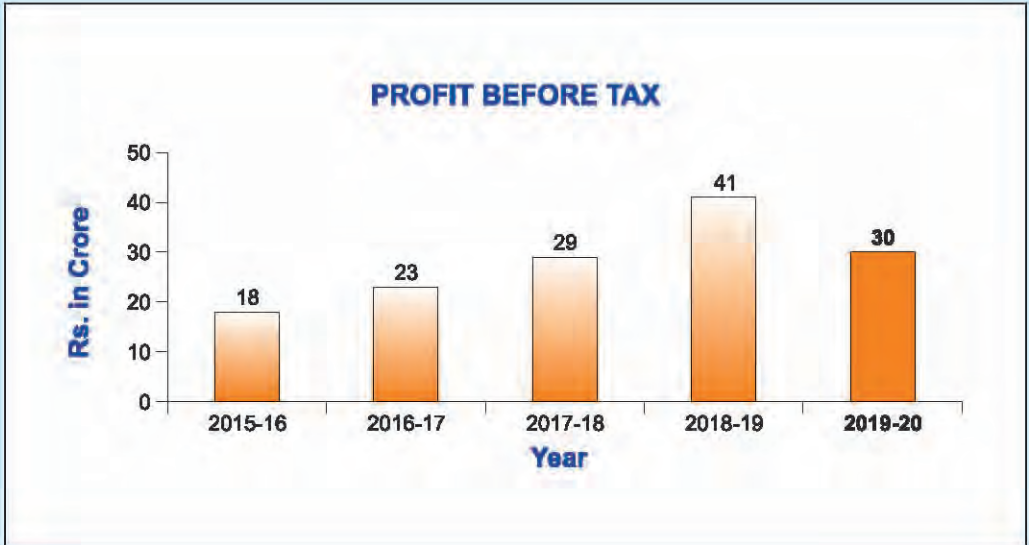
**(Sd.) K.Ramasamy**  
Executive Chairman  
(DIN 00034360)

**(Sd.) K.Ravi**  
Director  
(DIN 01590268)  
Coimbatore

**(Sd.) R.Varun Karthikeyan**  
Managing Director  
(DIN 00585158)

**(Sd.) G.Balasubramaniam**  
Company Secretary  
(FCS 9699)  
Date : 13.08.2020

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Note: The above data is based on standalone financial statements.



ADDING VALUE

## ROOTS MULTICLEAN LTD

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