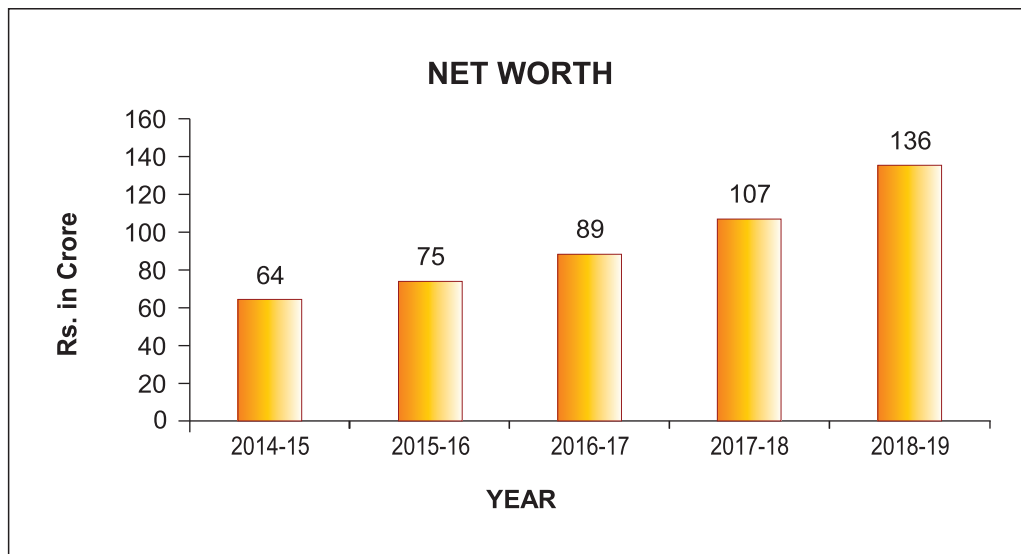
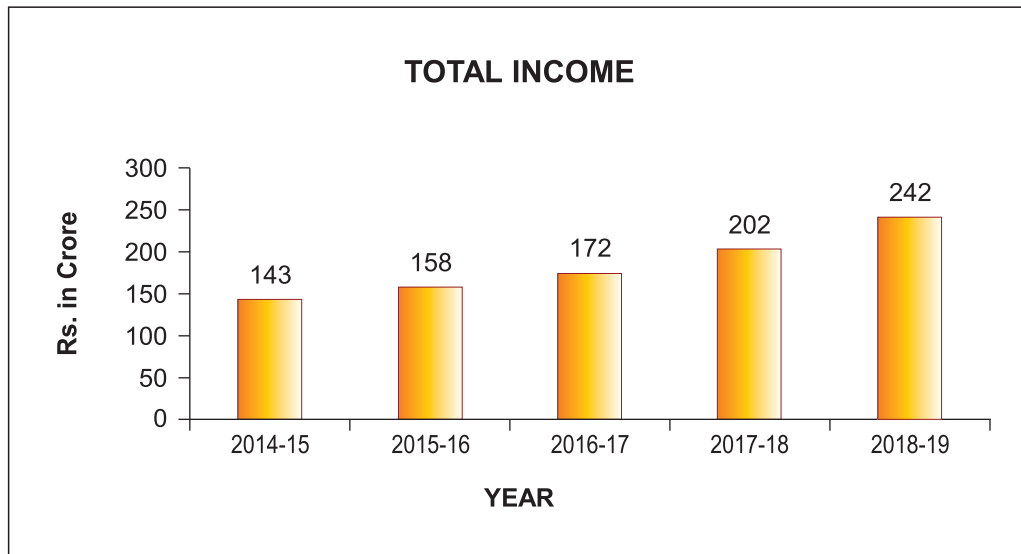


ROOTS MULTICLEAN LTD

The central graphic of the cover features a stylized city skyline with various skyscrapers in shades of orange and yellow. A large, upward-pointing arrow, composed of a grid of small squares, rises from the bottom center towards the top. The arrow is flanked by two large, concentric circles in shades of orange and yellow, creating a target-like effect. The background is a solid orange color.

27th
Annual Report
2018-19



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

Contents	Page No.
Notice.....	2
Directors' Report.....	7
Independent Auditors' Report.....	31
Balance Sheet.....	38
Statement of Profit & Loss.....	39
Cash Flow Statement.....	40
Independent Auditors' Report on Consolidated Financial Statements.....	61
Consolidated Balance Sheet.....	65
Consolidated Statement of Profit & Loss..	66
Consolidated Cash Flow Statement.....	67

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

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
3rd 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 P T Kuppuswamy (DIN 00032309)
Dr M P Vijayakumar (DIN 05103089)
Sri S T Velu (DIN 00054195)
Smt R K Umaadhevi (DIN 01067950)
Sri K Ravi (DIN 01590268)
Sri A Kasilingam (DIN 00912883)
Sri Preben Laustsen (DIN 06554783)
Dr S Chandrasekar (DIN 01773256)
Sri V M Rajashekar (DIN 08208467) (w.e.f. 29.09.18)
Sri Frank Ulbricht (DIN 08258166) (w.e.f. 19.12.18)

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 : rmclsales@rootsemail.com
Web : rootsmulticlean.in

Factories

Main Unit

Mettupalayam Post, Kovilpalayam
Kinathukadavu Taluk – 642 110

Ezecclean 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 27th Annual General Meeting of the Shareholders of the Company will be held on **Thursday, the 26th day of September 2019 at 10.30 a.m.** at the Registered Office of the Company at **R.K.G.Industrial Estate, Ganapathy, Coimbatore – 641 006** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 and the reports of the Board of Directors and the Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 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, 2019 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, 2019 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 Sri Preben Laustsen (DIN 06554783), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Dr.S.Chandrasekar (DIN 01773256), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Sri S.T.Velu (DIN 00054195), who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and approve the re-appointment of M/s. Subramaniam Vasudev & Co., Chartered Accountants (Firm no. 004110S) as Statutory Auditors of the Company for a period of 5 years and to pass the following resolution as an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read along with Companies (Audit and Auditors) Rules, 2014, as recommended by the Audit Committee and approved by the Board of Directors, the Company be and hereby consents to the re-appointment of M/s. Subramaniam Vasudev & Co., Chartered Accountants (Firm no. 004110S) as Statutory Auditors of the Company for a period of 5 years from the conclusion of the 27th Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors from time to time.

FURTHER RESOLVED that in respect of services rendered or to be rendered in other capacities, the Statutory Auditors be paid such other remuneration as may be decided.

FURTHER RESOLVED that the Board of Directors / Company Secretary of the Company be and are hereby authorised to file the requisite forms, returns, etc., with the appropriate authorities and to take such other actions as may be required in this regard.”

SPECIAL BUSINESS:

7. To consider and if deemed fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED that Sri V.M.Rajashekar (DIN 0008208467) Additional Director be and is hereby appointed as a Director of the Company”.

8. To consider and if deemed fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED that Sri Frank Ulbricht (DIN 0008258166) Additional Director be and is hereby appointed as a Director of the Company”.

9. 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 a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 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 (00585158), Managing Director of the Company with effect from 1st January 2019 until the expiry of his present tenure on the following terms and conditions:

- I. Salary : Rs.1,45,171/- 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.

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

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 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 (00585158), 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."

10. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020 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, 2020, be paid a remuneration of Rs.1,00,000/- per annum plus applicable GST and other out of pocket expenses.

RESOLVED FURTHER that Sri G.Balasubramaniam, Company Secretary (FCS 9699) of the Company be and is hereby authorised to do such acts, deeds and things and to file the necessary forms / returns with appropriate authorities as may be necessary in this regard."

Coimbatore
Date: 08.07.2019

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

NOTES:

1. Every member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself. Such proxy need not be a member of the Company. Proxy forms duly stamped and executed should be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer books will remain closed from 20.09.2019 to 26.09.2019 (Both days inclusive).
3. Members are requested to immediately notify changes in their address, if any, to the Registered office of the Company. Members are requested to provide their bank account details viz., Bank branch, account type, account number and address of the bank with Pincode Number to the Registered office of the Company.
4. Members are requested to bring a copy of the Annual Report to the Annual General Meeting.
5. 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.
6. 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,
3rd 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
7. 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).
8. 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.
9. 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.
10. 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.7**

The Board of Directors in their 117th Meeting held on 29th September 2018 appointed Sri V.M.Rajashekar (DIN 08208467) as an Additional Director of the Company. The Additional Director holds office upto the date of this Annual General Meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing the appointment of Sri V.M.Rajashekar as a Director of the Company.

Accordingly the resolution set out in item no.7 is proposed for your approval.

None of the Directors, Key Managerial Personnel or their relatives except Sri V.M.Rajashekar is interested or concerned in the proposed resolution.

For item no.8

The Board of Directors in their 118th Meeting held on 19th December 2018 appointed Sri Frank Ulbricht (DIN 08258166) as an Additional Director of the Company. The Additional Director holds office upto the date of this Annual General Meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing the appointment of Sri Frank Ulbricht as a Director of the Company.

Accordingly the resolution set out in item no.8 is proposed for your approval.

None of the Directors, Key Managerial Personnel or their relatives except Sri Frank Ulbricht is interested or concerned in the proposed resolution.

For item no.9

Sri R.Varun Karthikeyan (DIN 00585158), was re-appointed as Managing Director of the Company, for a period of five years with effect from 23rd January 2017 and the same was approved by the Shareholders in the 25th Annual General Meeting of the Company held on 27th September 2017. The Nomination and Remuneration Committee in its meeting held on 19th December 2018 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 118th meeting held on 19th December 2018 and recommends the special resolution set forth in item no.9 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 financially or otherwise, in the proposed special resolution as set out in item no.9 of this notice.

For item no.10

The Board of Directors in their 119th Meeting held on 25th March 2019 accepted the recommendation of the Audit Committee and 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, 2020.

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 recommended by the Audit Committee and 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.10 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2020.

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.10 of the notice. The Board recommends the ordinary resolution set out in item no.10 of the notice for approval of the members.

Coimbatore
Date: 08.07.2019

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

DIRECTORS' REPORT

Dear Shareholders,

Your Board has pleasure in presenting the Twenty Seventh Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March 2019.

FINANCIAL RESULTS

	2018-19 (Rs. in Crore)	2017-18 (Rs. in Crore)	Growth %
Revenue from Sale of Products			
Sales - Domestic	169.42	137.22	23.47
- Exports	63.85	56.42	13.17
	233.27	193.64	20.47
Revenue from Sale of services	4.98	4.92	1.22
Other Operating Revenue	3.82	4.04	(5.45)
Other Income	0.21	0.46	(54.35)
Total Revenue	242.28	203.06	19.31
Operating Profit	51.22	36.78	39.26
Finance Costs	(3.50)	(1.75)	
Depreciation	(6.76)	(5.78)	
Profit Before Tax	40.96	29.25	40.00
Provision for taxation	(12.25)	(10.00)	
Provision for Deferred tax Asset / (Liability)	0.29	(0.58)	
Profit After Tax	29.00	18.67	55.33
Balance brought forward	10.25	6.58	
Profit Available for Appropriation	39.25	25.25	55.45

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

Your Company has achieved a Total Revenue of Rs.242.28 Crore for the financial year 2018-19 as against Rs.203.06 Crore in the previous year 2017-18, reflecting a growth rate of 19.31%.

Export Turnover from cleaning equipments stands at Rs.63.85 Crore for the year 2018-19 as against Rs.56.42 Crore in the previous year 2017-18, reflecting a growth rate of 13.17%. Your Company 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 31st March 2019 is Rs.40.96 Crore as compared to Rs.29.25 Crore in the corresponding previous year, registering a growth of 40.00%. Profit after tax for the year under review stood at Rs.29.00 Crore compared to Rs.18.67 Crore in the corresponding previous year, representing a growth of 55.33%.

During the year, your Company's flagship product 'WIZZARD' has crossed 1 lakh machines in terms of volume of production.

The year 2018-19 has been an important milestone in the history of your Company with the commencement of construction activities as a part of expansion of the factory at Kaniyalampalayam Village, Kinathukadavu Taluk, Coimbatore.

India's growth forecast is the brightest spot in a grim forecast for the world economy. The Bank's Economic Prospects Report forecast India's economy to grow by 7.5% during this and the next two fiscal years, retaining its top spot as the fastest growing major economy. It would be helped by a "more accommodative monetary policy" and low inflation. Private consumption and investment will benefit from strengthening credit growth in an environment of more accommodative monetary policy and with inflation.

Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25% of the Gross Domestic Product (GDP) from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to Boston Consulting Group (BCG) report. India's GDP is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics and reforms. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

Though there is a global uncertainty and Challenges, your Company is expected to perform better in the current year and benefit all the stakeholders.

New Products

New Product Development is an area where your company always invests heavily year after year. During the year under review, your company has launched a slew of new and innovative products like the RB 650, RB 750, Hydroblast 250C and the Hydroblast 250H. The RB 650 and the RB 750 has been very well received by the market and their volumes are expected to increase drastically in the coming years. The contribution from all the products launched during the last 3 years is around 9% of the total turnover and the R&D expenditure of the company stands at 2.51% of the total turnover (2.28% in the previous year). This consistent spending for R&D enables your company to continuously innovate and launch world class products.

Reserves

A sum of Rs.20 Crore from the current profits of the financial year 2018-19 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. The payment of this dividend is estimated to result in payment of dividend tax of Rs.10,27,766 @ 20.56% (Previous year 2017-18 Dividend Rs. 50,00,000 Dividend Distribution Tax Rs. 10,27,766)

Share Capital

The paid-up capital of the Company as at 31.03.2019 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 2018-19 has been enclosed with this report (*Annexure 1*).

Number of Board Meetings

During the Financial Year 2018-19, four meetings of the Board of Directors of the company were held.

The details of Board meetings are given below:

Date	Board Strength	Number of Directors Present
27 th June 2018	10	8
29 th September 2018	11	10
19 th December 2018	12	10
25 th March 2019	12	12

Attendance of Directors during the year:

Name of the Director	Number of Meetings	
	Held	Attended
Sri K Ramasamy	4	4
Sri R Varun Karthikeyan	4	4
Sri S T Velu	4	4
Sri P T Kuppuswamy	4	4
Dr M P Vijayakumar, IAS (Retd.)	4	3
Sri K Ravi	4	4
Sri A Kasilingam	4	3
Smt R K Umaadhevi	4	2
Dr S Chandrasekar	4	4
Sri Preben Laustsen	4	3
Sri V M Rajashekar (w.e.f. 29.09.18)	3	3
Sri Frank Ulbricht (w.e.f. 19.12.18)	2	2

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

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

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

The Company has made investment by way of subscribing to equity shares during previous financial years and the details of the same have been given in the notes to the financial statements. The Company has not made any investments during the financial year 2018-19. The Company has not made investment in excess of the limit prescribed as per the provisions of the Companies Act, 2013.

Comments on Auditors' 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 statement 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	<p>Energy:</p> <p>a. By optimising and rationalizing the motor capacity with respect to the application load in Powder Coating and Shot Blasting units, we achieved a cost saving in RO plant run hours i.e., reduced by installing additional membranes (250 litres capacity to 750 litres capacity)</p> <p>b. By installing Auto Timers, use of air conditioners optimized.</p> <p>c. With above initiatives, we had realized a cost saving of Rs.3.5 Lakhs annually.</p> <p>Water:</p> <p>For doing back wash process in Sewage Treatment Plant (STP), it has been changed from using Bore well water to reject water discharged from RO process and demineralized water generation plant.</p> <p>By this change, the Company have saved (stopped pumping out) 6,25,000 litres of bore well water.</p>
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, the 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 CANBUS systems in large products like TMS, Duel Fuel engines (Environment friendly engines) in RHINO range of products, etc., to give best reliability in our products, electronic controls and user friendly systems, contemporary styling that will satisfy the customer, compete in the market effectively and make our products comply with regulatory requirements.
Benefits derived	Cost reduction, competitiveness and improved efficiency.
Expenditure on Research & Development, if any	Rs.6.09 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.63.17 Crore (FOB Value of Exports)

Foreign exchange outgo Rs.42.99 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 strategising 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 and as determined by the Board of Directors from time to time.

In the 117th Board Meeting held on 29th September 2018, Sri V.M.Rajashekar (DIN 08208467) has been appointed as an Additional Director of the Company in terms of Article 10 of Company's Articles of Association. Sri V.M.Rajashekar shall hold office until the date of this Annual General Meeting of the Company. The resolution for appointment of Sri V.M.Rajashekar is placed before the Shareholders for approval.

In the 118th Board Meeting held on 19th December 2018, Sri Frank Ulbricht (DIN 08258166) has been appointed as an Additional Director of the Company in terms of Article 10 of Company's Articles of Association. Sri Frank Ulbricht shall hold office until the date of this Annual General Meeting of the Company. The resolution for appointment of Sri Frank Ulbricht is placed before the Shareholders for approval.

The Directors Sri Preben Laustsen (DIN 06554783), Dr.S.Chandrasekar (DIN 01773256) and Sri S.T.Velu (DIN 00054195) are retiring by rotation and are eligible for re-appointment.

The Nomination and Remuneration Committee in its meeting held on 19th December 2018 recommended to the Board for the increase in remuneration payable to Sri R.Varun Karthikeyan (DIN 00585158), Managing Director of the Company with effect from 1st January 2019 until the expiry of his present tenure, subject to approval of the Shareholders.

The particulars of Employees as per Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel Rules), 2014 has been enclosed with this report (*Annexure 3*).

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 annexed to this report. However, they did not receive any remuneration or commission from the Wholly Owned Subsidiary Company.

Meeting of Independent Directors

During the year, a meeting of Independent Directors was held on 25th March 2019 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. Sri P.T.Kuppuswamy (DIN 00032309), Chairman of the meeting presented the views of the Independent Directors on matters relating to Board processes and the overall affairs of the Company to the full Board. All the Independent Directors were present at the Meeting.

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 as 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, 2019 is attached as *Annexure 4* 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 Four meetings during the year under review viz., 27.06.2018, 29.09.2018, 19.12.2018 and 25.03.2019. All recommendations made by the Audit Committee during the year were accepted by the Board of Directors.

Credit Rating

During the year under review, the Rating Committee of ICRA Limited, after due consideration, has upgraded the long term from [ICRA]A- (pronounced ICRA A minus) to [ICRA]A (pronounced ICRA A) and upgraded the short term rating from [ICRA]A2+ (pronounced ICRA A two plus) to [ICRA]A1 (pronounced ICRA A one) rating 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, 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 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.30,000/- and Rs.28,750/- to Investor Education and Protection Fund which were declared in FY 2009-10 and 2010-11 respectively.

(ii) transferred 12,000 equity shares to the demat account of Investor Education and Protection Fund Authority ("IEPFA") on 23.10.2018 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 IEPF Authority by submitting an online application in the prescribed 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 requisite documents enumerated in the Form No. IEPF-5.

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 Transfer Agents, M/s. S.K.D.C. Consultants Limited, Registrars and Share Transfer Agents, Post Box No. 2016, "Kanapathy Towers", 3rd Floor, 1391/A1, Sathy Road, Ganapathy Post, Coimbatore – 641 006, Tamil Nadu:

Details of Unclaimed Dividend as on March 31, 2019 and due dates for transfer				
S.No.	Financial Year	Date of Declaration of Dividend	Unclaimed Amount (Rs.)	Due Date for transfer to IEPF Account
1	2011-2012	20.09.2012	43,500	27.10.2019
2	2012-2013	04.09.2013	47,500	11.10.2020
3	2013-2014	24.09.2014	46,500	31.10.2021
4	2014-2015	28.09.2015	53,000	04.11.2022
5	2015-2016	29.06.2016	52,750	05.11.2023
6	2016-2017	27.09.2017	56,750	03.11.2024
7	2017-2018	27.09.2018	61,250	03.11.2025

Nomination and 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 27.06.2018 and 19.12.2018. All 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 the 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 the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal compliant committee has been constituted as per the provisions of 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 22nd Annual General Meeting retires at the conclusion of 27th Annual General Meeting of the Company. In accordance with the provisions of Section 139 of the Companies Act, 2013, read along with Companies (Audit and Auditors) Rules, 2014, M/s. Subramaniam Vasudev & Co., are eligible for re-appointment as Statutory Auditors of the Company for another term of 5 years. The re-appointment of Statutory Auditors is placed for approval of the Shareholders.

The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' 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 117th meeting held on 29th September 2018, appointed M/s. Astral Consulting Limited, as the Internal Auditor of the Company for the Financial Year 2018-19.

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 119th Meeting held on 25th March 2019 accepted the recommendation of the Audit Committee and 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, 2020. 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 31st March 2020 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 2019-20 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 114th Meeting of Board of Directors held on 7th 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.

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 31st March 2019 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, 2019, 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 31st March, 2019 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, associates, shareholders, employees and Government authorities for their continued support for the growth of the Company.

Coimbatore

Date: 08.07.2019

For and on behalf of the Board

(Sd.) K.Ramasamy

Executive Chairman

(DIN 00034360)

Annexure 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2019

[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 : 24th February 1992
- iii) Name of the Company : ROOTS MULTICLEAN LTD
- iv) Category / Sub-Category : Public Limited Company having Share Capital of the Company
- v) Address of the Registered office and contact details : R.K.G.Industrial Estate, Ganapathy Coimbatore – 641 006.
- 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”
3rd 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	% to total turnover of the company
1	Floor Cleaning Equipments and Industrial vacuum cleaners	29299	96.28

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 31.03.2019:
(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	–	608260	608260	30.41		619360	619360	30.97	0.56
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)	–	968260	968260	48.41		979360	979360	48.97	0.56
(2) Foreign	–	–	–	–	–	–	–	–	–
a. NRIs - Individuals	–	–	–	–	–	–	–	–	–
b. Other – Individuals	–	–	–	–	–	–	–	–	–
c. Bodies Corp.	–	520000	520000	26.00		520000	520000	26.00	NIL
d. Banks / FI	–	–	–	–	–	–	–	–	–
e. Any Other....	–	–	–	–	–	–	–	–	–
Sub - total (A) (2)	–	520000	520000	26.00	–	520000	520000	26.00	NIL
Total share holding of Promoter (A) =									
(A)(1) + (A)(2)	–	1488260	1488260	74.41	–	1499360	1499360	74.97	0.56

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	–	203600	203600	10.18	59900	151000	210900	10.54	0.36
ii) Overseas	–	–	–	–	–	–	–	–	–
b. Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	117640	117640	5.88	3100	85440	88540	4.42	(1.46)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	190500	190500	9.52	80000	109200	189200	9.46	(0.06)
c. FIs	–	–	–	–	–	–	–	–	–
d. Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
e. Others (specify) Investor Education & Protection Fund Authority, Ministry of Corporate Affairs	–	–	–	–	12000	–	12000	0.60	0.60
Sub-total (B)(2):	–	511740	511740	25.58	155000	345640	500640	25.03	(0.55)
Total Public Share holding (B) = (B)(1) + (B)(2)	–	511740	511740	25.58	155000	345640	500640	25.03	(0.55)
C. Shares held by Custodian for GDRs & ADRs	–		–	–	–	–	–	–	–
Grand Total (A + B + C)	–	2000000	2000000	100.00	155000	1845000	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	235400	11.77	NIL	234900	11.75	NIL
2	Smt R.K.Umaadhevi	30500	1.53	NIL	30500	1.53	NIL
3	Sri R.Varun Karthikeyan	342360	17.12	NIL	353960	17.70	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	1488260	74.42	NIL	1499360	74.98	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 K.Ramasamy At the beginning of the year	235400	11.77			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase	(500)	(0.02)	Transfer		
	At the end of the year	234900	11.75		234900	11.75
2	Sri R.Varun Karthikeyan At the beginning of the year	342360	17.12			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase	11600	0.58	Transfer		
	At the end of the year	353960	17.70		353960	17.70

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

S.No.	For Each of the Top 10 Shareholder	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	3A Financial Services Ltd	52000	2.60	59900	2.99
4	Sri Mahesh Madhavan	30000	1.50	30000	1.50
5	Investor Education & Protection Fund Authority, Ministry of Corporate Affairs	–	–	12000	0.60
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	0.38	7500	0.38
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	235400	11.77	Transfer	234900	11.75
2	Sri R.Varun Karthikeyan	342360	17.12	Transfer	353960	17.70
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	25,62,79,263	–	80,000	25,63,59,263
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	25,62,79,263	–	80,000	25,63,59,263
Change in Indebtedness during the financial year				
Addition	11,93,84,055	–	–	11,93,84,055
Reduction	–	–	80,000	80,000
Net Change	11,93,84,055	–	80,000	11,93,04,055
Indebtedness at the end of the financial year				
i) Principal Amount	37,56,63,318	–	–	37,56,63,318
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	37,56,63,318	–	–	37,56,63,318

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		
		Sri K.Ramasamy	Sri R.Varun Karthikeyan	Total
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	–	15,71,637	15,71,637
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	–	14,62,642	14,62,642
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	–	–	–

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		
		Sri K.Ramasamy	Sri R.Varun Karthikeyan	Total
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	1,29,83,326	22,05,551	1,51,88,877
	- others, specify...	–	–	–
5	Others, please specify	–	–	–
	Total (A)	1,29,83,326	52,39,830	1,82,23,156
	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	80,000	60,000	40,000	1,80,000
	· Commission	5,00,000	5,00,000	5,00,000	15,00,000
	· Others, please specify	–	–	–	–
	Total (1)	5,80,000	5,60,000	5,40,000	16,80,000
2	Other Non-Executive Directors	Smt R.K.Umaadhevi			
	· Fee for attending board / committee meetings	20,000	–	–	20,000
	· Commission	–	–	–	–
	· Others, please specify	–	–	–	–
	Total (2)	20,000	–	–	20,000
	Total (B) = (1 + 2)				17,00,000
	Total Managerial Remuneration				1,99,23,156
	Overall Ceiling as per the Act	11% of the Net Profit of the Company			

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 (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	–	18,61,717	–	18,61,717
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission - as % of profit - others, specify...	– –	– –	– –	– –
5	Others, please specify	–	–	–	–
	Total (A)	–	18,61,717	–	18,61,717

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)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

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 Shareholders' 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.

Annexure 3

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

Particulars of Employees whose salary is not less than Rupees One Crore and Two Lakhs:

S.No.	Name	Age (Years)	Designation	Gross (Rs.)	Qualification	Total	Date of Commencement of employment
1.	K. Ramasamy	71	Executive Chairman	1,29,83,326	M.(Auto) Mech.(USA)	27 years in the field of Cleaning Equipments	01.05.1992

The Employment is contractual. The said remuneration does not carry any contribution to provident fund, gratuity and other perquisites. Sri K.Ramasamy holds 11.75% of the total share capital of the Company. Sri K.Ramasamy, Executive Chairman is related to Sri R.Varun Karthikeyan, Managing Director, as per Section 2(77) of the Companies Act, 2013.

The remuneration details are for the financial year 2018-19 and all other particulars are as on 31st March, 2019. Besides the above, there are no other employees in receipt of Remuneration / Salary for any part of the year, at a rate which, in the aggregate, was not less than Rs.8,50,000/- per month.

Annexure 4
Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19
(Pursuant to Section 135 of Companies Act, 2013)

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.

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 three meetings during the year under review viz., 27th June 2018, 19th December 2018 and 25th March 2019.

Average net profit of the Company for last three financial years is Rs.23.61 Crore.

The Prescribed CSR Expenditure is Rs.0.47 Crore.

Details of CSR spent during the financial year.

a) Total amount to be spent for the financial year: Rs.0.47 Crore.

b) Amount unspent, if any: NIL

c) Manner in which the amount spent during the financial year is detailed below. (Rs.in Crore)

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 the reporting period	Amount spent: Direct or through implementing agency
1	Avinashi Road-Cleaning	Protection of Environment	Coimbatore, Tamilnadu	0.33	0.33	0.33	Direct
2	Infrastructure to Rural Hospital	Promoting preventive Health Care	Coimbatore, Tamilnadu	0.10	0.10	0.10	Through Registered Trust - Perur Atheenam Seervalseer Santhalinga Adilagalar Arakattalai, Perur, Coimbatore.
3	Disaster Relief	Preventive Healthcare	Southern Districts of Tamil Nadu	0.10	0.10	0.10	Direct
4	Prime Minister's National Relief Fund	Prime Minister's National Relief Fund	—	0.07	0.07	0.07	Direct
Total				0.60	0.60	0.60	

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: 08.07.2019

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

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

INDEPENDENT AUDITORS' 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 31st March 2019, and 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, 2019 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' 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 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 statement 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.

Auditors' 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 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 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 adequate 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 Auditors' 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 Auditors' 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 (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

1. 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 purpose 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
- (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 Auditors' 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any material foreseeable losses in long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Coimbatore
Date : 17.08.2019

For **Subramaniam Vasudev and Co.,**
Chartered Accountants
Firm No: 0041105
(R. Vasudev)
Partner
M.No. 018342
(UDIN 19018342AAAAD9667)

“Annexure A” to the Independent Auditors’ 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 31st March 2019

- 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 fixed assets of the Company have been physically verified by the management at reasonable intervals in a phased manner so as to generally cover all the assets other than land holdings once in three years. As informed to us, no material discrepancies have been noticed on such verification wherever reconciliation has been carried out.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Plant / Unit, the title / lease deeds of immovable properties are held in the name of Roots Multiclean Ltd.
- ii) As explained to us, the inventories have been physically verified by the management with reasonable frequency during the year. In certain cases, the stocks have been verified on the basis of visual survey / estimates. The discrepancies between physical stocks and book records arising out of physical verification, which were not material, have been dealt with in the books of account.
- 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 the loan given 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 made any investment or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013
- v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Therefore the provision of clause (v) of the paragraph 3 & 4 of the order 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 record under Sub-section (1) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 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 records with a view to determining whether they are accurate and complete.
- vii) According to the information and explanations given to us and on the basis of our examination of the books of the accounts and records:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Taxes, Cess, Goods and Services Tax and other Statutory Dues with the appropriate authorities.

- b. 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 31st March, 2019 for a period of more than 6 months from the date on when they become payable.
- c. Details of dues of Customs duty, Income Tax and Goods and Services Tax which have not been deposited as on 31st March, 2019 on account of disputes are as follows:

Particulars	Financial year to which the matter relates	Forum where Dispute is pending	Amount Rs.
Customs	2010-13	Tribunal	7,10,312
Income Tax	2007-08	CIT (Appeals)	6,29,770
	2009-11	Tribunal	13,87,224
Goods and Services Tax	2018	State 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 banks dues. 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 and term loans.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud 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 Companies Act, 2013.
- xii) The Company is not a Nidhi Company. Therefore the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii) The Company has complied with the provisions of Section 187 and 188 of the Companies Act 2013 with reference to the transactions with the related parties, where applicable, details of the transaction with the related parties have been disclosed in note no.35 of the Financial Statements as required by the applicable Indian Accounting Standard.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into non-cash transactions with directors or persons connected with him, as covered under Section 192 of the Companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

“Annexure B” to the Independent Auditors’ 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, 2019 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 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 Companies Act, 2013.

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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the 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 adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors’ 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 system 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Annexure-B to the Independent Auditors' Report

Directions under Section 143(5) of Companies Act 2013

S.No.	QUESTIONS	AUDITORS' COMMENTS
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Plant/Unit has strong system in place to process all the accounting transactions through IT system. The Plant/Unit has authentic procedure for processing of accounting transactions outside the IT system and there is no doubt on the integrity of the accounts.
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Not applicable.
3	Whether funds received / receivable for specific schemes from central / state agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.	Not applicable.

Place : Coimbatore
Date : 17.08.2019

For **Subramaniam Vasudev and Co.,**
Chartered Accountants
Firm No: 0041105

(R. Vasudev)
Partner
M.No. 018342
(UDIN 19018342AAAAD9667)

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note	31.03.2019 (Rs.)	31.03.2018 (Rs.)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	2,00,00,000	2,00,00,000
Reserves and Surplus	2	1,33,87,18,084	1,05,47,57,145
		<u>1,35,87,18,084</u>	<u>1,07,47,57,145</u>
Non-Current Liabilities			
Long-term borrowings	3	14,16,43,860	3,13,50,584
Deferred tax liabilities (Net)	4	2,98,93,431	3,28,35,578
		<u>17,15,37,291</u>	<u>6,41,86,162</u>
Current Liabilities			
Short-term borrowings	5	21,45,56,755	21,36,74,665
Trade payables	6		
(a) Outstanding dues of Micro and Small Enterprises		5,95,53,041	6,74,42,116
(b) Outstanding dues of Creditors other than Micro and Small Enterprises		23,72,94,485	19,85,21,649
Other current liabilities	7	8,59,30,620	9,78,20,354
Short-term provisions	8	19,12,61,459	16,15,53,304
		<u>78,85,96,360</u>	<u>73,90,12,088</u>
TOTAL		<u>2,31,88,51,735</u>	<u>1,87,79,55,395</u>
ASSETS			
Non-Current Assets			
(i) Property, Plant and Equipment	9	64,34,30,037	62,43,99,737
(ii) Capital work-in-progress		4,69,38,572	1,24,68,296
Non-current investments	10	11,15,65,715	11,15,65,715
Long term loans and advances	11	3,32,46,006	46,14,373
		<u>83,51,80,330</u>	<u>75,30,48,121</u>
Current Assets			
Inventories	12	62,99,84,761	38,26,22,624
Trade receivables	13	69,59,53,738	61,06,15,543
Cash and Cash Equivalents	14	2,31,70,416	2,83,74,865
Short-term loans and advances	15	12,67,86,991	10,21,17,933
Other current assets	16	77,75,499	11,76,309
		<u>1,48,36,71,405</u>	<u>1,12,49,07,274</u>
TOTAL		<u>2,31,88,51,735</u>	<u>1,87,79,55,395</u>

Significant Accounting Policies and Notes on Financial Statements 1 to 38

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

 (Sd.) R.Vasudev
 Partner
 Membership No.018342
 Coimbatore
 Date : 17.08.2019

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

 (Sd.) K.Ravi
 Director
 (DIN 01590268)
 Date : 08.07.2019

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

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note	31.03.2019 (Rs.)	31.03.2018 (Rs.)
INCOME			
Revenue from operations (Net)	17	2,42,06,72,771	2,02,60,26,003
Other Income	18	21,41,176	45,91,713
Total Revenue		2,42,28,13,947	2,03,06,17,716
EXPENDITURE			
Cost of Materials Consumed	19	84,06,80,274	68,08,87,581
Purchase of Traded Goods		30,74,42,504	21,71,20,221
Changes in Inventories of Finished goods, Work in Progress and Traded Goods	20	(15,43,37,246)	(1,34,30,408)
Employee Benefit Expenses	21	41,55,42,635	35,41,07,403
Other Expenses	22	50,13,14,423	42,40,87,757
Total Expenses		1,91,06,42,590	1,66,27,72,554
Earnings Before Interest, Tax, Depreciation and Amortisations (EBITDA)		51,21,71,357	36,78,45,162
Depreciation and Amortisation Expense	23	6,76,68,120	5,78,31,725
Finance Costs	24	3,49,56,679	1,74,83,038
Profit Before Tax		40,95,46,558	29,25,30,399
Tax Expenses			
Current Tax		12,25,00,000	10,00,00,000
Deferred Tax	4	(29,42,147)	58,24,515
Profit for the year		28,99,88,705	18,67,05,884
Earning per equity share (Face Value of Share Rs.10/- each)			
Basic and Diluted	25	144.99	93.35

Significant Accounting Policies and Notes on Financial Statements 1 to 38

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

(Sd.) R.Vasudev
 Partner
 Membership No.018342
 Coimbatore
 Date : 17.08.2019

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

(Sd.) K.Ravi
 Director
 (DIN 01590268)
 Date : 08.07.2019

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

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
Net Profit before Tax	40,95,46,558	29,25,30,399
Add: Depreciation	6,76,68,120	5,78,31,725
Finance Costs	3,49,56,679	1,74,83,038
	51,21,71,357	36,78,45,162
Add: Adjustment for:		
Increase / (Decrease) in Trade Payables	3,08,83,760	8,99,33,713
Increase / (Decrease) in Short Term Provisions	2,97,08,155	(1,68,33,071)
Increase / (Decrease) in Other Current Liabilities	(1,18,89,734)	13,73,685
(Increase) / Decrease in Inventories	(24,73,62,138)	(5,92,17,126)
(Increase) / Decrease in Other Current Assets	(65,99,190)	12,93,709
(Increase) / Decrease in Receivables	(8,53,38,195)	(11,34,06,722)
(Increase) / Decrease in Short-Term Loans and Advances	(2,46,69,058)	(3,54,82,039)
Cash generated from operations	19,69,04,957	23,55,07,311
Less: Finance Costs	3,49,56,679	1,74,83,038
Dividend & Dividend Distribution Tax Payment	60,27,766	–
Income Tax	12,25,00,000	10,00,00,000
I. Net Cash from operating activities (A)	3,34,20,512	11,80,24,273
II. Cash flow from investing activities (B)	(14,98,00,328)	(30,08,31,369)
III. Cash flow from financing activities:		
Increase / (Decrease) in Long Term Borrowings	11,02,93,277	3,12,70,584
Increase / (Decrease) in Long Term Provisions	–	(96,86,667)
Increase / (Decrease) in Short Term Borrowings	8,82,090	16,12,35,571
Net Cash Generated from financing activities (C)	11,11,75,367	18,28,19,488
Net Increase / (Decrease) in cash and cash equivalents (A + B + C)	(52,04,449)	12,392
Cash and Cash equivalents at the beginning of the period	2,83,74,865	2,83,62,473
Cash and Cash equivalents at the end of the period	2,31,70,416	2,83,74,865

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

(Sd.) R.Vasudev
Partner
Membership No.018342
Coimbatore
Date : 17.08.2019

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

(Sd.) K.Ravi
Director
(DIN 01590268)
Date : 08.07.2019

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

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

SIGNIFICANT ACCOUNTING POLICIES

a. Property, Plant & Equipment

Property, Plant & Equipment have been stated at cost 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 respective 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 lives of the assets considering the guide lines of part C of Schedule II of the Companies Act, 2013. Based on technical evaluation and assessment of useful lives 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 lives as follows:

- Technical knowhow - over a period of 5 years

d. Revenue Recognition

Revenue has been accounted on accrual basis.

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 comprises 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 AS 15. Gratuity is administered through Group Gratuity scheme with Life Insurance Corporation of India.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
1. SHARE CAPITAL		
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

1.1 Reconciliation of the Number of shares

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

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 Details of Shareholders holding more than 5% shares

S.No.	Name of the Shareholder	2018-19		2017-18	
		% of holding	No. of Shares	% of holding	No. of Shares
1	M/s Hako GmbH	26.00	5,20,000	26.00	5,20,000
2	M/s Roots Industries India Limited	18.00	3,60,000	18.00	3,60,000
3	Sri R.Varun Karthikeyan	17.70	3,53,960	17.12	3,42,360
4	Sri K.Ramasamy	11.75	2,34,900	11.77	2,35,400
5	M/s Roots Auto Products Private Ltd	7.50	1,50,000	7.50	1,50,000
6	Smt R.Yokanayaki	5.02	1,00,400	5.02	1,00,400
	Total		17,19,260		17,08,160

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
2. RESERVES AND SURPLUS		
a. General Reserve		
Opening Balance	95,22,91,400	80,22,91,400
Add : Transfer from Statement of Profit and Loss	20,00,00,000	15,00,00,000
	1,15,22,91,400	95,22,91,400
b. Surplus in Statement of Profit and Loss		
Opening Balance	10,24,65,745	6,57,59,861
Add : Profit for the year	28,99,88,705	18,67,05,884
Less : Appropriations :		
Equity dividend Paid 2017-18*	(50,00,000)	—
Tax on equity dividend*	(10,27,766)	—
Transferred to General Reserve	(20,00,00,000)	(15,00,00,000)
Net Balance	18,64,26,684	10,24,65,745
Total	1,33,87,18,084	1,05,47,57,145
*(Refer Note No.36)		

3. LONG TERM BORROWINGS
Secured

Term Loans from Bank	13,09,05,630	1,80,00,000
Car Loan from Bank	1,07,38,230	1,32,70,584

Unsecured

Dealer Deposits	—	80,000
Total	14,16,43,860	3,13,50,584

3.1 Term Loans - Secured - Long Term

S. No.	Particulars	Limit Sanctioned (Rs.)	Type of Security	Terms of Repayment	Amount Outstanding As at 31.03.2019 (Rs.)	Amount Outstanding As at 31.03.2018 (Rs.)
	From Banks:					
1	Citi	2,70,00,000	First exclusive charge on the Fixed Assets	Monthly	90,00,000	1,80,00,000
	HSBC	10,00,00,000	Funded out of the Term Loan	Quarterly	9,37,73,562	
	HSBC	3,00,00,000		Quarterly	2,81,32,068	
2	HDFC	1,61,00,000	Secured against first charge on Car Purchased out of the Auto Premium Loan	Monthly	1,07,38,230	1,32,70,584
	Total	17,31,00,000			14,16,43,860	3,12,70,584

Maturity Profile of Secured Term Loans
(Rs.)

S. No.	Particulars	1-2 Years	2-3 Years	3-4 Years	Beyond 4 years
1	CITI	90,00,000	–	–	–
2	HSBC	2,50,23,562	2,50,00,000	2,50,00,000	1,87,50,000
3	HSBC	75,07,068	75,00,000	75,00,000	56,25,000
4	HDFC - Car Loan	22,86,365	22,85,229	22,54,396	39,12,240
Total		4,38,16,995	3,47,85,229	3,47,54,396	2,82,87,240

4. DEFERRED TAX LIABILITIES (NET)

Particulars	Opening Balance 01.04.2018 (Rs.)	Added during the year (Rs.)	Reversed during the year (Rs.)	Closing Balance 31.03.2019 (Rs.)
1. Deferred Tax Assets				
Depreciation - Excess claimed in the Books	–	–	–	–
Other Expenses - Disallowance under tax laws	–	–	–	–
Total	–	–	–	–
2. Deferred Tax Liability				
Depreciation - Excess claimed in the IT - A	9,50,40,200	82,50,709	–	10,32,90,909
Other Expenses - Deferred Revenue Expenditure - B	(1,61,621)	(4,73,279)	–	(6,34,900)
Total (A + B)	9,48,78,579	77,77,430	–	10,26,56,009
Net Deferred Tax Liability	3,28,35,578	–	–	2,98,93,431
Less: Opening Deferred Tax Liability	2,70,11,063	–	–	3,28,35,578
Net Deferred Tax Debited / (Credited) to Statement of Profit and Loss	58,24,515	(29,42,147)	–	–

5. SHORT TERM BORROWINGS

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
SECURED		
Working Capital Loans - from Banks	21,45,56,755	21,36,74,665
Total	21,45,56,755	21,36,74,665

Loans repayable on demand (Working Capital Loan)

S.No.	Particulars	Limit Sanctioned (Rs.)	Type of Security	31.03.2019 (Rs.)	31.03.2018 (Rs.)
	From Banks:-				
1	Indian Overseas Bank - Cash Credit	9,00,00,000	First paripassu charge on the current assets of the Company.	1,12,99,260	6,09,01,348
2	Indian Overseas Bank - Packing Credit			—	—
3	State Bank of India - Cash Credit	5,00,00,000	First paripassu charge on the fixed assets excluding those assets funded through term loans of other banks.	26,63,056	79,12,201
4	State Bank of India - Packing Credit			—	—
5	Citi Bank - Cash Credit	22,00,00,000	First paripassu charge on the land and building on SF no. 191 / B2, 192 B, 196 B/1, patta no. 348, pollachi main road, Kovil palayam, Mettupalayam post, Pollachi Taluk, Coimbatore.	64,13,061	6,74,37,250
6	Citi Bank - Packing Credit			13,55,03,479	2,35,05,762
7	Citi Bank - Short Term - PCINR			1,60,33,900	2,00,00,000
8	HSBC - Short Term	6,00,00,000		2,00,04,658	2,00,08,658
9	HSBC - Packing Credit			1,55,32,000	—
10	HSBC - Buyers Credit			—	—
11	HSBC - Cash Credit			71,07,341	1,39,09,446
	Total	42,00,00,000		21,45,56,755	21,36,74,665

6. TRADE PAYABLES

S.No.	Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
1	Total outstanding Dues of Micro and Small Enterprises (Refer Note below)	5,95,53,041	6,74,42,116
2	Total outstanding Dues of creditors other than Micro and Small Enterprises	23,72,94,485	19,85,21,649
	Total	29,68,47,526	26,59,63,765

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		31.03.2019 Rs.	31.03.2018 Rs.
a	The principal amount remaining unpaid to any supplier at the end of the year	5,95,53,041	6,74,42,116
b	Interest due remaining unpaid to any supplier at the end of the year	—	—
c	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed day during the year	—	—
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	—	—
e	The amount of interest accrued and remaining unpaid at the end of each accounting year	—	—
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	—	—
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise 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		31.03.2019 (Rs.)	31.03.2018 (Rs.)
7. OTHER CURRENT LIABILITIES			
1	Term Loan - (Due within a year)	1,94,62,703	1,13,34,014
2	Unclaimed dividend	3,61,250	3,67,750
3	Creditors for Capital Goods	1,03,41,816	2,96,13,190
4	TDS payable and advance from customers	5,57,64,851	5,65,05,400
	Total	8,59,30,620	9,78,20,354
8. SHORT TERM PROVISIONS			
1	Provision for Salaries & Wages	8,80,73,822	7,24,84,009
2	Provision for Leave encashment	42,00,000	35,00,000
3	Income Tax Provisions (Net)	4,78,02,225	4,08,29,645
4	Provision for Warranties	67,35,437	14,78,333
5	Outstanding Expenses	4,44,49,975	4,32,61,317
	Total	19,12,61,459	16,15,53,304

Standalone Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block		Depreciation		Net Block		
	As on 01.04.2018 (Rs.)	Additions / (Deletions) (Rs.)	As on 31.03.2019 (Rs.)	Upto 31.03.2018 (Rs.)	For the year / (Withdrawal) (Rs.)	As on 31.03.2019 (Rs.)	As on 31.03.2018 (Rs.)
TANGIBLE ASSETS							
Land	10,86,22,560	–	10,86,22,560	–	–	10,86,22,560	10,86,22,560
Building	21,31,82,755	1,33,86,041	22,65,68,796	3,03,99,721	69,52,741	3,73,52,462	18,27,83,034
Plant & Machinery	16,10,05,495	2,65,93,264	18,75,98,759	5,14,08,491	1,02,86,484	6,16,94,974	10,95,97,004
Leased Equipments	1,28,57,835	–	1,28,57,835	1,22,14,944	–	1,22,14,944	6,42,891
Wind Mill	7,26,53,303	–	7,26,53,303	5,80,91,164	10,03,269	5,90,94,433	1,45,62,139
Tools, Dies & Moulds	19,00,23,390	1,54,14,859	20,54,38,249	13,58,40,949	1,33,36,182	14,91,77,131	5,41,82,441
Electrical Equipments	2,36,67,649	10,97,727	2,47,65,376	1,07,53,776	21,12,866	1,28,66,642	1,29,13,873
Measuring Instruments Fixtures etc.	58,14,438	7,56,993	65,71,431	34,97,843	4,54,303	39,52,146	23,16,595
Storage Racks	1,80,87,355	5,44,700	1,86,32,055	97,50,261	15,63,587	1,13,13,848	83,37,095
Vehicles	8,93,09,800	1,65,39,237	9,63,48,559	2,84,28,022	1,06,04,659	3,32,52,190	6,08,81,778
		(95,00,478)			(57,80,491)		
Furniture & Fittings	2,44,71,203	33,446	2,45,04,649	1,12,50,649	21,51,709	1,34,02,358	1,32,20,554
Office & Misc. Equipments	1,80,73,690	35,38,662	2,16,12,352	87,53,246	14,44,920	1,01,98,166	93,20,443
Computer	4,54,10,786	53,10,535	5,07,21,321	3,56,86,859	44,19,777	4,01,06,636	97,23,927
Total	98,31,80,259	8,32,15,464	1,05,68,95,245	39,60,75,925	5,43,30,496	44,46,25,930	58,71,04,334
		(95,00,478)			(57,80,491)		
INTANGIBLE ASSETS							
Computer Software	1,23,18,364	72,02,943	1,95,21,307	71,32,702	19,45,771	90,78,473	51,85,662
Technical Know-How	5,69,59,262	–	5,69,59,262	2,48,49,521	1,13,91,853	3,62,41,374	3,21,09,741
Total	6,92,77,626	72,02,943	7,64,80,569	3,19,82,223	1,33,37,624	4,53,19,847	3,72,95,403
Grand Total	1,05,24,57,885	9,04,18,407	1,13,33,75,814	42,80,58,148	6,76,68,120	48,99,45,777	62,43,99,737
		(95,00,478)			(57,80,491)		

Particulars	Standalone Financial Statements	
	31.03.2019 (Rs.)	31.03.2018 (Rs.)
10. NON-CURRENT INVESTMENTS (Long Term Investments)		
Non Trade Investments (valued at cost)		
In equity shares of companies unquoted, fully paid-up		
1,73,000 Equity shares of Rs.10/- each in Roots Precision Products Pvt. Ltd.	17,30,000	17,30,000
1,34,127 Equity shares of Rs.10/- each in Roots Cast Private Limited	60,35,715	60,35,715
16,000 Equity shares of USD 100 each in Roots Multi Clean Inc., USA (Wholly Owned Subsidiary)	10,38,00,000	10,38,00,000
Total	11,15,65,715	11,15,65,715
Aggregate amount of unquoted Investments	11,15,65,715	11,15,65,715
11. LONG TERM LOANS & ADVANCES		
(Unsecured, Considered Good)		
Capital Advances	3,19,75,609	33,43,976
Deposits	12,70,397	12,70,397
Total	3,32,46,006	46,14,373
12. INVENTORIES		
(As certified by the Management)		
1 Raw materials, Bought out & Components	28,32,18,366	19,18,06,602
2 Goods in transit - Raw Materials	2,30,214	25,185
3 Work in Progress	3,52,86,721	2,73,82,135
4 Finished Goods	18,38,49,960	8,26,08,727
5 Stock - Traded Goods	12,11,03,909	7,59,12,482
6 Packing Materials	42,58,282	33,28,488
7 Consumables and Stores	20,37,309	15,59,005
Total	62,99,84,761	38,26,22,624
Valuation of Inventory:		
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 respective 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.		
13. TRADE RECEIVABLES		
Exceeding Six months	9,40,59,630	5,50,96,330
Others*	60,18,94,108	55,55,19,213
Considered Doubtful	1,15,55,150	87,41,980
	70,75,08,888	61,93,57,523
Less : Provision for Doubtful Debts	(1,15,55,150)	(87,41,980)
Total	69,59,53,738	61,06,15,543

Standalone Financial Statements			
Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)	
*Trade Receivables others includes due from following Group Concerns in which the Directors are interested.			
1 Roots Auto Products Private Limited	5,11,656	–	
2 Hako Group	1,78,12,064	1,84,14,511	
3 Swami Satchidananda Foundation	13,572	–	
14. CASH AND CASH EQUIVALENTS			
1. Cash and Bank Balances	5,31,741	2,87,241	
2. Balance With Banks *	56,67,104	84,07,730	
3. Cheques in Hand	20,33,532	88,81,223	
4. Fixed Deposit with Banks - Margin Money against Guarantees with maturity of within 12 months	1,31,67,407	38,60,494	
5. Fixed Deposit with Banks - Margin Money against Guarantees with maturity of more than 12 months	17,70,632	69,38,177	
Total	2,31,70,416	2,83,74,865	
* Balance with banks includes unclaimed dividend	3,61,250	3,67,750	
15. SHORT TERM LOANS AND ADVANCES			
(Unsecured, considered good)			
Prepaid Expenses	29,13,951	33,04,186	
GST Advances & TDS Receivables	7,40,77,562	5,64,46,998	
Loan to Roots Multi Clean Inc., USA (Wholly Owned Subsidiary)#	2,14,35,000	1,63,75,983	
Advances to Suppliers	2,83,60,478	2,59,90,766	
Total	12,67,86,991	10,21,17,933	
# 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 @11% p.a. in line with the prevailing market rate. (Refer note no.35)			
16. OTHER CURRENT ASSETS			
Export Incentive Receivables (DBK & MEIS)	77,75,499	11,76,309	
Total	77,75,499	11,76,309	
17. REVENUE FROM OPERATIONS			
Revenue from Manufactured Products			
Domestic	1,22,58,13,025	96,95,22,221	
Less : Excise Duty	–	1,19,43,040	
	1,22,58,13,025	95,75,79,181	
Export	61,55,63,687	1,84,13,76,712	54,39,22,025
Revenue from Traded products			
Domestic	46,83,97,451	41,45,98,226	
Export	2,29,01,246	49,12,98,697	2,03,19,842
			43,49,18,068

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
Revenue from Sale of Services (Net of taxes)		
Annual Maintenance Charges	3,92,29,692	3,74,03,891
Service Charges Received	81,25,090	65,70,781
Operation & Maintenance Charges	19,94,592	19,52,551
Commission Received	3,64,948	26,62,330
Machinery Lease Rent	90,000	5,92,500
Other Operating Revenues		
Export Incentive	2,93,24,555	2,90,49,025
Wind Mill Income	72,16,855	90,36,840
Foreign exchange gain	16,51,630	23,38,811
Total	2,42,06,72,771	2,02,60,26,003

18. OTHER INCOME
Other Non Operating income

Interest	14,41,524	8,00,976
Dividend	1,73,000	2,00,000
Agriculture Income	1,17,152	1,22,550
Duty Refund	—	30,58,687
Rent	4,09,500	4,09,500
Total	21,41,176	45,91,713

19. COST OF MATERIALS CONSUMED

1. Consumption of Raw materials, Boughtout & Components	80,90,04,097	65,44,12,126
2. Consumption of Packing Materials	3,16,76,177	2,64,75,455
Total	84,06,80,274	68,08,87,581

1. Consumption of Raw materials, Boughtout & Components

Opening stock	19,18,31,787	14,79,20,353
Add: Purchases during the year	90,06,20,890	69,83,23,560
	1,09,24,52,677	84,62,43,913
Less: Closing stock	28,34,48,580	19,18,31,787
Total	80,90,04,097	65,44,12,126

2. Consumption of Packing Materials

Opening stock	33,28,488	30,12,209
Add: Purchases during the year	3,26,05,971	2,67,91,734
	3,59,34,459	2,98,03,943
Less: Closing stock	42,58,282	33,28,488
Total	3,16,76,177	2,64,75,455

Particulars	Standalone Financial Statements	
	31.03.2019 (Rs.)	31.03.2018 (Rs.)
20. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
1 Finished goods	(10,12,41,233)	(4,65,52,516)
2 Work-in-progress	(79,04,586)	35,52,551
3 Traded Goods	(4,51,91,427)	2,95,69,557
Total	(15,43,37,246)	(1,34,30,408)
1 Changes in inventories of finished goods		
Opening stock of finished goods	8,26,08,727	3,60,56,211
Less: Closing stock of finished goods	18,38,49,960	8,26,08,727
Total	(10,12,41,233)	(4,65,52,516)
2 Changes in inventories of work-in-progress		
Opening stock of work-in-progress	2,73,82,135	3,09,34,686
Less: Closing stock of work-in-progress	3,52,86,721	2,73,82,135
Total	(79,04,586)	35,52,551
3 Changes in inventories of Traded Goods		
Opening stock of Traded Goods	7,59,12,482	10,54,82,039
Less: Closing stock of Traded Goods	12,11,03,909	7,59,12,482
Total	(4,51,91,427)	2,95,69,557
21. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	35,07,26,179	29,89,51,599
Contribution to Provident Fund and other funds	3,04,94,138	2,15,25,237
Employee Welfare expenses	1,45,99,162	1,83,50,383
Directors' Remuneration	1,97,23,156	1,52,80,184
Total	41,55,42,635	35,41,07,403

Particulars	Standalone Financial Statements	
	31.03.2019 (Rs.)	31.03.2018 (Rs.)
Gratuity:		
Defined Benefit Plan - As on 31st March 2019		
I Change in obligation during the year ended as at 31st March 2019		
1 Present Value of Obligations as at beginning of the year	4,54,89,236	5,19,99,440
2 Interest cost	34,11,693	41,59,956
3 Current Service cost	58,81,912	72,22,016
4 Benefits paid	(25,10,585)	(34,25,505)
5 Actuarial (gain) / loss	(1,24,610)	(1,44,66,671)
6 Present value of obligations as at the end of the year	5,21,47,646	4,54,89,236
II Change in the fair value of plan assets as at 31st March 2019		
1 Fair Value of Plan Assets at beginning of the year	4,95,62,392	3,94,93,932
2 Expected return on plan assets	38,83,708	32,35,151
3 Contributions	55,99,353	1,02,59,114
4 Benefits paid	(25,10,585)	(34,25,505)
5 Actuarial gain / (loss) on plan assets		
6 Fair value of plan assets at the end of year	5,65,34,868	4,95,62,692
III Actuarial (Gain) / Loss recognised as at 31st March 2019		
1 Actuarial (gain) / loss on obligations	1,24,610	1,44,66,671
2 Actuarial (gain) / loss for the year - Plan assets	NIL	NIL
3 Actuarial (gain) / loss on obligations	(1,24,610)	(1,44,66,671)
4 Actuarial (gain) / loss recognised in the year	(1,24,610)	(1,44,66,671)
IV Net Asset / (Liability) recognised in the Balance sheet as at 31st March 2019		
1 Present Value of obligations as at March 31, 2019	5,21,47,646	4,54,89,236
2 Fair value of plan assets as at March 31, 2019	5,65,34,868	4,95,62,392
3 Funded status	43,87,222	40,73,156
4 Net Asset / (Liability) recognised in Balance Sheet	43,87,222	40,73,156
V Expenses recognised in the Statement of Profit & Loss for the year ended 31st March 2019		
1 Current Service cost	58,81,912	72,22,016
2 Interest cost	34,11,693	41,59,956
3 Expected return on plan assets	(38,83,708)	(32,34,851)
4 Net actuarial (gain) / loss recognised in the year	(1,24,610)	(1,44,66,671)
5 Expenses recognised in Statement of Profit and Loss	52,85,287	(63,19,550)

		Standalone Financial Statements	
Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)	
22. OTHER EXPENSES			
Manufacturing Expenses			
Consumption of stores	2,04,91,059	1,60,62,388	
Power and fuel	1,62,76,736	1,19,86,745	
Operation & Maintenance Expenses	7,24,742	12,60,606	
Labour, Conversion & Testing Charges	7,00,98,320	6,09,84,227	
Carriage Inwards	1,00,07,482	66,12,656	
Repairs & Maintenance			
Building	1,60,56,650	1,60,79,828	
Machinery	57,67,537	59,98,735	
Computer / Software	1,64,83,421	1,41,02,648	
Electrical	51,37,019	45,87,943	
Office	44,92,661	33,86,268	
Factory	21,13,085	19,32,351	
Tool	32,10,536	41,10,868	
Others	3,25,520	4,13,045	14,75,18,308
Selling and Distribution Expenses			
Advertisement	19,36,113	6,73,924	
Freight outwards	4,05,72,245	3,32,51,353	
ECGC Premium	1,19,619	2,35,654	
Sales Promotion Expenses	1,91,16,851	1,40,95,570	
Discounts	47,05,000	79,95,825	
Dealer Commission	1,26,54,757	2,67,77,589	
Travelling & Conveyance	6,39,73,624	5,71,58,020	
Royalty	3,05,65,922	1,49,24,428	
Warranty Claims & Allowances	88,59,678	14,78,333	15,65,90,696
Establishment Expenses			
Rent	2,45,36,381	2,08,60,360	
Insurance	65,64,806	54,34,430	
Rates and Taxes	91,61,742	61,91,893	
Payment to Auditors (Refer note no.31)	3,96,000	3,61,000	
Postage & Telephone	90,89,699	71,86,076	
General expenses	10,67,754	9,04,267	
Electricity charges	17,33,884	12,28,675	
Sitting fees	2,00,000	2,00,000	

		Standalone Financial Statements	
Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)	
Vehicle Maintenance expenses	60,95,583	57,14,868	
Printing & Stationery	37,58,299	41,86,735	
Books & Periodicals	45,874	59,806	
Consultancy & Professional Charges	1,09,07,885	1,28,91,377	
Entertainment Expenses	2,500	6,830	
Donation	18,77,597	29,13,117	
Subscription & Membership	9,25,363	9,79,330	
Loss on sale of assets	4,94,652	1,21,177	
Provision for Doubtful Debts	28,13,170	–	
Agricultural Expenses	9,58,638	8,21,855	
CSR Expenditure (Refer note no.37)	60,64,464	36,83,335	
R & D Expenses (Refer note no.33)	6,09,31,555	4,62,33,622	11,99,78,753
Total	50,13,14,423	42,40,87,757	
23. DEPRECIATION AND AMORTISATION EXPENSE			
Depreciation of Tangible assets	5,43,30,496	4,71,16,982	
Amortisation of Intangible assets	1,33,37,624	1,07,14,743	
Total	6,76,68,120	5,78,31,725	
24. FINANCE COSTS			
Interest Expense	2,69,65,733	1,29,77,228	
Other Borrowing costs	79,90,946	45,05,810	
Total	3,49,56,679	1,74,83,038	
25. EARNING PER EQUITY SHARE (EPS) - BASIC AND DILUTED			
Profit after tax (A)	28,99,88,705	18,67,05,884	
Number of equity shares (B)	20,00,000	20,00,000	
Basic & Diluted EPS (A/B)	144.99	93.35	
26. CONTINGENT LIABILITY			
Bank Guarantees Furnished	13,26,31,629	1,24,75,667	
27. CAPITAL COMMITMENTS (Net of Advances)	42,27,576	–	

Standalone Financial Statements

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
28. CIF VALUE OF IMPORTS		
1 Raw Materials & Packing Materials	1,02,12,817	67,77,862
2 Components & Spares	26,95,10,780	15,14,41,240
3 Traded Goods & Bought out	11,76,38,996	14,74,04,269
4 Capital Goods	33,36,762	–
29. EXPENDITURE INCURRED IN FOREIGN CURRENCY		
1 Foreign Travel	85,78,196	84,49,860
2 Exhibition Expenses	31,85,227	34,27,732
3 Commission	40,16,703	1,58,71,444
4 Salary	65,09,926	59,98,406
5 Legal & Professional charges	12,10,757	86,46,901
6 R & D Expenditure	43,83,707	59,31,669
7 Dividend	13,00,000	13,00,000
Total Number of Non-Resident Shareholder	1	1
Total Number of Shares held by them	5,20,000	5,20,000
Tax Deducted at Source	–	–
Year to which Dividend relates	2017-18	2016-17
30. EARNINGS IN FOREIGN EXCHANGE		
1 Export Sales - FOB Value	63,13,78,872	55,49,18,405
2 Agency Commission	3,64,948	26,62,330
31. PAYMENT TO AUDITORS		
1 Statutory Audit fees	3,00,000	2,50,000
2 Taxation Matters	50,000	55,000
3 Certification and Other Fees	46,000	56,000
Total	3,96,000	3,61,000
32. CONSUMPTION OF RAW MATERIALS, COMPONENTS ETC.,		
	2018-19	2017-18
	Rs.	Rs.
	%	%
Imported	14,43,34,468	15,53,15,134
Indigenous	66,46,69,629	49,90,96,992
Total	80,90,04,097	65,44,12,126

Particulars	Standalone Financial Statements	
	31.03.2019 (Rs.)	31.03.2018 (Rs.)
33. DETAILS OF RESEARCH AND DEVELOPMENT EXPENSES		
Salary to R&D Staff	2,57,42,766	1,87,34,431
Development Expenses	3,51,88,789	2,74,99,191
Total	6,09,31,555	4,62,33,622

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 transactions 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 Precision Products Private Limited	
5	American Auto Service (P) Limited	
6	Roots Polycraft	
7	Hako Group	
8	MAHLE Letrika Roots India Private Ltd	
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 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	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchase of Fixed Assets	1,53,67,667	4,44,91,070	—	—	—	—	—	—	1,53,67,667	4,44,91,070
Purchase of Materials & Consumables	12,48,07,119	10,32,89,151	—	—	—	—	—	—	12,48,07,119	10,32,89,151
Rent Paid	15,63,956	13,11,564	—	—	—	—	—	—	15,63,956	13,11,564
Labour & Calibration Charges	27,27,411	34,36,283	—	—	—	—	—	—	27,27,411	34,36,283
R & D Expenses	—	—	—	—	—	—	*1,27,07,344	*66,12,790	1,27,07,344	66,12,790
Fuel Purchases (Veh. Maint)	34,95,650	24,30,967	—	—	—	—	—	—	34,95,650	24,30,967
Salary / Welfare Charges Paid	1,26,83,091	1,09,44,956	—	—	—	—	—	—	1,26,83,091	1,09,44,956
Sales	6,69,72,574	6,83,46,018	—	—	—	—	—	—	6,69,72,574	6,83,46,018
Windmill Income	58,69,817	82,29,905	—	—	—	—	—	—	58,69,817	82,29,905
Dividend Received	1,73,000	2,00,000	—	—	—	—	—	—	1,73,000	2,00,000
Interest Received	—	—	—	—	6,02,429	83,483	—	—	6,02,429	83,483
Rent Received	4,83,210	4,43,205	—	—	—	—	—	—	4,83,210	4,43,205
Salary / Welfare Charges Received	67,77,076	62,14,028	—	—	—	—	—	—	67,77,076	62,14,028
Royalty	1,29,93,221	96,25,047	1,81,81,342	55,40,828	—	—	—	—	3,11,74,563	1,51,65,875
Managerial Remuneration	—	—	2,17,64,873	1,71,43,903	—	—	* 20,000	*40,000	2,17,84,873	1,71,83,903
Balance as at 31st March 2019										
Investments	—	—	—	—	11,15,65,715	11,15,65,715	—	—	11,15,65,715	11,15,65,715
Trade and Other Payables	5,88,50,970	6,82,67,019	—	—	—	—	—	—	5,88,50,970	6,82,67,019
Trade Receivables	1,87,87,625	1,84,14,511	—	—	—	—	—	—	1,87,87,625	1,84,14,511
Short Term Loans and Advances	—	—	—	—	2,14,35,000	1,63,25,000	—	—	2,14,35,000	1,63,25,000
Interest Receivable	—	—	—	—	4,00,512	83,483	—	—	4,00,512	83,483
Contingent Liability	—	—	—	—	11,00,00,000	—	—	—	11,00,00,000	—

Note: * Relative to Key managerial personnel

The above figures are inclusive of Taxes wherever applicable.

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.60,64,464/-, towards Corporate Social Responsibility activities in accordance with Section 135 of the Companies Act, 2013 as against the statutory obligation of Rs.47,22,303/-.

38. 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.) R.Vasudev
Partner
Membership No.018342
Coimbatore
Date : 17.08.2019

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

(Sd.) K.Ravi
Director
(DIN 01590268)
Date : 08.07.2019

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

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

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 st March 2019
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. 69.89 = 1 USD
4	Share capital	USD 16,00,000
5	Reserves & surplus	USD (7,04,456)
6	Total Assets	USD 34,16,578
7	Total Liabilities (Excluding Investments)	USD 34,16,578
8	Investments	-
9	Turnover	USD 41,29,945
10	Profit / (Loss) before taxation	USD (3,35,497)
11	Provision for taxation	USD 410
12	Profit / (Loss) after taxation	USD (3,35,907)
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.004110S

(Sd.) R.Vasudev
Partner
Membership No.018342
Coimbatore
Date : 17.08.2019

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

(Sd.) K.Ravi
Director
(DIN 01590268)
Date : 08.07.2019

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

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

FIVE YEAR FINANCIAL HIGHLIGHTS

Financial Year	2015	2016	2017	2018	2019
Operating Results	(Rs. in Crore)				
Revenue from operations	142.73	157.62	171.89	202.37	242.07
Earnings before depreciation, finance costs and tax	21.43	24.32	29.34	36.78	51.22
Depreciation and amortisation	6.18	5.06	5.21	5.78	6.77
Finance Costs	1.90	1.61	0.85	1.75	3.50
Tax	5.06	6.73	8.68	10.58	11.96
Net Profit	8.29	10.92	14.60	18.67	29.00
Dividend	0.60	0.60	0.60	0.60	—*
Retained Profit	7.69	10.32	14.00	18.27	29.00
Performance Indicators					
Net Fixed Assets	36.66	39.65	46.91	62.44	64.34
Share Capital	2.00	2.00	2.00	2.00	2.00
Reserves & Surplus	62.49	72.80	86.81	105.48	133.87
Networth	64.49	74.80	88.81	107.48	135.87
Borrowings	19.49	6.35	5.25	21.37	21.46
Dividend (%)	25	25	25	25	25
Return on Networth (%)	13.33	14.59	16.44	17.37	21.34
Debt Equity Ratio	0.30	0.08	0.06	0.20	0.16
Earning per Share (Rs.)	42.97	54.58	73.02	93.35	144.99
Cash Earning per Share (Rs.)	73.89	79.87	99.06	122.27	178.83

*Refer note no. 36

The above data is based on standalone financial statements.

Previous year figures have been re-grouped / re-arranged 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 AUDITORS' 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 Parent") and its wholly owned subsidiary, (the Parent and its subsidiary together referred to as "the Group"), which comprises of the Consolidated Balance Sheet as at 31st March 2019 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 31st March 2019 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 Auditors' 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 Auditors' 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 subsidiary 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 subsidiary, 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 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.

Auditors' 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 controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 that

Consolidated Financial Statements

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

- (a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs.1,115 Lakhs as at 31st March 2019, total revenues of Rs.2,875 Lakhs and net cash outflows amounting to Rs.137 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports 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 disclosures 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 subsidiary referred to in the Other Matters section above 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 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 Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the Directors of the Parent as on 31st March 2019 taken on record by the Board of Directors of the Company and the reports of the Statutory Auditors of its subsidiary incorporated outside India, none of the Directors of the Group companies, is disqualified as on 31st March 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f) 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.
 - g) 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:
 - 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 incorporated in India.

Place : Coimbatore
Date : 17.08.2019

For **Subramaniam Vasudev and Co.,**
Chartered Accountants
Firm No: 004110S
(R. Vasudev)
Partner
M.No. 018342
(UDIN 19018342AAAAC7691)

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note	31.03.2019 (Rs.)	31.03.2018 (Rs.)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	2,00,00,000	2,00,00,000
Reserves and Surplus	2	1,29,64,31,463	1,03,12,10,806
		<u>1,31,64,31,463</u>	<u>1,05,12,10,806</u>
Non-Current Liabilities			
Long-term borrowings	3	14,16,43,860	3,13,50,584
Long-term provisions	4	—	—
Deferred tax liabilities (Net)	5	2,98,93,431	3,28,35,578
		<u>17,15,37,291</u>	<u>6,41,86,162</u>
Current Liabilities			
Short-term borrowings	6	31,86,32,819	21,36,74,665
Trade payables	7		
(a) Outstanding dues of Micro and Small Enterprises		5,95,53,041	6,74,42,116
(b) Outstanding dues of Creditors other than Micro and Small Enterprises		28,22,01,159	20,50,17,700
Other current liabilities	8	8,62,75,719	9,79,03,916
Short-term provisions	9	19,57,31,445	16,29,57,383
		<u>94,23,94,183</u>	<u>74,69,95,780</u>
TOTAL		<u>2,43,03,62,937</u>	<u>1,86,23,92,748</u>
ASSETS			
Non-Current Assets			
(i) Property, Plant and Equipment	10	68,44,13,879	66,36,53,372
(ii) Capital work-in-progress		4,69,38,571	1,24,68,296
Non-current investments	11	77,65,715	77,65,715
Long term loans and advances	12	3,39,20,331	52,13,937
		<u>77,30,38,496</u>	<u>68,91,01,320</u>
Current Assets			
Inventories	13	78,43,57,467	42,89,55,136
Trade receivables	14	70,84,78,571	61,56,57,314
Cash and Cash Equivalents	15	5,02,13,720	4,16,89,777
Short-term loans and advances	16	10,64,99,184	8,58,12,892
Other current assets	17	77,75,499	11,76,309
		<u>1,65,73,24,441</u>	<u>1,17,32,91,428</u>
TOTAL		<u>2,43,03,62,937</u>	<u>1,86,23,92,748</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.) R.Vasudev
Partner
Membership No.018342
Coimbatore
Date : 17.08.2019

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

(Sd.) K.Ravi
Director
(DIN 01590268)
Date : 08.07.2019

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

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note	31.03.2019 (Rs.)	31.03.2018 (Rs.)
INCOME			
Revenue from operations (Net)	18	2,70,88,02,584	2,06,58,84,488
Other Income	19	15,38,747	45,08,230
Total Revenue		2,71,03,41,331	2,07,03,92,718
EXPENDITURE			
Cost of Materials Consumed	20	1,03,93,50,335	71,80,52,940
Purchase of Traded Goods		30,74,42,504	21,71,20,222
Changes in Inventories of Finished goods, Work in Progress and Traded Goods	21	(18,76,55,530)	(2,97,14,038)
Employee Benefit Expenses	22	47,71,02,566	36,61,48,786
Other Expenses	23	57,30,56,707	45,25,73,742
Total Expenses		2,20,92,96,582	1,72,41,81,652
Earnings Before Interest, Tax, Depreciation and Amortisations (EBITDA)		50,10,44,749	34,62,11,066
Depreciation and Amortisation Expense	24	7,51,87,824	5,97,21,423
Finance Costs	25	3,96,43,211	1,76,95,708
Profit Before Tax		38,62,13,714	26,87,93,935
Tax Expenses			
Current Tax		12,25,57,306	10,00,00,000
Deferred Tax	5	(29,42,147)	58,24,515
Profit for the year		26,65,98,555	16,29,69,420

Significant Accounting Policies and Notes on Consolidated Financial Statements 1 to 25

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

(Sd.) R.Vasudev
 Partner
 Membership No.018342
 Coimbatore
 Date : 17.08.2019

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

(Sd.) K.Ravi
 Director
 (DIN 01590268)
 Date : 08.07.2019

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

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
Net Profit before Tax	38,62,13,714	26,87,93,937
Add: Depreciation	7,51,87,824	5,97,21,423
Finance Costs	3,96,43,211	1,76,95,707
	50,10,44,749	34,62,11,067
Add: Adjustment for:		
Increase / (Decrease) Forex Translation Reserve	46,49,869	1,90,125
Increase / (Decrease) in Trade Payables	6,92,94,384	9,64,29,765
Increase / (Decrease) in Short Term Provisions	3,27,74,063	(1,54,28,992)
Increase / (Decrease) in Other Current Liabilities	(1,16,28,197)	14,57,246
(Increase) / Decrease in Inventories	(35,54,02,332)	(10,55,49,638)
(Increase) / Decrease in Other Current Assets	(65,99,190)	12,93,709
(Increase) / Decrease in Receivables	(9,28,21,257)	(11,84,48,493)
(Increase) / Decrease in Short-Term Loans and Advances	(2,06,86,292)	(1,91,76,999)
Cash generated from operations	12,06,25,797	18,69,77,790
Less: Finance Costs	(3,96,43,211)	(1,76,95,707)
Dividend & Dividend Distribution Tax Payment	(60,27,766)	-
Income Tax	(12,25,57,307)	(10,00,00,000)
I. Net Cash from operating activities (A)	(4,76,02,487)	6,92,82,083
II. Cash flow from investing activities (B)	(15,91,25,000)	(23,87,74,266)
III. Cash flow from financing activities:		
Increase / (Decrease) in Long Term Borrowings	11,02,93,276	3,12,70,584
Increase / (Decrease) in Long Term Provisions	-	(96,86,667)
Increase / (Decrease) in Short Term Borrowings	10,49,58,154	16,12,35,571
Net Cash Generated from financing activities (C)	21,52,51,430	18,28,19,488
Net Increase/(Decrease) in cash and cash equivalents (A + B + C)	85,23,943	1,33,27,305
Cash and Cash equivalents at the beginning of the period	4,16,89,778	2,83,62,473
Cash and Cash equivalents at the end of the period	5,02,13,721	4,16,89,778

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

(Sd.) R.Vasudev
Partner
Membership No.018342
Coimbatore
Date : 17.08.2019

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

(Sd.) K.Ravi
Director
(DIN 01590268)
Date : 08.07.2019

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

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

SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation and Significant Accounting Policies :

The consolidated financial statements relate to Roots Multiclean Ltd (the Company) and its subsidiary company. The Company and its subsidiary 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:

- The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31,2019.
- The financial statements of the Company and its subsidiary company 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.
- The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary company 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	
				31.03.2019	31.03.2018
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.) R.Vasudev
Partner
Membership No.018342
Coimbatore
Date : 17.08.2019

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

(Sd.) K.Ravi
Director
(DIN 01590268)
Date : 08.07.2019

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
1. SHARE CAPITAL		
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
1.1 Reconciliation of the Number of shares		
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
2. RESERVES AND SURPLUS		
a. General Reserve		
Opening Balance	95,22,91,400	80,22,91,400
Add : Transfer from Statement of Profit and Loss	20,00,00,000	1,15,22,91,400
		15,00,00,000
		95,22,91,400
b. Surplus in Statement of Profit and Loss		
Opening Balance	7,89,19,406	6,57,59,861
Add : Profit for the year	26,65,98,555	16,29,69,421
Less : Appropriations :	–	–
Proposed equity dividend	(50,00,000)	–
Tax on Proposed equity dividend	(10,27,766)	–
Transferred to General Reserve	(20,00,00,000)	(15,00,00,000)
Forex Translation Reserve	46,49,868	1,90,124
Net Balance	14,41,40,063	7,89,19,406
Total	1,29,64,31,463	1,03,12,10,806

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
3. LONG TERM BORROWINGS		
Secured		
Term Loans from Bank	13,09,05,630	1,80,00,000
Car Loan from Bank	1,07,38,230	1,32,70,584
Unsecured		
Long Term Loan	–	80,000
Total	14,16,43,860	3,13,50,584
4. LONG TERM PROVISIONS		
Provision for Gratuity	–	–
Total	–	–

5. DEFERRED TAX LIABILITIES (NET)

Particulars	Opening Balance 01.04.2018 (Rs.)	Added during the year (Rs.)	Reversed during the year (Rs.)	Closing Balance 31.03.2019 (Rs.)
A. Deferred Tax Assets				
Depreciation - Excess claimed in the Books	–	–	–	–
Other Expenses - Disallowance under tax laws	–	–	–	–
Total	–	–	–	–
B. Deferred Tax Liability				
Depreciation - Excess claimed in the IT - A	9,50,40,200	82,50,709	–	10,32,90,909
Other Expenses - Deferred Revenue Expenditure - B	(1,61,621)	(4,73,279)		(6,34,900)
Total (A + B)	9,48,78,579	77,77,430		10,26,56,009
Net Deferred Tax Liability	3,28,35,578	–	–	2,98,93,431
Less: Opening Deferred Tax Liability	2,70,11,063	–	–	3,28,35,578
Net Deferred Tax Debited / (Credited) to Statement of Profit and Loss	58,24,515	–	(29,42,147)	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
6. SHORT TERM BORROWINGS		
SECURED		
Working Capital Loans - from Banks	31,86,32,819	21,36,74,665
Total	31,86,32,819	21,36,74,665
7. TRADE PAYABLES		
Micro, Small & Medium Enterprises	5,95,53,041	6,74,42,116
Others	28,22,01,159	20,50,17,700
Total	34,17,54,200	27,24,59,816
8. OTHER CURRENT LIABILITIES		
Term Loan - (Due within a year)	1,94,62,703	1,13,34,014
Unclaimed dividend	3,61,250	3,67,750
Creditors for Capital Goods	1,03,41,817	2,96,13,190
TDS payable and advance from customer	5,61,09,949	5,65,88,962
Total	8,62,75,719	9,79,03,916
9. SHORT TERM PROVISIONS		
Provision for Salaries & Wages	9,01,51,571	7,38,88,088
Provisions for Leave encashment	42,00,000	35,00,000
Income Tax Provisions(Net)	4,78,30,695	4,08,29,645
Provision for Warranties	77,76,038	14,78,333
Outstanding Expenses	4,57,73,141	4,32,61,317
Total	19,57,31,445	16,29,57,383

10. PROPERTY, PLANT AND EQUIPMENT									
		Gross Block			Depreciation		Net Block		
Particulars	As on 01.04.2018 (Rs.)	Additions / (Deletions) (Rs.)	As on 31.03.2019 (Rs.)	Upto 31.03.2018 (Rs.)	For the year / (Withdrawal) (Rs.)	Upto 31.03.2019 (Rs.)	As on 31.03.2019 (Rs.)	As on 31.03.2018 (Rs.)	
TANGIBLE ASSETS									
Land	10,86,22,560	–	10,86,22,560	–	–	–	10,86,22,560	10,86,22,560	
Building	21,31,82,755	1,33,86,041	22,65,68,796	3,03,99,721	69,52,741	3,73,52,462	18,92,16,334	18,27,83,034	
Plant & Machinery	16,10,05,495	2,65,93,263	18,75,98,758	5,14,08,491	1,02,86,483	6,16,94,974	12,59,03,784	10,95,97,004	
Leased Equipments	1,32,32,563	5,76,590	1,38,09,153	1,22,35,762	3,87,446	1,26,23,208	11,85,945	9,96,801	
Wind Mill	7,26,53,303	–	7,26,53,303	5,80,91,164	10,03,269	5,90,94,433	1,35,58,870	1,45,62,139	
Tools, Dies & Moulds	19,38,03,250	1,60,47,580	20,98,50,830	13,60,92,939	1,33,52,690	14,94,45,629	6,04,05,201	5,77,10,311	
Electrical Equipments	2,82,75,168	17,27,474	3,00,02,642	1,10,41,394	42,69,466	1,53,10,860	1,46,91,782	1,72,33,774	
Measuring Instruments	65,31,308	27,70,647	93,01,955	35,45,634	4,57,434	40,03,068	52,98,887	29,85,674	
Storage Racks	1,80,87,356	5,44,700	1,86,32,056	97,50,261	15,63,587	1,13,13,848	73,18,208	83,37,095	
Vehicles	8,93,74,970	1,65,43,506	9,64,17,998	2,84,35,263	1,06,28,257	3,32,83,029	6,31,34,969	6,09,39,707	
Furniture & Fittings	2,68,00,379	(95,00,478)	2,69,86,410	1,14,05,928	(57,80,491)	1,40,64,161	1,29,22,249	1,53,94,451	
Office & Misc. Equipments	1,80,73,690	35,38,662	2,16,12,352	87,53,246	14,44,920	1,01,98,166	1,14,14,186	93,20,444	
Computer	4,72,53,142	73,27,876	5,45,81,018	3,58,91,565	54,05,754	4,12,97,319	1,32,83,699	1,13,61,577	
Total	99,68,95,939	8,92,42,370	1,07,66,37,831	39,70,51,368	5,84,10,280	44,96,81,157	62,69,56,674	59,98,44,571	
		(95,00,478)			(57,80,491)				
INTANGIBLE ASSETS									
Computer Software	1,23,18,364	86,29,157	2,09,47,521	71,32,702	24,03,376	95,36,078	1,14,11,443	51,85,662	
Good Will	2,74,27,653	17,96,791	2,92,24,444	9,14,255	29,82,315	38,96,570	2,53,27,874	2,65,13,398	
Technical Know-How	5,69,59,262	–	5,69,59,262	2,48,49,521	1,13,91,853	3,62,41,374	2,07,17,888	3,21,09,741	
Total	9,67,05,279	1,04,25,948	10,71,31,227	3,28,96,478	1,67,77,544	4,96,74,022	5,74,57,205	6,38,08,801	
Grand Total	1,09,36,01,218	9,96,68,318	1,18,37,69,058	42,99,47,846	7,51,87,824	49,93,55,179	68,44,13,879	66,36,53,372	
		(95,00,478)			(57,80,491)				

Particulars	Consolidated Financial Statements	
	31.03.2019 (Rs.)	31.03.2018 (Rs.)
11. NON-CURRENT INVESTMENTS (Long Term Investments)		
Non Trade Investments (valued at cost)		
In equity shares of companies unquoted, fully paid-up		
1,73,000 Equity shares of Rs.10/- each in Roots Precision Products Pvt. Ltd.	17,30,000	17,30,000
1,34,127 Equity shares of Rs.10/- each in Roots Cast Private Limited	60,35,715	60,35,715
Total	77,65,715	77,65,715
Aggregate amount of unquoted Investments	77,65,715	77,65,715
12. LONG TERM LOANS & ADVANCES		
(Unsecured, Considered Good)		
Capital Advances	3,19,75,609	33,43,976
Deposits	19,44,722	18,69,961
Total	3,39,20,331	52,13,937
13. INVENTORIES		
(As certified by the Management)		
1 Raw materials	38,79,89,157	22,18,55,484
2 Goods in transit - Raw Materials	2,30,214	25,185
3 Work in Progress	5,47,20,038	3,59,51,991
4 Finished Goods	18,38,49,960	8,26,08,727
5 Stock - Traded Goods	15,12,72,507	8,36,26,256
6 Packing Materials	42,58,282	33,28,488
7 Consumables and Stores	20,37,309	15,59,005
Total	78,43,57,467	42,89,55,136
14. TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Exceeding Six months	9,40,59,630	5,50,96,330
Others	61,44,18,941	56,05,60,984
Considered Doubtful	1,15,55,150	87,41,980
	72,00,33,721	62,43,99,294
Less : Provision for Doubtful Debts	(1,15,55,150)	(87,41,980)
Total	70,84,78,571	61,56,57,314
15. CASH AND CASH EQUIVALENTS		
Cash on hand	7,33,177	2,91,150
Balance with Banks	3,25,08,972	2,17,18,733
Cheques in Hand	20,33,532	88,81,223
Fixed Deposit with Banks - Margin Money against Guarantees with maturity of within 12 months	1,31,67,407	38,60,494
Fixed Deposit with Banks - Margin Money against Guarantees with maturity of more than 12 months	17,70,632	69,38,177
Total	5,02,13,720	4,16,89,777

Consolidated Financial Statements

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
16. SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Prepaid Expenses	29,13,951	33,04,186
GST Advances & TDS Receivables	7,40,77,562	5,64,46,998
Advances to Suppliers	2,95,07,671	2,60,61,708
Total	10,64,99,184	8,58,12,892
17. OTHER CURRENT ASSETS		
Export Incentive Receivables (DBK & MEIS)	77,75,499	11,76,309
Total	77,75,499	11,76,309
18. REVENUE FROM OPERATIONS		
Revenue from Manufactured Products		
Domestic	1,51,39,42,838	1,00,93,80,705
Less : Excise Duty	—	1,19,43,040
	1,51,39,42,838	99,74,37,665
Export	61,55,63,687	2,12,95,06,525
Revenue from Traded products		
Domestic	46,83,97,451	41,45,98,227
Export	2,29,01,246	49,12,98,697
Revenue from sale of services (Net of taxes)		
Annual Maintenance Charges	3,92,29,692	3,74,03,891
Service Charges Received	81,25,090	65,70,781
Operation & Maintenance Charges	19,94,592	19,52,551
Commission Received	3,64,948	26,62,330
Machinery Lease Rent	90,000	4,98,04,322
Other Operating Revenue		
Export Incentive	2,93,24,555	2,90,49,025
Wind Mill Income	72,16,855	90,36,840
Foreign exchange gain	16,51,630	23,38,811
Total	2,70,88,02,584	2,06,58,84,488

Consolidated Financial Statements

Particulars	31.03.2019	31.03.2018
	(Rs.)	(Rs.)
19. OTHER INCOME		
Other Non Operating income		
Interest income	8,39,095	7,17,493
Dividend Income	1,73,000	2,00,000
Agricultural Income	1,17,152	1,22,550
Duty Refund	–	30,58,687
Rental Income	4,09,500	4,09,500
Total	15,38,747	45,08,230
20. COST OF MATERIALS CONSUMED		
1. Consumption of Raw materials	1,00,76,74,159	69,15,77,485
2. Consumption of packing materials	3,16,76,176	2,64,75,455
Total	1,03,93,50,335	71,80,52,940
1. Consumption of Raw Materials		
Opening stock of Raw materials	22,18,80,669	14,79,20,353
Add: Purchases during the year	1,17,40,12,861	76,55,37,801
	1,39,58,93,530	91,34,58,154
Less: Closing stock of Raw materials	38,82,19,371	22,18,80,669
Total	1,00,76,74,159	69,15,77,485
2. Consumption of Packing materials		
Opening stock of Packing materials	33,28,488	30,12,209
Add: Purchases during the year	3,26,05,970	2,67,91,734
	3,59,34,458	2,98,03,943
Less: Closing stock of Packing materials	42,58,282	33,28,488
Total	3,16,76,176	2,64,75,455

Particulars	Consolidated Financial Statements	
	31.03.2019 (Rs.)	31.03.2018 (Rs.)
21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
1 Finished goods	(10,12,41,233)	(4,65,52,516)
2 Work-in-progress	(1,87,68,046)	(50,17,305)
3 Traded Goods	(6,76,46,251)	2,18,55,783
Total	(18,76,55,530)	(2,97,14,038)
1 Changes in inventories of finished goods		
Opening stock of finished goods	8,26,08,727	3,60,56,211
Less: Closing stock of finished goods	18,38,49,960	8,26,08,727
Total	(10,12,41,233)	(4,65,52,516)
2 Changes in inventories of work-in-progress		
Opening stock of work-in-progress	3,59,51,991	3,09,34,686
Less: Closing stock of work-in-progress	5,47,20,037	3,59,51,991
Total	(1,87,68,046)	(50,17,305)
3 Changes in inventories of Traded Goods		
Opening stock of Traded Goods	8,36,26,256	10,54,82,039
Less: Closing stock of Traded Goods	15,12,72,507	8,36,26,256
Total	(6,76,46,251)	2,18,55,783
22. EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	40,52,88,083	30,99,91,573
Contribution to Provident Fund and other funds	3,04,94,138	2,15,25,237
Employee Welfare expenses	2,15,97,189	1,93,51,792
Directors' Remuneration	1,97,23,156	1,52,80,184
Total	47,71,02,566	36,61,48,786

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)	
23. OTHER EXPENSES			
Manufacturing Expenses			
Consumption of stores	2,09,98,310	1,62,72,224	
Power and fuel	1,64,60,614	1,23,12,711	
Operation & Maintenance Exp. & Mach. Lease	74,33,884	36,30,641	
Labour, Conversion & Testing Charges	7,59,08,711	6,26,73,144	
Carriage Inwards	1,00,07,482	66,12,656	
Repairs & Maintenance			
Building	1,65,27,653	1,62,66,736	
Machinery	62,15,766	62,45,841	
Computer / Software	1,75,23,259	1,43,61,080	
Electrical	51,37,019	45,87,943	
Office	49,64,839	35,68,696	
Factory / Factory Shifting	34,33,750	45,44,942	
Tool	32,33,477	41,10,868	
Others	3,45,104	5,98,243	15,57,85,725
Selling and Distribution Expenses			
Advertisement	20,61,696	6,73,924	
Freight outwards	4,12,10,091	3,35,05,741	
ECGC Premium	1,19,619	2,35,654	
Sales Promotion Expenses	2,48,85,770	1,58,54,859	
Discounts	2,39,20,615	1,89,06,369	
Dealer Commission	1,67,85,965	2,73,47,064	
Travelling & Conveyance	6,57,69,996	5,72,01,617	
Royalty	3,05,65,922	1,49,24,428	
Warranty Claims & Allowances	1,01,97,811	14,78,333	17,01,27,989
Establishment Expenses			
Rent	2,86,69,918	2,16,82,726	
Insurance	93,54,946	64,43,169	

Consolidated Financial Statements

Particulars	31.03.2019 (Rs.)	31.03.2018 (Rs.)
Rates and Taxes	92,75,589	63,22,077
Payment to Auditors	11,99,699	23,61,974
Postage & Telephone	1,01,45,454	72,46,980
General expenses	11,26,145	9,10,237
Electricity charges	17,33,884	12,28,675
Sitting fees	2,00,000	2,00,000
Vehicle Maintenance expenses	91,26,570	68,49,258
Printing & Stationery	39,52,353	42,69,505
Books & Periodicals	45,874	59,806
Consultancy & Professional Charges	1,97,47,622	1,43,26,355
Entertainment Expenses	2,500	6,830
Donation	18,77,597	29,13,117
Subscription & Membership	16,28,724	9,79,330
Loss on sale of assets	4,94,652	1,21,177
Provision for Doubtful Debts	28,13,170	—
Agricultural Expenses	9,58,638	8,21,855
CSR Expenditure	60,64,464	36,83,335
R & D Expenses	6,09,31,555	16,93,49,354
Total	57,30,56,707	45,25,73,742

24. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of Tangible assets	5,84,10,280	4,80,92,425
Amortisation of Intangible assets	1,67,77,544	1,16,28,998
Total	7,51,87,824	5,97,21,423

25. FINANCE COSTS

Interest Expense	3,04,14,879	1,29,77,229
Other Borrowing costs	92,28,332	47,18,479
Total	3,96,43,211	1,76,95,708

Form No. MGT-11

PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and rule (3) of the Companies (Management and Administration) Rules, 2014

CIN : U36999TZ1992PLC003662
 Name of the Company : ROOTS MULTICLEAN LTD
 Registered Office : R.K.G. Industrial Estate, Ganapathy,
 Coimbatore – 641 006

Name of the member(s)	
Registered Address	
E-mail id	
Folio No.	

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

1	Name	
	Address	
	E-mail id	
	Signature	

or failing him

1	Name	
	Address	
	E-mail id	
	Signature	

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Thursday, the 26th September, 2019 at 10.30 a.m. at the registered office of the Company at R.K.G. Industrial Estate, Ganapathy, Coimbatore – 641 006 and at any adjournment thereof in respect of such resolutions as are indicated in the reverse side of this page.

Resolution

S. No.	Subject	For	Against
1	Ordinary Business Adoption of; (a) Audited Standalone financial statements. (b) Audited Consolidated financial statements.		
2	Declaration of Dividend.		
3	Re-appointment of Sri Preben Laustsen, Director, who retires by rotation.		
4	Re-appointment of Dr. S. Chandrasekar, Director, who retires by rotation.		
5	Re-appointment of Sri S.T. Velu, Director, who retires by rotation.		
6	Re-appointment of M/s. Subramaniam Vasudev & Co., Chartered Accountants as Statutory Auditors of the Company.		
7	Special Business Appointment of Sri V. M. Rajashekar as a Director of the Company.		
8	Appointment of Sri Frank Ulbricht as a Director of the Company.		
9	Approval for increase in the remuneration payable to Sri R.Varun Karthikeyan, Managing Director of the Company.		
10	Approval for remuneration payable to the Cost Auditors.		

Signed this day of 2019.

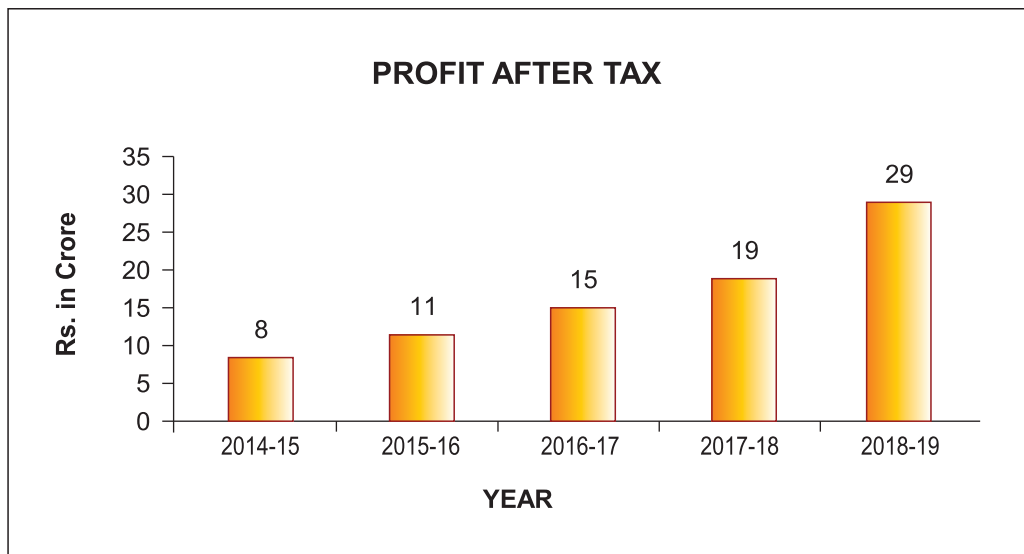
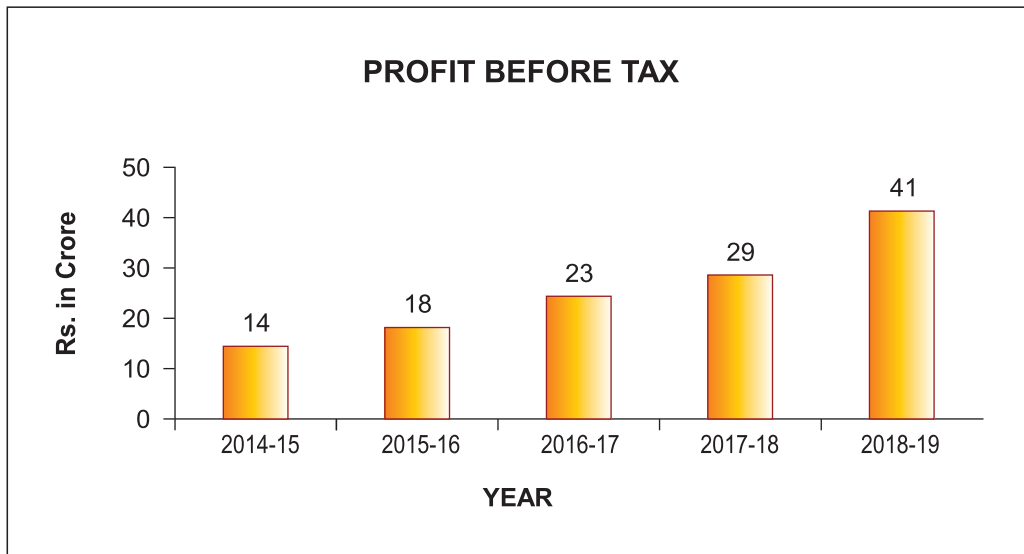
Signature of Shareholder :

Signature of Proxyholder(s) :

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix
Revenue
Stamp



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



ADDING VALUE

ROOTS MULTICLEAN LTD

Regd. Office: R K G Industrial Estate, Ganapathy, Coimbatore - 641 006. India

Tel: +91 422 4330330 Fax: +91 422 2332107

E-mail: rmclsales@rootsemail.com Web: rootsmulticlean.in