

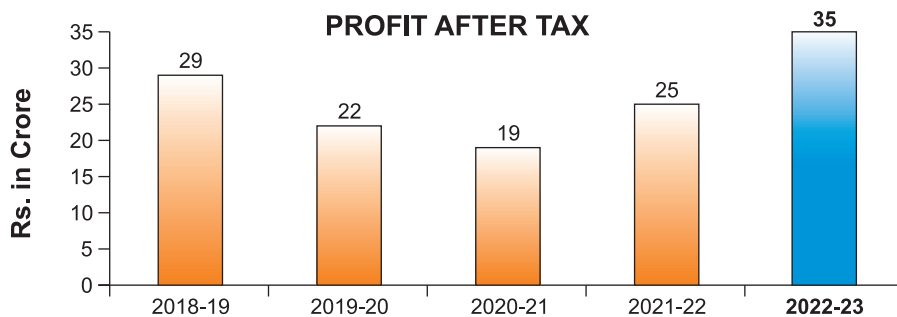
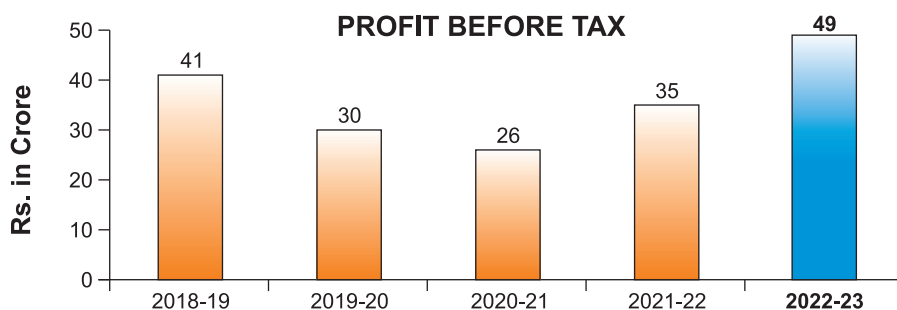
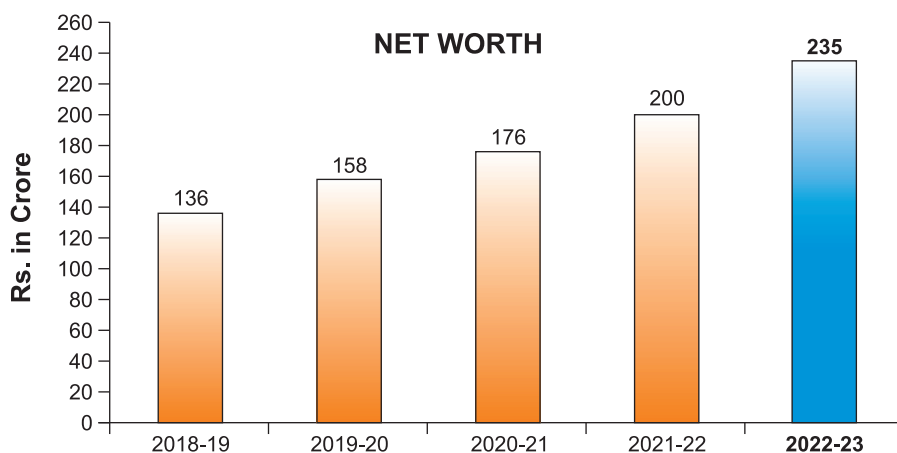
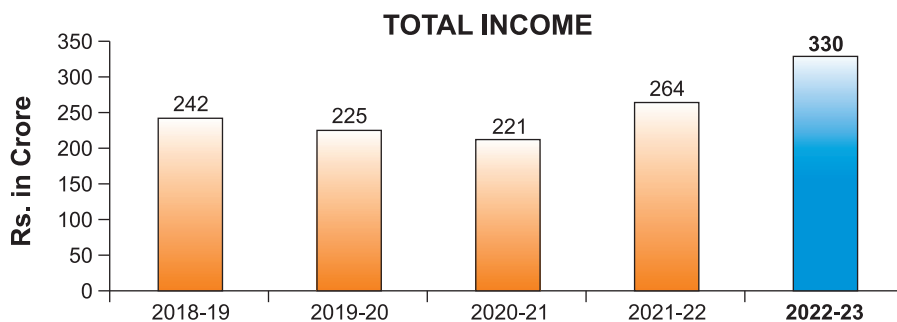
ROOTS MULTICLEAN LTD



**31** *years*  
ANNUAL REPORT  
2022-2023



## *Financial Performance at a Glance*



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

## Board of Directors

Mr K Ramasamy	(DIN 00034360)
Mr R Varun Karthikeyan	(DIN 00585158)
Dr M P Vijayakumar IAS (Retd.)	(DIN 05103089)
Mr C Sivakumar	(DIN 00844529) (w.e.f 08/08/2022)
Mrs R K Umaadhevi	(DIN 01067950)
Mr K Ravi	(DIN 01590268)
Mr Preben Laustsen	(DIN 06554783)
Dr S Chandrasekar	(DIN 01773256)
Mr V M Rajashekar	(DIN 08208467)
Mr Frank Ulbricht	(DIN 08258166)
Dr O A Balasubramaniam	(DIN 01554204)
Mr J Krishna Kumar	(DIN 09419339)

## Executive Chairman

Mr K Ramasamy	(DIN 00034360)
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## Vice Chairman and Managing Director

Mr R Varun Karthikeyan	(DIN 00585158)
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## Statutory Auditors

M/s Subramaniam Vasudev & Co.  
Chartered Accountants, Salem  
(Firm No. 0041105)

## Cost Auditors

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

## Bankers

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

## Registered Office

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

## Factories

### Unit 1

Mettupalayam Post, Kovilpalayam  
Kinathukadavu Taluk – 642 110

### Unit 2

Kaniyalampalayam Village  
Kinathukadavu Taluk – 642 120

### Unit 3

Sanganoor, Ganapathy  
Coimbatore – 641 006

### Unit 4

Mettupalayam Post  
Kinathukadavu Taluk – 642 110

## Company's Registrar and Share Transfer Agents

M/s S.K.D.C. Consultants Limited  
Registrar and Share Transfer Agents  
"Surya" 35, Mayflower Avenue  
Behind Senthil Nagar, Sowripalayam Road  
Coimbatore – 641 028  
Telephone: +91 0422-4958995, 2539835  
Email: info@skdc-consultants.com  
Web: www.skdc-consultants.com

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**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the **31<sup>st</sup> Annual General Meeting** of the Shareholders of the Company will be held on **Wednesday, the 27<sup>th</sup> day of September 2023 at 11:00 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:
  - (i) the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 and the reports of the Board of Directors and the Auditors thereon; and
  - (ii) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon and in this regard, to pass the following resolution(s) as an Ordinary Resolution:
    - (a) RESOLVED that the Audited Standalone financial statements of the Company for the financial year ended March 31, 2023 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, 2023 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 Mrs.R.K.Umaadhevi (DIN 01067950), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in the place of Mr.K.Ravi (DIN 01590268), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

5. To consider and to pass with or without modification, the following resolution as a Special Resolution.

RESOLVED that pursuant to the provisions of Sections 149 and 152 and read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, based on the recommendation by Nomination and Remuneration Committee and the Board of Directors of the company, Mr.C.Sivakumar (DIN 00844529), Director of the company be and is hereby re-appointed as an Independent Director of the company, who has submitted a declaration that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment as an Independent Director, to hold office from the conclusion of 31<sup>st</sup> Annual General Meeting of the company for a period of Three years. He is not liable to retire by rotation.

FURTHER RESOLVED that the Board of Directors of the company be and is hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this resolution.

6. To consider and approve the increase in remuneration payable to Mr.R.Varun Karthikeyan (DIN 00585158), Vice Chairman and Managing Director and to pass with or without modification the following resolution as an Ordinary Resolution.

RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the company be and hereby accords its approval for the increase in the remuneration payable to Mr.R.Varun Karthikeyan (DIN 00585158), Vice Chairman and Managing Director of the Company with effect from 03.12.2022 to 31.03.2026 on the following terms and conditions.

- I. Salary: Rs.2,06,600/- 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 him. Where he resides in his own house or where the Company does not provide accommodation to him, House rent allowance may be paid subject to the ceiling mentioned above. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings will be valued as per the Income-tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary.
  - (b) Other perquisites:
    - i) Medical Expenses for self and family subject to a ceiling of one month's salary.
    - ii) Leave Travel Concession for self and family once in a year to any place in India subject to a ceiling of one month's salary.
    - iii) Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
    - iv) Personal Accident Insurance premium not exceeding 10% of the salary.
  - (c) He shall also be eligible to the following benefits, which shall not be included in the computation of the ceiling on the remuneration.
    - i) PF/SAF: Contribution to Provident Fund and/or Super Annuation Fund and/or Annuity Fund to the extent of 27% of the Salary.
    - ii) Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service or at the rate as may be modified from time to time as per the Payment of Gratuity Act, 1972.
  - (d) He shall be entitled for reimbursement of all actual expenses including on entertainment, conveyance, travelling etc., incurred during the course of the company's business.
  - (e) The Company shall provide a car and telephone facility at his residence, which will not be considered as perquisites.
  - (f) 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 as computed under Section 197 & 198 of the Companies Act, 2013.
  - (g) He shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.
- III. The appointment is terminable by three months' notice on either side.
 

FURTHER RESOLVED that in the event of no profits or inadequacy of profits, the remuneration payable to Mr. R. Varun Karthikeyan (DIN 00585158), Vice Chairman and 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.

FURTHER RESOLVED that the Board of Directors be and are hereby authorised to vary the remuneration payable to Vice-Chairman and Managing Director of the Company as and when necessary.

FURTHER RESOLVED that the Board of Directors of the company be and is hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this resolution.
7. To consider, and to pass with or without modification, the following resolution as a Special resolution.
 

RESOLVED that the Company be and hereby approves the payment of Royalty @ 1.5% on the ex-factory price, subject to deduction of tax at source to Mr. K. Ramasamy (DIN 00034360) Executive Chairman, who had been instrumental in developing the new product range of RD 180 mechanical sweeping machine and its variants, with effect from 01.04.2022 to 31.03.2027, for a period of Five years.

FURTHER RESOLVED that the Board of Directors of the company be and is hereby authorized to



do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this resolution.

8. To approve the re-appointment of Mr. K. Ramasamy (DIN 00034360) as Executive Chairman of the company and to pass with or without modification, the following resolution as a Special resolution.

RESOLVED that pursuant to the provisions of Sec 196, 197, 198, 203 and other applicable provisions read with Schedule V of the Companies Act, 2013, 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 re-appointment of Mr. K. Ramasamy (DIN 00034360) as Executive Chairman of the company for a period of Five years with effect from 01.07.2023 to 30.06.2028 on the following terms and conditions and he is not liable to retire by rotation.

- (a) The Executive Chairman shall be paid a Commission of 3% on the net profit before tax every year as computed under Section 197 and 198 of the Companies Act, 2013.
- (b) The Executive Chairman shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof

FURTHER RESOLVED that the Board of Directors be and are hereby authorized to vary the remuneration payable to Executive Chairman as and when necessary.

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

9. To consider, and approve, the increase in remuneration payable to Mr. J. Krishna Kumar (DIN: 09419339) Whole-Time Director (Director – Marketing) and to pass with or without modification the following resolution as an Ordinary Resolution.

RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the company be and hereby accords its approval for the increase in the remuneration payable to Mr. J. Krishna Kumar (DIN 09419339), Whole-Time Director (Director-Marketing) of the Company with effect from 03.12.2022 to 24.01.2025 at a remuneration of Rs. 1,07,60,304/- per annum and at 0.14% by way of Commission on Net Profit of the Company as computed as per section 197 and 198 of Companies Act 2013.

FURTHER RESOLVED that in the event of no profits or inadequacy of profits, the remuneration payable to Mr. J. Krishna Kumar (DIN: 09419339), Whole-Time Director (Director-Marketing) of the Company 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.

FURTHER RESOLVED that the Board of Directors be and are hereby authorized to vary the remuneration payable to Whole-Time Director as and when necessary.

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

10. To approve and ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2024 and in this regard, to consider and 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), as recommended by the Audit Committee and 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, 2024, be paid a remuneration of Rs.1,25,000/- per annum plus applicable GST and other out of pocket expenses, be and is hereby ratified.

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

- 11.** To consider and to pass with or without modification the following resolution as a Special Resolution.

RESOLVED that subject to the provisions of Section 197 and Section 198 and other applicable provisions of the Companies Act, 2013 and subject to such approvals as may be required, a commission not exceeding 1% on the net profit of the company be paid to Independent Directors of the company within the overall limit prescribed under the Companies Act, 2013 and such commission shall be distributed to

Independent Directors of the Company in each financial year for a period of five years with effect from the financial year 2022-23, subject to the following conditions:

1. Independent Directors will only be eligible for this commission.
2. The commission will be paid to Independent Directors, pro-rata on the basis of attendance at the meetings.
3. The maximum amount of commission payable to an Independent Director individually shall not exceed Rs.7.50 lakhs.

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

Coimbatore  
29.06.2023

By order of the Board  
**R Varun Karthikeyan**  
Vice Chairman &  
Managing Director  
(DIN 00585158)

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

### **Item No.5**

Pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) it is proposed to re-appoint Mr.C.Sivakumar (DIN 00844529), as an Independent Director of the Company for a period of three years from the conclusion of the 31<sup>st</sup> Annual General Meeting of the company.

In the 30<sup>th</sup> Annual General Meeting of the Company held on 29.09.2022, the Shareholders consented to the appointment of Mr. C. Sivakumar (DIN 00844529) as an Independent Director of the Company from the conclusion of the 30<sup>th</sup> Annual General Meeting of the company till the conclusion of 31<sup>st</sup> Annual General Meeting.

The Nomination and Remuneration Committee, at its meeting held on 29.06.2023, after taking

into account the performance and contribution of Mr.C.Sivakumar (DIN 00844529), during his first term and considering his knowledge and professional expertise, has recommended to the Board his reappointment for a second term of Three years. In view of the above, the nomination and remuneration committee and the Board of Directors are of the view that Mr.C.Sivakumar (DIN 00844529) possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to reappoint him as an independent director.

Accordingly, the Board of Directors in their 137<sup>th</sup> meeting held on 29.06.2023 has proposed to re-appoint Mr.C.Sivakumar (DIN 00844529), as an Independent Director of the Company from the conclusion of 31<sup>st</sup> Annual General Meeting of the company for a period of Three years, in line with Article 6 of the Articles of Association of the Company and he is not liable to retire by rotation.

In the opinion of the Board, Mr.C.Sivakumar (DIN 00844529), fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his re-appointment as an Independent Director and he is Independent of the Management. Mr. C. Sivakumar (DIN 00844529), has given a declaration to the Board of Directors to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The details of the appointee Director pursuant to Secretarial Standards on General Meetings is provided hereunder:

Name of the Director	Mr. C. Sivakumar
DIN	00844529
Age	64 years
Qualification	Engineering and Business Administration
Brief Resume of the Director	He is dedicated to accelerating young, innovative Indian start-ups and his prowess in incubating and mentoring start-ups has benefitted many young entrepreneurs.
Expertise in specific functional area	Mr.C.Sivakumar has good experience in Manufacturing- Asset Light Models, LEAN TEI, Innovation, Quality, Process Excellence Retail – Customer Centric engagements, Branding, Product Launches strategy to production, planning, deployment and operations management
Recognition or awards	He is a recipient and winner of many state and national awards in various forums
Job profile	Independent Director
Terms & Conditions of Appointment/ Reappointment with proposed remuneration	Appointed as an Independent Director for a period of three years from the conclusion of 31 <sup>st</sup> Annual General Meeting.
Remuneration Last Drawn	Rs.6,12,500/-
Date of First Appointment on the Board	08.08.2022
Shareholding in the Company as on 31.03.2023	NIL
Relationship with other Directors	Not related to any of the Directors and/or Key Managerial Personnel of the Company
No. of Board Meetings attended during the year	3 out of 3 Board Meetings (appointed on 08.08.2022)
Directorships of other Boards as on date	1. M/s. Roots Industries India Private Limited 2. M/s. Skillveri Training Solutions Private Limited 3. M/s. Planys Technologies Private Limited
Membership/ Chairmanship of Committees of other Boards as on Date	NIL

Accordingly, the Special resolution set out in item No.5 is proposed for your approval.

None of the Directors of the company except Mr.C.Sivakumar (DIN 00844529), Director is interested or concerned in the proposed Special resolution.

#### Item No.6

The Nomination and Remuneration Committee in its meeting held on 03.12.2022 has recommended for the increase in the remuneration payable to Mr.R.Varun Karthikeyan (00585158), Vice Chairman and Managing Director of the company with effect from 03.12.2022.



The details of the appointee Director pursuant to Secretarial Standards on General Meetings is provided hereunder:

Name of the Director	Mr. R. Varun Karthikeyan
DIN	00585158
Age	41 years
Qualification	B.S.(USA), MBA
Brief Resume of the Director	Mr. R. Varun Karthikeyan as a second generation business head, has gained strong domain expertise in manufacturing and marketing, besides proven administrative skills. He has developed adequate skills in understanding the Corporate legacy of Roots Group and to operate and steer the Company in a new direction.
Expertise in specific functional area	Mr. R. Varun Karthikeyan possesses 17 years of expertise in Production, procurement, operations, administration and development functions.
Recognition or awards	Nil
Job profile	Vice Chairman and Managing Director
Terms & Conditions of Appointment/Reappointment with proposed remuneration	There is no change in the tenure of appointment. This resolution is only for increase in remuneration.
Remuneration Last Drawn	Rs.69,11,648/-
Date of First Appointment on the Board	04.08.2006
Shareholding in the Company as on 31.03.2023	3,58,260 Equity shares
Relationship with other Directors	Mr. R. Varun Karthikeyan is related to Mr. K. Ramasamy, Executive Chairman and Mrs. R.K. Umaadhevi, Director
No. of Board Meetings attended during the year	4 out of 4 Board Meetings
Directorships of other Boards as on date	1. M/s. Roots Industries India Private Limited 2. M/s. Roots Auto Products Private Limited 3. M/s. Roots Cast Private Limited 4. M/s. Roots Precision Products Private Limited 5. M/s. American Auto Service Private Limited 6. M/s. Roots Multiclean Inc. USA
Membership/Chairmanship of Committees of other Boards as on Date	Nil

Accordingly the Board accepted the recommendation of the Nomination and Remuneration Committee in its meeting held on 03.12.2022 and recommends the Ordinary resolution set forth in item No.6 for the approval of the shareholders of the company.

Except, Mr. R. Varun Karthikeyan (DIN 00585158), Mr. K. Ramasamy, (DIN 00034360) and Mrs. R.K. Umaadhevi (DIN 01067950) none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary resolution as set out in item No.6 of this Notice.

### **Item No.7**

The Board of Directors in their 137<sup>th</sup> Meeting held on 23.03.2023 appreciated the contribution of Mr.K.Ramasamy, Executive Chairman of the Company since the inception of the organisation. The Board suggested that the Executive Chairman be paid a Royalty in lieu of lumpsum technical fees for a period of Five years commencing from 01.04.2022 in recognition of his yeoman service which has paved way for the tremendous growth of the Company with the introduction of the new product range of RD 180 mechanical sweeping machine and its variants.

Accordingly, the special resolution set out in Item No.7 is proposed for your approval.

Except, Mr.K.Ramasamy, (DIN 00034360), Mr.R.Varun Karthikeyan (DIN 00585158) and Mrs.R.K.Umaadhevi (DIN 01067950) none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary resolution as set out in item No.7 of this Notice.

### **Item No.8**

As recommended by the Nomination and Remuneration Committee the Board of Directors at their meeting held on 27.06.2018 approved the re-appointment of Mr.K.Ramasamy (DIN 00034360) as Executive Chairman of the company for a period of Five years with effect from 01.07.2018 to 30.06.2023. Further the shareholders of the company in the Annual General Meeting held on 27.09.2018 approved the said appointment.

The Nomination and Remuneration Committee in its meeting held on 29.06.2023 recommended the re-appointment of Mr.K.Ramasamy (DIN 00034360) as Executive Chairman of the company for a period of Five years with effect from 01.07.2023 to 30.06.2028. The same was approved the Board of Directors at its meeting held on 29.06.2023. As Mr.K.Ramasamy has attained the age of 70 years as on 01.08.2018, in order to comply with the provisions of the Companies Act, 2013, read with Schedule V, it is required to pass a Special Resolution by the Share holder of the company.

Accordingly, the special resolution set out in Item No.8 is proposed for your approval.

Except, Mr.K.Ramasamy, (DIN 00034360), Mr.R.Varun Karthikeyan (DIN 00585158) and Mrs.R.K.Umaadhevi (DIN 01067950) none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Special resolution as set out in item No.8 of this Notice.

The details of the Director pursuant to Secretarial Standard-2 on General Meetings is provided hereunder:

Name of the Director	Mr. K. Ramasamy
DIN	00034360
Age	75 years
Qualification	M (Auto) Mech, (USA)
Brief Resume of the Director	Mr. K. Ramasamy is having more than 5 decades of experience in various industries as an Industrialist. Mr. K. Ramasamy is having wide expertise in the field of Industrial Cleaning Machines, Automobile, Foundry, and Naturopathy Sectors. He has invented many products and duly patented.
Expertise in specific functional area	Mr. K. Ramasamy is having expertise in Research & Development, Product/Process Re-Engineering, Marketing and General Administration.

Recognition or awards	Mr K Ramasamy has been conferred the Udyog Shree Award, Udyog Rattan Award, Gem of India, Bharat Jyoti Award, Rotary Pinnacle of Excellence Award, Life-Time Achievement Award by Coimbatore Management Association and Dare to Dream Award are a few to name.
Job profile	Whole time Director
Terms & Conditions of Appointment/ Reappointment with proposed remuneration	Re-appointed as Executive Chairman of the Company for a period of Five years with effect from 01.07.2023.
Remuneration Last Drawn	Rs.1,48,33,469/- per annum.
Date of First Appointment on the Board	24.02.1992
Shareholding in the Company as on 31.03.2023	2,34,900 Equity Shares
Relationship with other Directors	Mr K Ramasamy is related to Mr R Varun Karthikeyan, Vice Chairman and Managing Director and Mrs R K Umaadhevi, Director
No. of Board Meetings attended during the year	4 out of 4 Board Meetings
Directorships of other Boards as on date	<ol style="list-style-type: none"> <li>1. M/s. Roots Industries India Private Limited</li> <li>2. M/s. Roots Auto Products Private Limited</li> <li>3. M/s. Roots Cast Private Ltd</li> <li>4. M/s. Roots Precision Products Private Limited</li> <li>5. M/s. American Auto Service (P) Limited</li> <li>6. M/s. MAHLE Electric Drives India Private Limited</li> </ol>
Membership/Chairmanship of Committees of other Boards as on Date	Chairman - Corporate Social Responsibility Committee of M/s. Roots Auto Products Private Limited

Accordingly, the Board accepted the recommendation of the Nomination and Remuneration Committee in its meeting held on 29.06.2023 and recommends the Special resolution set forth in item No.8 for the approval of the shareholders of the company.

#### Item No.9

The Nomination and Remuneration Committee in its meeting held on 03.01.2022 has recommended for the increase in the remuneration payable to Mr.J.Krishnakumar as Whole-Time Director (Director-Marketing) of the company with effect from 03.12.2022.

The details of the appointee Director pursuant to Secretarial Standards on General Meetings is provided hereunder:

Name of the Director	Mr. J. Krishnakumar
DIN	09419339
Age	53 years
Qualification	MBA

Brief Resume of the Director	Mr. J. Krishnakumar, has wide experience in the field of Marketing across various industries.
Expertise in specific functional area	He is a Sales & Marketing professional with a background and overall track record in varied industrial segments like Foundry, Steel, Airline, Hospitality, Automobile and Cleaning Industry.
Recognition or awards	–
Job profile	Whole-Time Director (Director-Marketing)
Terms & Conditions of Appointment/Reappointment with proposed remuneration	There is no change in the tenure of appointment. This resolution is only for increase in remuneration.
Remuneration Last Drawn	Rs.1,10,12,439/-
Date of First Appointment on the Board	25.01.2022
Shareholding in the Company as on 31.03.2023	NIL
Relationship with other Directors	Not related to any of the Directors and/or Key Managerial Personnel of the Company
No. of Board Meetings attended during the year	4 out of 4 Board Meetings
Directorships of other Boards as on date	Nil
Membership/Chairmanship of Committees of other Boards as on Date	Nil

Accordingly, the Board accepted the recommendation of the Nomination and Remuneration Committee in its meeting held on 03.12.2022 and recommends the resolution set forth in item No.9 for the approval of the members.

Except Mr.J.Krishnakumar (DIN 09419339), none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary resolution as set out in item No.9 of this Notice.

#### Item No.10

The Board of Directors in their 136<sup>th</sup> Meeting held on 23.03.2023 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.1,25,000/- per annum plus applicable GST and other out of pocket expenses for the financial year ending March 31, 2024.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, the Ordinary resolution as set out in item No.10 is proposed for your approval.

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.

#### Item No.11

In the 25<sup>th</sup> Annual General Meeting held on 27.09.2017 a Special resolution was passed to modify the terms of payment of commission as not exceeding 1% on the net profit of the company, subject to a maximum amount which shall not exceed Rs.5.00 Lakhs for an Independent director,

commencing from the financial year 2017-18. The said resolution is valid up to 31.03.2022.

Considering the continuous growth and contribution by Independent Director towards development of business of the company, it was proposed to pay the commission to Independent Directors not exceeding @ 1% on the net profit of the company, subject to a maximum amount of Rs.7.50 Lakhs to an Independent Director, for a period of five years commencing from the financial year 2022-2023, and as approved by the Board Meeting as its meeting held on 03.12.2022.

Accordingly, the Special resolution set out in item No.11 is proposed for your approval.

As per the provisions of the Companies Act, 2013 approval of the Shareholders is required for the payment of Commission to Independent Directors.

None of the Directors except Dr.M.P.Vijayakumar IAS., (Retd.) (DIN 05103089), Mr.C.Sivakumar (DIN 00844529) are interested or concerned in the proposed resolution.

By order of the Board

**R Varun Karthikeyan**  
Vice Chairman &  
Managing Director  
(DIN 00585158)

Coimbatore  
29.06.2023

## 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 20.09.2023 to 27.09.2023 (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 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  
"Surya" 35, Mayflower Avenue  
Behind Senthil Nagar, Sowripalayam Road  
Coimbatore – 641028  
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). The shares in respect of such dividend are also liable to be transferred to the demat account of the IEPF Authority.
8. Members who wish to claim dividends/shares, which remain unclaimed, are requested to communicate with the Nodal Officer, 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

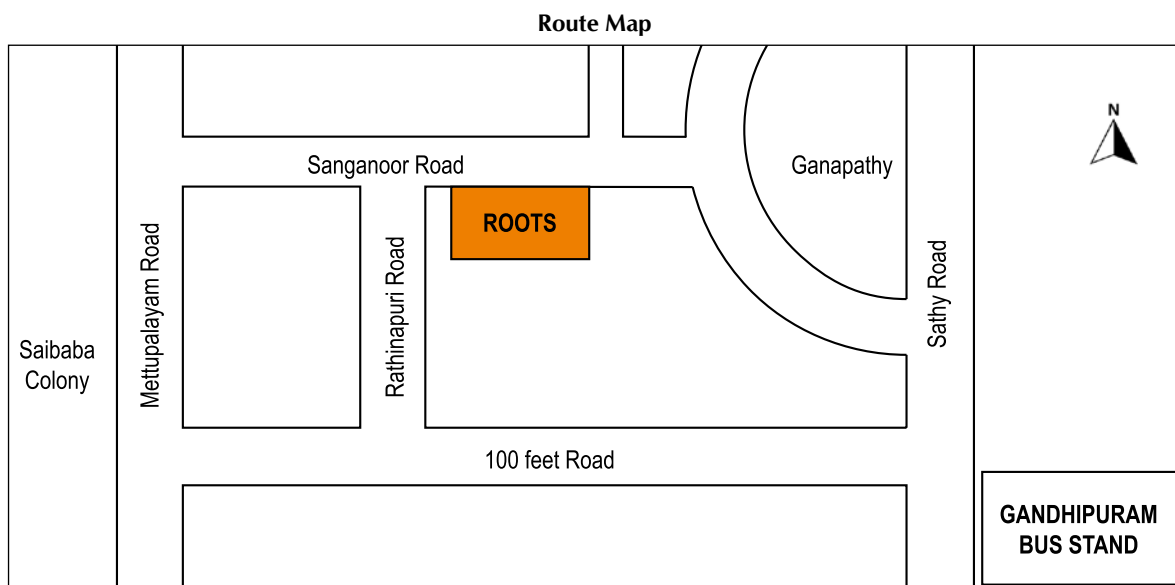


Company, along with required documents as prescribed in the Form.

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.

11. Route map should be provided for the venue of the meeting.



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty First Annual Report of the company together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March 2023.

	(Rs. in Crore)	
FINANCIAL RESULTS	2022-23	2021-22
Revenue from Sale of Products		
Sales - Domestic	233.18	183.58
- Exports	81.38	68.28
<b>Total Sales</b>	<b>314.56</b>	<b>251.86</b>
Revenue from Sale of services	10.19	8.31
Other Operating Revenue	3.48	3.13
Other Income	1.34	1.06
<b>Total Revenue</b>	<b>329.57</b>	<b>264.36</b>
<b>Earnings Before Interest, Tax, Depreciation and Amortisations (EBITDA)</b>	<b>62.29</b>	<b>45.55</b>
Less : Finance Costs	4.22	2.55
Depreciation	8.63	8.23
<b>Profit Before Tax</b>	<b>49.44</b>	<b>34.77</b>
Less : Provision for taxation	13.25	9.30
Provision for Deferred tax Asset/(Liability)	0.77	0.55
<b>Profit After Tax</b>	<b>35.42</b>	<b>24.92</b>
Balance brought forward	28.23	23.91
Profit Available for Appropriation	63.65	48.83
Less : Transferred to General Reserve	25.00	20.00
Dividend	0.60	0.60
<b>Profit after Appropriation</b>	<b>38.05</b>	<b>28.23</b>

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

Your company has achieved a total revenue of Rs.329.57 Crores for the financial year 2022-23 as against Rs.264.36 Crores in the previous year 2021-22 with the phenomenal growth of 25%. Your

company achieved a substantial Domestic turnover of Rs.243.37 Crores during the financial year, with the 27% growth over the previous year 2021-22. Export Turnover stands at Rs.81.38 Crores for the financial year 2022-23 as against Rs.68.28 Crores in the previous year 2021-22 registering a growth of 19%. Your company strengthened its overseas distribution network in the middle east and south east Asian regions.

Profit before tax for the year ended 31<sup>st</sup> March 2023 is Rs.49.44 Crores as compared to Rs.34.77 Crores in the corresponding previous year showing an increase of 42%. Profit after tax for the year under review stood at Rs.35.42 Crores as compared to Rs.24.92 Crores in the corresponding previous year.

Your company has created a Warehouse in Bangalore in its own premises with more than 10,000 Square feet, catering to customers in the southern part of India. Your company introduced 'information FIR' during the financial year 2022-23 to facilitate continuous improvement in product quality. Your company has maintained an excellent customer satisfaction index of more than 95% during the year under review.

Your company is in the process of introducing various hi-tech digital tools to empower its Sales and Service Executives to function remotely without any major assistance from Corporate office. Your company is focussing on upcoming technologies and incorporated the same into our products to enhance its presence in both export and domestic market.

An exceptional, dedicated and committed team of employees continues to drive the company's efforts on expanding our market position and improving the efficiency of its operations. Your company continued to expand market share owing to consistent investment in talent, service support and go-to-market initiatives. Your company continues to ensure zero accidents which reflects a strong focus on employees' occupational health and safety. With strong industrial demand, your company continued to grow market share across all sectors. Go-to-Market initiatives coupled with lead management process helped your company in converting business from new customers.

The global economy has begun to improve, but the recovery will be weak, according to the OECD's latest Economic Outlook. The Economic Outlook projected a moderation of global GDP growth from 3.3% in 2022 to 2.7% in 2023, followed with an improvement upto 2.9% in 2024. Global uncertainties will weigh on growth this year, but India is poised to grow by 6% to 6.5% in the medium term. While betting on consumption-driven growth is obvious given India's large, young, and rising share of the upper middle-income population, it is believed that investment will play an important role over the next two years. It is investments that will provide India with necessary momentum to take off on a path of sustained domestic demand-led growth for decades to come. Growth in the next year will pick up in India, as investments kick started the virtuous circle of job creation, income, productivity, demand, and exports supported by favourable demographics in the near term.

### **Reserves**

A sum of Rs.25.00 Crores from the current profits of the financial year 2022-23 has been transferred to General Reserve.

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

Your Directors recommend a dividend of 40% (Rs.4/- per share) on the paid-up Equity Share capital of the Company for the year ended 31<sup>st</sup> March 2023.

The dividend payment is subject to approval of shareholders at the ensuing Annual General Meeting. The proposed equity Dividend is payable to those shareholders whose name appear in the Register of Members as on the Book Closure date. The Dividend has not been included as a liability in the Financial Statements. As per the Finance Act, 2020, members may note that the Dividend is taxable in the hand of shareholders. The Company is required to deduct tax at source from Dividend amount paid to Shareholders at the prescribed rates.

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

There was no change in the nature of the business during the year under review. The Company has increased its range of products in some of the segments.

### **Subsidiaries, Associates and Joint Venture Companies**

The Company has a Wholly Owned Subsidiary (WOS), Roots Multiclean Inc., USA. During the year under review, the Board of Directors reviewed the affairs of the WOS. The Statement pursuant to Section 129(3) of the Companies Act, 2013 containing salient features of the financial statement of WOS company in the prescribed Form AOC-1 forms part of this Annual Report.

### **Consolidated Financial Statements**

Your Directors have pleasure in attaching the Consolidated Financial Statements of the Company prepared in accordance with the provisions of Section 129 (3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard. The audited consolidated financial statements together with Auditors' Report form part of this Annual Report.

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

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

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

The Nomination and Remuneration Committee in its meeting held on 29.06.2023 recommended to the Board for the re-appointment of Mr. C. Sivakumar (DIN 00844529) as an Independent Director of the Company.

Accordingly, the Board accepted the recommendation of the Nomination and Remuneration Committee in its meeting held on 29.06.2023 and recommends the re-appointment of Mr. C. Sivakumar (DIN:00844529) as an Independent Director of the Company from the conclusion of 31<sup>st</sup> Annual General Meeting

of the company for a term of Three years, in line with Article 6 of the Articles of Association of the Company subject to the approval of the shareholders at the Annual General Meeting and he is not liable to retire by rotation.

### Share Capital

The paid-up capital of the Company as at 31.03.2023 stood at Rs.2.00 Crore. During the year under review, the Company has not made any fresh issue of shares.

### 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.

### Annual Return

Pursuant to Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013 the Annual return as on 31<sup>st</sup> March 2023 is available on the Company's website.

(<https://www.rootsmulticlean.com/investors/>)

### Number of Board Meetings

The Board of Directors of the Company duly met four times during the Financial Year 2022-2023, ie., 13.05.2022, 08.08.2022, 03.12.2022 and 23.03.2023.

Name of the Director	Number of Meetings	
	Held	Attended
Mr. K. Ramasamy	4	4
Mr. R. Varun Karthikeyan	4	4
Dr. M.P. Vijayakumar, IAS (Retd.)	4	4
Mrs. R.K. Umaadhevi	4	4
Mr. K. Ravi	4	4
Dr. S. Chandrasekar	4	3
Mr. PrebenLausten	4	2
Mr. Frank Ulbricht	4	4
Mr. V.M. Rajashekar	4	4
Dr. O.A. Balasubramaniam	4	4
Mr. J. Krishnakumar	4	4
Mr. C. Sivakumar	4	3*

\*The Board Meeting held on 08.08.2022 appointed Mr.C.Sivakumar as an Additional Director with effect from 08.08.2022.

### Directors' Responsibility Statement

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

- in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and of the profit of the Company for the year ended on that date;
- 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;
- the Directors have prepared the accounts on a going concern basis;
- the Directors have laid down internal financial controls, which are adequate and are operating effectively.
- 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.

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

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

The Company has not made investments in excess of the limit prescribed as per the provisions of the Companies Act, 2013.

### 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 1).

The policy on related party transactions has been approved by the Board.

Your Directors draw attention of the members to Note No.36 to the financial statement which sets out related party disclosures as per the Accounting Standards.

### Independent Directors

During the year, a meeting of Independent Directors was held on 23.03.2023 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. Dr.M.P.Vijayakumar, IAS (Retd.) (DIN 05103089), Chairman of the meeting presented the views of the Independent Directors on matters relating to Board processes and the overall affairs of the Company. All the Independent Directors were present at the Meeting.

The independent Directors have submitted their disclosures to the Board that they fulfil the requirements as stipulated in Sec 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed/continue as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

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

### Audit Committee

The Audit Committee was formed by the Board of Directors. The Board has authority to reconstitute the

Committee from time to time. The Audit Committee members consist of:

1. Dr. M.P. Vijaya Kumar, IAS (Retd.) (DIN 05103089)
2. Mr. C. Siva Kumar (DIN 00844529)
3. Mr. K. Ravi (DIN 01590268)

The members of the Audit Committee of the Company duly met three times during the Financial Year 2022-2023, ie., 08.08.2022, 03.12.2022, and 23.03.2023.

#### Audit Committee Attendance for the Financial year 2022-2023

Name of the Director	No. of Meetings	
	Held	Attended
Dr. M.P. Vijayakumar, IAS (Retd.) (DIN 05103089)	3	3
Mr. C. Sivakumar (DIN 00844529)	3	2*
Mr. K. Ravi (DIN 01590268)	3	3

\* The Board Meeting held on 08.08.2022, appointed Mr. C. Sivakumar as an Additional Director with effect from 08.08.2022.

The Committee reviewed the Annual Budgets, Financial Performance and Internal Financial Control of the Company. All the recommendations made by the Audit Committee were accepted by the Board. There were no incidences of deviation from such recommendations during the financial year under review.

### Nomination & Remuneration Committee

The Nomination and Remuneration Committee was formed by the Board of Directors. The Board has authority to reconstitute the Committee from time to time. The Nomination and Remuneration Committee members consist of:

1. Dr. M.P. Vijaya Kumar, IAS (Retd.) (DIN 05103089)
2. Mr. C. Siva Kumar (DIN 00844529)
3. Dr. S. Chandrasekar (DIN 01773256)



During the year under review, the members of the Nomination and Remuneration Committee of the Company duly met two times during the financial year, i.e., 08.08.2022 and 03.12.2022.

Nomination and Remuneration Committee  
Attendance for the Financial year 2022-2023

Name of the Director	No. of Meetings	
	Held	Attended
Dr. M.P. Vijayakumar, IAS (Retd.) (DIN 05103089)	2	2
Mr. C. Sivakumar (DIN 00844529)	2	1*
Dr. S. Chandrasekar (DIN 01773256)	2	1

\* The Board Meeting held on 08.08.2022, appointed Mr.C.Sivakumar as an Additional Director with effect from 08.08.2022.

All the recommendations made by the Nomination and Remuneration Committee during the year were accepted by the Board of Directors. The policy formulated by Nomination and Remuneration Committee is attached to the Board's Report. (Annexure – 2)

### Corporate Social Responsibility (CSR) Committee

The CSR Committee was formed by the Board of Directors. The Board has authority to reconstitute the Committee from time to time. The CSR Committee members consist of:

1. Mr. R. Varun Karthikeyan (DIN 00585158)
2. Mr. C. Siva Kumar (DIN 00844529)
3. Mr. K. Ravi (DIN 01590268)

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.

During the year under review, the Company has spent Rs.70.80 Lakhs for the financial year 2022-2023, towards Corporate Social Responsibility (CSR) projects. The CSR report for the year ended 31.03.2023 is attached as Annexure 3 to the Board's report. (Annexure – 3)

During the year under review, the members of the Corporate Social Responsibility (CSR) Committee

duly met three times during the financial year, i.e., 08.08.2022, 03.12.2022 and 23.03.2023.

The CSR policy has been uploaded in the Company's website: [www.rootsindia.com](http://www.rootsindia.com).

### Statutory Auditors

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

### Comments on Auditor's Report

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

### 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 Audit Committee in its meeting held on 23.03.2023 recommended for the re-appointment of M/s. Astral Business Consulting LLP, as the Internal Auditor of the Company. The Board of Directors in their meeting held on 23.03.2023, accepted the recommendation of the Audit Committee and consented to the re-appointment of M/s. Astral Business Consulting LLP, as the Internal Auditor of the Company for a further period of one year i.e., for the financial year ending 31<sup>st</sup> March 2024.

### 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 your Company and accordingly such accounts and records are maintained.

### Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and other applicable provisions the Audit Committee in its meeting held on 23.03.2023 recommended for the re-appointment

of M/s. Ramakrishnan & Co., Cost Accountants (Firm no. 100285) Coimbatore as Cost Auditors of the Company for the year ending 31<sup>st</sup> March 2024. The Board of Directors in their meeting held on 23.03.2023 accepted the recommendation of the Audit Committee and has consented to the re-appointment and remuneration of M/s. Ramakrishnan & Co., Cost Accountants as Cost Auditors of the Company 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, 2024.

The remuneration payable to Cost Auditor of the company for the financial year 2023-2024 is subject to ratification by the shareholders at the ensuing Annual General Meeting.

### Secretarial Audit and Auditors

Pursuant to the provisions of Section 304 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. G.V. and Associates, Company Secretaries (Membership No.FCS6699, C.P. No.6522) to undertake Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 31.03.2023 is attached (Annexure - 4).

### 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.

### 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. The report about risk management has been submitted to the Board on periodical basis, including how risk are being monitored, managed, assured and the improvements that are being made.

Managing risks while strategizing was key in the successful outcome of these initiatives. The Risk Management process includes risk identification,

impact assessment, effective implementation of the mitigation plans and risk reporting.

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

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 Risk
  - 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 Company reviews the Risk Management Matrix on monthly basis, to achieve the business objectives, effectively and efficiently.

### 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.

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

The Ministry of Corporate Affairs (MCA), vide Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018, notified on September 10, 2018, prohibiting the Unlisted Public Companies from effecting the transfer of its Securities held in physical form with effect from 2<sup>nd</sup> October, 2018. Accordingly, on or after 2<sup>nd</sup> October 2018, transfer of securities cannot be made by an unlisted public Company held in physical form.

In view of that, the Company has made arrangements with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialisation of Company's Equity Shares. The International Security Identification Number (ISIN) allotted to the Equity Shares of the Company is INE01LF01013.

### **Vigil Mechanism**

Provisions relating to Vigil Mechanism is applicable to the Company as per the provisions of the Companies Act, 2013 from the Financial year 2022-2023. The company has formulated Vigil Mechanism Policy for Employees including Director of the company to report genuine concerns.

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

There were no instances of frauds identified or reported by the Statutory Auditors during the course

of their audit pursuant to Section 143(12) of the Companies Act, 2013.

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

Particulars of Employees as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel Rules), 2014 is annexed to this Report. (Annexure-5)

### **Material Changes**

No material changes and commitment affecting the financial position of the Company occurred between the end of the financial year as on 31<sup>st</sup> March 2023 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.

### **Details of difference between amount of valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof.**

Not Applicable

### **Details of application made or any proceeding pending under the insolvency and bankruptcy code, 2016 during the year along with their status as at the end of the financial year.**

Not Applicable

### **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 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.

### **Credit Rating**

The Rating Committee of ICRA Limited, has retained the rating for the long term banking facilities as [ICRA]

A Stable (pronounced ICRA A) and the short term banking facilities rating as [ICRA] A1 (pronounced ICRA A one) for your Company.

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

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

In light of the aforesaid provisions, the Company has during the year transferred the unclaimed dividend of Rs. 52,500.00 to Investor Education and Protection Fund which were declared during the Financial Year 2014-2015.

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.

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

The information relating to various unclaimed dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent is available in the Company's

website: [www.rootsmulticlean.com](http://www.rootsmulticlean.com) and detailed as per the below table:

### Details of Unclaimed Dividend as on 31<sup>st</sup> March, 2023 and due dates for transfer

S. No.	Financial Year	Date of Declaration of Dividend	Unclaimed Amount (in Rs)	Due Date for transfer to IEPF Account
1	2015-16	29.06.2016	52,250.00	5.11.2023
2	2016-17	27.09.2017	56,250.00	3.11.2024
3	2017-18	27.09.2018	59,750.00	3.11.2025
4	2018-19	26.09.2019	41,250.00	2.11.2026
5	2019-20	29.09.2020	37,503.00	5.11.2027
6	2020-21	28.09.2021	55,650.00	4.11.2028
7	2021-22	29.09.2022	36,300.00	5.11.2029

### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a policy on Prevention, Prohibition and Redressal of sexual harassment of women at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Company has complied with provisions relating to the constitution of internal complaints committee. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

(a) Number of complaints filed during the financial year	NIL
(b) Number of complaints disposed of during the financial year	NIL
(c) Number of complaints pending at end of the financial year	NIL

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

#### (a) Conservation of Energy:

Feasibility study to install Solar Energy system to generate electricity was conducted and report prepared. All lights are changed to LED from CFL lamps. New ROTOMOLDING machine running on diesel fired furnace was modified

and converted to run on LPG fuel, which is an ecofriendly greener fuel, reducing the carbon footprint.

**(b) New Products, Research & Development, Technology absorption, adaptation and Innovation:**

The company launched 2 new products in FY 2022-23 embarking on a new technology in the company's history. RSM 5000 is the first mechanical sweeper which is exclusively designed and developed to perform exceptionally well in our Indian conditions while having very low maintenance cost compared to its competition.

RD120 with its sleek design ensures ease of use and manoeuvrability which allows quick cleaning of areas in narrow places. The Hydraulic Dumping System, CAN Bus Control with display, Variable Drive Speed and Dust Suppression System add unique selling propositions to the product which makes this a class apart from its competition.

Internal directions are set and efforts are in place to have a skyrocketing growth through many innovative new products launches in the coming future. To meet the ever increasing customer expectations and regulatory requirements,

Research and Design team of your Company is taking customer expectation and regulatory requirements as a part of design input and makes every effort to embed the appropriate technologies to give best reliability in the products, electronic controls, user friendly systems and contemporary styling that will satisfy the customer, compete in the market effectively and make the products comply with the regulatory requirements.

**(c) Foreign Exchange**

Particulars	(Rs. in Lakhs)	
	2022-2023	2021-2022
Earnings (FOB Value of Exports)	8,138.88	6,859.97
Outflow	3,854.09	4,125.22

**Acknowledgement**

Your Directors wish to thank its Customers, Vendors, Bankers, Government authorities, Associates, Shareholders and Employees for their continued support for the growth of the Company.

For and on behalf of the Board

**K. Ramasamy**

Executive Chairman

(DIN 00034360)

Coimbatore

29.06.2023



## **Annexure - 1**

### **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**

**(Under the Companies Act, 2013):**

##### **(A) BY THE AUDIT COMMITTEE:**

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 passed by Circulation.

##### **(B) BY THE BOARD OF DIRECTORS:**

All "Related Party Transactions which are not in ordinary course of business or not at an arm's length" or not exceeding the prescribed criteria under Section 188 of the Companies Act, 2013 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:**

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

For and on behalf of the Board

Coimbatore  
29.06.2023

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

## Annexure - 2

### NOMINATION & REMUNERATION COMMITTEE

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 interest of the Company as a whole;

- (b) Directors / KMP:

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 / KMP, 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.

- (d) Evaluation of performance:

Make recommendations to the Board on appropriate performance criteria for the Directors / KMP and Senior Executives.

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 shall ensure that the person so appointed as Director/Independent Director shall not be disqualified under the Companies Act, 2013.
- iii. The Director/Independent Director shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013.

**Term/Tenure:**

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

**Retirement:**

The Whole Time Directors, shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company and the provisions of the Articles of Association 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/KMP.

**Part – C covers remuneration and perquisites etc.**

**General:**

The remuneration / compensation / commission etc. to Directors/KMP 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 case of Whole time Directors.

Coimbatore  
29.06.2023

For and on behalf of the Board

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

## **Annexure - 3**

### **ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

#### **1. A brief outline on the CSR Policy:**

##### **CSR POLICY**

Roots Multiclean Ltd. has committed to undertake Corporate Social Responsibility activities in integration with Roots Culture, Values, Ethics, Tradition and Spirituality with augmented Commitment to contribute for the social well-being.

The 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 and the health care including preventive health care among the people in Society. In addition to the above, Roots intend to cater to the welfare benefit of senior citizens and also eradicating hunger, poverty and malnutrition.

##### **Environment Includes:**

- Protection of Environment, Flora & Fauna
- Prevention of pollution
- Creating awareness on the Environmental protection
- Personal Health, Hygiene awareness and its promotion
- Social Health, Hygiene awareness and its promotion
- Cleanliness in Public places
- Conservation of natural resources and maintaining quality of soil, air and water

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

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

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

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

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

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

##### **Eradicating hunger:**

- Eradicating hunger, poverty and malnutrition

The above CSR activities will be carried out through Company's Employees or through external implementing agencies or through registered trusts, foundations and charitable organizations as may be decided by the Company from time to time.

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

## 2. Amendment to the Policy:

The Board of Directors on its own and/or as per the recommendations of the Committee can amend the CSR Policy, as and when deemed fit.

## 3. Composition of the CSR Committee:

S. No.	Name of Director	DIN	Designation	Number of meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Mr. R. Varun Karthikeyan	DIN 00585158	Vice Chairman & Managing Director	3	3
2	Mr. C. Sivakumar	DIN 00844529	Director	3	2*
3	Mr. K. Ravi	DIN 01590268	Director	3	3

\* The Board Meeting held on 08.08.2022, appointed Mr. C. Sivakumar as an Additional Director with effect from 08.08.2022.

## 4. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board is disclosed on the website of the company:

<https://www.rootsmulticlean.com/csr-policy/>

## 5. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not Applicable

## 6. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S.no.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1	2020-2021	Rs. 0.21 Lakhs	NIL
2	2021-2022	Rs. 3.79 Lakhs	NIL

The Company has spent in excess of the mandatory requirement under the Companies Act, 2013 and the same will be set-off in the succeeding financial years as specified under the Act.

## 7. Average Net Profit of the Company as per Section 135 (5):

Average net profit of the Company for last three financial years is Rs.3,018.91 Lakhs.

8. a) Two percent of average net profit of the company as per section 135(5) - Rs.60.38 Lakhs
- b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL
- c) Amount required to be set off for the financial year, if any - NIL
- d) Total CSR obligation for the financial year (7a + 7b - 7c). - Rs.60.38 Lakhs

**9. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial year (in Rs.)	Amount unspent (in Rs.)				
	Total Amount transferred to unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 70.80 Lakhs	NIL				

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

1	2	3	4	5		6	7	8	9	10	11	
S.No	Name of the Project	Item from the list of activities In Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project Duration	Amount allocated for the project (in Rs.)	Amount Spent in the Current Financial Year (in Rs.)	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/ No)	Mode of implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

1	2	3	4	5		6	7	8	
S. No	Name of the Project	Item from the list of activities In Schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the Project (in Rs. Lakhs)	Mode of Implementation Direct (Yes/ No)	Mode of implementation -Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Sanitation, hygiene & ensuring environment sustainability	Protection of Environment	Yes	Tamilnadu	Coimbatore	29.66	Yes.	Direct	
2	Santhalingar Hospital Project	Promoting Health Care	Yes	Tamilnadu	Coimbatore	15.00	No. Through Registered Trust	Perur atheenam Sree Valarseer Santhalinga Ramasamy adigalar Arakkattalai	CSR00044426
3	Construction of additional wards of hospitals or scheduled tribes at Agali	Promoting Health Care	No	Kerala	Palghat	5.00	No. Through Registered Trust	Swamy Vivekananda Medical Trust	CSR00002488



4	Rejuvenating and restoring check-dams, Narasipuram	Conservation of Natural Resources	Yes	Tamilnadu	Coimbatore	13.00	No. Through Registered Trust	Siruthuli	CSR00000023
5	Installation of CCTC cameras for ensuring safety, detection and prevention of anti-social activities	Promoting education (Safety)	Yes	Tamilnadu	Coimbatore	8.14	Yes. Direct	Direct	
		TOTAL				70.80			

- (d) Amount spent in Administrative Overheads : NIL
- (e) Amount spent on Impact Assessment, if applicable : NIL
- (f) Total amount spent for the Financial Year (8b + 8c + 8d + 8e) : Rs.70.80 Lakhs
- (g) Excess amount for set off, if any : NIL

Sl. No.	Particulars	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	60.38
(ii)	Total amount spent for the Financial Year 2022-2023	70.80
(iii)	Excess amount spent for the Financial Year 2022-2023 [(ii)-(i)]	10.42
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	–
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	10.42
(vi)	Total Amount available for set off in succeeding financial years including amount available for set off from the preceding financial years	14.42

**10. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in Which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
Nil								

- 11.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NIL
- 12.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): NOT APPLICABLE
- 13.** It is confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Coimbatore  
29.06.2023

**R. Varun Karthikeyan**  
Vice Chairman & Managing Director  
(DIN 00585158)

**C. Sivakumar**  
Chairman – CSR Committee  
(DIN 00844529)

**Annexure - 4**

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
OF ROOTS MULTICLEAN LIMITED  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

**The Members  
Roots Multiclean Limited  
R K G Industrial Estate  
Ganapathy, Coimbatore - 641 006**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Roots Multiclean Limited (CIN: U36999TZ1992PLC003662), an unlisted public limited company having its registered office at R K G Industrial Estate, Ganapathy, Coimbatore - 641 006 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. We have conducted physical and online verification & examination of records, as facilitated by the Company for the purpose of issuing this report.

Based on our verification of M/s. Roots Multiclean Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place (with respect to statutory provisions listed hereunder) to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2023, according to the following provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Since the Company being unlisted Public Company, Securities and Exchange Board of India Acts, Rules and Regulations are not applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards 1, 2, 3 & 4 issued by The Institute of Company Secretaries of India.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors and to schedule the Board Meetings, agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with laws, rules, regulations and guidelines mentioned herein above.

We, further report that during the audit period,

- (i) The Company has altered the object Clause of Memorandum of Association of the Company with the approval of Shareholders at the Annual General Meeting held on 29.09.2022.

For **G.V. and Associates**  
Company Secretaries

**G.Vasudevan**

Partner

FCS No.: 6699

C P No.: 6522

Date: 29.06.2023

Place: Coimbatore

ICSI UDIN: F006699E000521246

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### Annexure of Secretarial Audit Report

To

The Members  
Roots Multiclean Limited  
RKG Industrial Estate, Ganapathy, Coimbatore - 641 006.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For G.V. and Associates  
Company Secretaries

**G. Vasudevan**

Partner

FCS No. 6699

C P No. 6522

Place: Coimbatore

Date: 29<sup>th</sup> June 2023

**Annexure - 5**

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

Employed throughout the financial year and was in receipt of remuneration not less than Rs.102.00 lakhs per annum

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
s.no	Name	Age (Years)	Designation	Net Remuneration (Rs.)	Qualification	Total Experience	Date of Commencement of Employment	Name of Employment	% of share holding
1	Ramasamy K	75	Executive Chairman	1,48,33,469	M.(Auto) Mech. USA	55 years experience with wide expertise in the field of Automobile, Industrial cleaning machines, Foundry and various sectors	01.06.2008	Contractual	11.75%
2	Krishnakumar J	53	Whole-Time Director (Director Marketing)	1,10,12,439	MBA	31 years experience in the field of Marketing across various industries	08.03.2017	Contractual	NIL

Note:

- The remuneration details are for the financial year 2022-2023 and all other particulars are as on 31<sup>st</sup> March 2023. 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.
- Mr K. Ramasamy is related to Mr. R. Varun Karthikeyan, Vice Chairman and Managing Director, Mrs. R.K. Umaadhevi, Director as per definition of relative, as per Section 2(77) of the Companies Act, 2013.

On behalf of the Board

**K Ramasamy**

Executive Chairman

(DIN: 00034360)

Coimbatore  
29.06.2023

**Subramaniam Vasudev and Co.,**  
Chartered Accountants

SAUBHAGYA, 168, Second Agraharam  
Salem - 636 001

11, Second Street, Dr. Tirumurthi Nagar  
Nungambakkam, Chennai – 600 034

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Roots Multiclean Ltd.,**

**Report on the Audit of the  
Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of Roots Multiclean Ltd., ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, 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 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, 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 Companies Act, 2013 ("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.



Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of

### **Standalone Financial Statements**

accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

As required by the Companies (Auditor's Report) Order, 2020 ("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.

**Standalone Financial Statements**

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

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (c) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (d) On the basis of written representations received from the Directors as on 31<sup>st</sup> March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2023 from being appointed as a director in terms of Sec.164(2) of the Act.
- (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B."
- (f) With respect to the other matters to be included in the Auditor's report in accordance with the requirement of Section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - 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.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries:
  - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, with the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries:
  - (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations as

- provided under (a) and (b) above, contain any material misstatement.
- v. The dividend declared and paid by the Company during the year in respect of the previous financial year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend. The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to declaration of dividend.

- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the companies (Audit and Auditors) Rules, 2014 is not applicable.

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

**(R. Vasudev)**

Partner

Place: Chennai  
Date: 29.06.2023

Membership No. 018342  
(UDIN23018342BHACVX7607)

### **ANNEXURE - 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

**Annexure- "A" referred to in our report of even date to the members of Roots Multiclean Ltd., on the Financial statements for the year ended 31<sup>st</sup> March 2023.**

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment were physically verified by the management during the year, in accordance with an Annual Plan of the verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the Property, Plant and Equipment. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Title Deeds of all the immovable properties owned by the Company are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company
- as at March 31, 2023 for holding any Benami property under the Benami Transitions (Prohibition), Act 1988 (as amended in 2016) and rules made thereunder.
- ii) (a) The Inventories have been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and book records which were not material, have been properly dealt with in the books of accounts.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are generally in agreement with the unaudited books of account of the Company of the respective quarters and difference, if

**Standalone Financial Statements**

any is on account of explainable items and not material in nature.

iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not provided any guarantee or security or granted any secured loan or secured or unsecured advances in the nature of loans, to company, firms, limited liability partnership or any other parties during the year except to its WOS, Roots Multiclean Inc, USA.

(a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the balance outstanding at the Balance Sheet date with respect to such loans or advances and guarantees to its Wholly Owned Subsidiary (WOS) – M/s. Roots Multiclean Inc., USA is as follows:

Name of the Company	Balance outstanding as at Balance Sheet date
Roots Multiclean INC USA (Wholly Owned Subsidiary company)	Rs. 4.44 Crores – Unsecured Loans (inclusive of interest accrued)
	Guarantee provided during the FY 2022-23 – Rs.2.15 Crores Aggregate amount of Guarantee provided on 31.03.2023 - Rs. 24.65 crores

(b) The investments made, guarantees provided, security given and terms and conditions of grant of all loans and advances in the nature of the loan and guarantees provided to Roots Multiclean Inc., USA (WOS) are not prejudicial to the interest of the company.

(c) According to information and explanation given to us and based on audit procedures conducted by us, the loans and advances in the nature of loans given to the wholly owned subsidiary are not due for repayment

and the interest is payable cumulative at the time of repayment of loans.

(d) According to information and explanation given to us and based on audit procedures conducted by us in our opinion there are no overdue amounts of principal / interest as per the terms of loan agreement.

(e) According to the information and explanations given to us and on the basis of the examination of the records of the company, there is no loan or advance in the nature of loan granted falling due during the year which has been renewed or extended or fresh loan granted to settle the overdue of the existing loan given to same parties.

(f) According to the information and explanations given to us and on the basis of the examination of the records of the company, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, guarantees and security to its directors, covered under Section 185 of the Companies Act, 2013. Section 186 of the Companies Act, 2013 is not applicable to company for the year.

v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules made thereunder are not applicable.

vi) The maintenance of the Cost records has been specified by the Central Government under sub section (1) of Section 148 of the Act, in respect of the products manufactured by the Company. We have broadly reviewed the Cost records and are of the opinion that prima facie, the

**Standalone Financial Statements**

prescribed Cost records have been made and maintained. We have however, not made a detailed examination of the Cost records with a view to determine whether they are accurate or complete.

- vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of the accounts and records, the Company is regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income tax and other Statutory Dues applicable to it during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of the Statutory dues outstanding as at 31<sup>st</sup> March, 2023 for a period of more than 6 months from the date they became payable.
- (b) Details of dues of GST and Income Tax which have not been deposited as on 31<sup>st</sup> March, 2023 on account of disputes are as follows:

Particulars	Financial year to which the matter relates	Forum where Dispute is pending	Amount
Income Tax	2004-05 & 2008-09	CIT Appeal	Rs.9,72,048/-
Goods and Service Tax	2017-2018	ST Dept. – Gujarat	Rs.3,31,366/-

- (c) In our opinion and according to the information and explanations given to us there are no other dues of Income Tax, Duty of Customs and Goods and Service Tax which have not been deposited on account of any dispute.
- viii) According to the information and explanations given to us the Company has not surrendered

or disclosed any transactions, previously unrecorded in the books of account, in the Tax Assessments under the Income Tax Act 1961, as income during the year. Accordingly, reporting under clause 3(viii) of the order does not arise.

- ix) (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Accordingly, reporting under clause 3 (ix) (a) of the order does not arise.
- (b) According to the information and explanations given to us, the Company has not been declared as wilful defaulter by any Bank or Financial institutions or Government or Government Authority. Accordingly, reporting under clause 3 (ix) (b) of the order does not arise.
- (c) In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, the Company has not utilised the funds raised on short term basis for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate company. Accordingly, reporting under clause 3 (ix) (e) of the order does not arise.
- (f) According to the information and explanations given to us and on an

**Standalone Financial Statements**

overall examination of the Standalone Financial Statements of the company, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate companies. Accordingly, reporting under clause 3(ix)(f) of the order does not arise.

- x) (a) According to the information and explanations given to us, the Company has neither raised any money during the year by the way of initial public offer nor further public offer (including debt instruments). Accordingly reporting under clause 3 (x) (a) of the order does not arise.
- (b) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of Shares or Convertible Debentures during the year. Accordingly, reporting under clause 3 (x) (b) of the order does not arise.
- xi) (a) To the best of our knowledge and belief and according to information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under section 143(12) of the Companies Act, 2013 has been filed by the Auditor in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there have been no whistle blower complaints received by the Company during the year.
- xii) In our opinion and according to information and explanations given to us, the Company is not a Nidhi company as per provisions of the Companies Act, 2013. Accordingly, reporting under clause 3 (xii)(a), (b) and (c) of the order does not arise.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013. The details of such transactions have been disclosed in the financial statements etc. as required by the applicable Accounting Standards.

xiv) (a) In our opinion and based on our examination, the Company has adequate Internal Audit System commensurate with the size and nature of its business.

(b) We have considered the Internal Audit Reports of the Company issued during the year 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not entered into non-cash transactions with Directors or persons connected with its Directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, reporting under clause 3 (xv) of the order does not arise.

xvi) (a) In our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence reporting under clause 3 (xvi) (a) (b) and (c) of the order not applicable.

(b) In our opinion there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi) (d) of the order is not applicable.

xvii) The Company has not incurred cash loss during the current year covered by the audit and in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year.



**Standalone Financial Statements**

Accordingly, reporting under clause 3 (xviii) of the order does not arise.

- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities and other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We however, state that this is not an assurance as to the future viability of the Company. We further state that

our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall dues.

- xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub Section (v) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clause 3 (xx) (a) and (b) of the orders are not applicable.

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

**(R. Vasudev)**  
Partner

Place: Chennai

Date: 29.06.2023

Membership No. 018342  
(UDIN: 23018342BHACVX7607)

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ROOTS MULTICLEAN LTD.,**

**Report on the Internal Financial Controls under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Roots Multiclean Ltd., (“the Company”) as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Institute of Chartered Accountants of India. Those Standards

**Standalone Financial Statements**

and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, internal financial controls with reference to financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**(R. Vasudev)**  
Partner

Place: Chennai  
Date: 29.06.2023

Membership No. 018342  
(UDIN: 23018342BHACVX7607)

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2023**

		(Rs. in Lakhs)	
Particulars	Note	31.03.2023	31.03.2022
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	200.00	200.00
Reserves and Surplus	2	23,327.78	19,845.58
		<u>23,527.78</u>	<u>20,045.58</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	3	329.28	916.82
Deferred tax liabilities (Net)	4	432.56	355.27
		<u>761.84</u>	<u>1,272.09</u>
<b>Current Liabilities</b>			
Short-term borrowings	5	2,848.06	2,184.37
Trade payables	6		
(a) Outstanding dues of Micro and Small Enterprises		649.68	1,013.77
(b) Outstanding dues of Creditors other than Micro and Small Enterprises		1,845.71	2,689.11
Other current liabilities	7	1,648.29	1,352.73
Short-term provisions	8	2,880.03	2,107.30
		<u>9,871.77</u>	<u>9,347.28</u>
<b>TOTAL</b>		<u>34,161.39</u>	<u>30,664.95</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment and Intangible Assets	9		
(i) Property, plant and equipment	9A	10,563.56	10,017.32
(ii) Intangible Assets	9B	123.87	176.82
(iii) Capital work-in-progress	9C	376.94	617.01
Non-current investments	10	4,862.36	1,862.36
Long term loans and advances	11	461.11	398.98
Other Non-Current Assets	12	25.72	22.28
		<u>16,413.56</u>	<u>13,094.77</u>
<b>Current Assets</b>			
Inventories	13	8,940.79	7,662.99
Trade receivables	14	6,965.99	6,863.87
Cash and Cash Equivalents	15	230.39	1,265.75
Short-term loans and advances	16	1,558.53	1,720.55
Other current assets	17	52.13	57.02
		<u>17,747.83</u>	<u>17,570.18</u>
<b>TOTAL</b>		<u>34,161.39</u>	<u>30,664.95</u>

Significant Accounting Policies and Notes on Financial Statements 1 to 39

As per our report of even date

For Subramaniam Vasudev and Co.,

Chartered Accountants

Firm No.0041105

**R. Vasudev**

Partner

Membership No. 018342

Chennai

29.06.2023

**K.Ravi**

Director

(DIN 01590268)

Coimbatore

29.06.2023

**K.Ramasamy**

Executive Chairman

(DIN 00034360)

**R.Varun Karthikeyan**

Vice Chairman &amp; Managing Director

(DIN 00585158)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

(Rs. in Lakhs)

Particulars	Note	31.03.2023	31.03.2022
<b>INCOME</b>			
Revenue from operations	18	<b>32,823.49</b>	26,330.65
Other Income	19	<b>133.88</b>	105.62
<b>Total Income</b>		<b>32,957.37</b>	26,436.27
<b>EXPENDITURE</b>			
Cost of Materials Consumed	20	<b>12,333.90</b>	9,791.94
Purchase of Stock-in-Trade		<b>2,885.67</b>	2,954.97
Changes in Inventories of Finished goods, Work in Progress and Stock-in-Trade	21	<b>(292.75)</b>	(334.44)
Employee Benefits Expense	22	<b>6,382.95</b>	4,891.15
Other expenses	23	<b>5,418.19</b>	4,577.31
<b>Total Expenses</b>		<b>26,727.96</b>	21,880.93
<b>Earnings before interest, tax, depreciation and amortisations (EBITDA)</b>		<b>6,229.41</b>	4,555.34
Depreciation and Amortisation Expense	24	<b>863.16</b>	822.70
Finance costs	25	<b>421.76</b>	255.33
<b>Profit before Tax</b>		<b>4,944.49</b>	3,477.31
<b>Tax expenses</b>			
Current tax		<b>1,325.00</b>	930.00
Deferred tax	4	<b>77.29</b>	55.49
<b>Profit for the year</b>		<b>3,542.20</b>	2,491.82
<b>Earning per equity share (Face Value of Share Rs.10/- each)</b>	26		
Basic - Value in Rs.		<b>177.11</b>	124.59
Diluted - Value in Rs.		<b>177.11</b>	124.59

Significant Accounting Policies and Notes on Financial Statements 1 to 39

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

**R. Vasudev**  
Partner  
Membership No. 018342  
Chennai  
29.06.2023

**K. Ravi**  
Director  
(DIN 01590268)  
Coimbatore  
29.06.2023

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

**R. Varun Karthikeyan**  
Vice Chairman & Managing Director  
(DIN 00585158)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

		(Rs. in Lakhs)	
Particulars		2022-23	2021-22
<b>Net Profit before Tax and Extra ordinary items</b>		<b>4,944.49</b>	3,477.31
<b>Adjustments for</b>			
Depreciation		863.16	822.70
Finance Costs		421.76	255.33
Interest received on Fixed Deposits		(16.66)	(36.68)
Interest Income from Roots Multiclean Inc., USA (WOS)		(31.55)	(29.10)
Dividend Income		(5.73)	(1.73)
(Profit)/ Loss on Sale of Assets		(2.63)	(14.86)
Agricultural Income (Net)		5.84	3.00
		<b>6,178.68</b>	4,475.97
<b>Add : Adjustment for</b>			
Increase/(Decrease) in Trade Payables		(1,207.50)	1,113.17
Increase/(Decrease) in Short Term Provisions		772.73	(118.57)
Increase/(Decrease) in Other Current Liabilities		295.57	143.08
(Increase)/ Decrease in Inventories		(1,277.81)	(2,394.12)
(Increase)/ Decrease in Other Current Assets		4.89	(23.31)
(Increase)/ Decrease in Receivables		(102.12)	1,644.67
(Increase)/ Decrease in Short-Term Loans and Advances		225.64	(375.28)
<b>Cash generated from operations</b>		<b>4,890.08</b>	4,465.61
Income Tax		(1,325.00)	(930.00)
<b>I. Net Cash from operating activities</b>	<b>(A)</b>	<b>3,565.08</b>	3,535.61
<b>II. Cash flow from (used in) Investing activities</b>			
Capital expenditure including capital advance		(1,121.00)	(1,264.35)
(Increase)/ Decrease in Long Term Advance - Deposit		(62.14)	(10.47)
(Increase)/ Decrease Other Non-Current Assets		(3.44)	18.90
Proceeds from Sale of assets		7.25	35.89
Interest received on Fixed Deposits		16.66	36.68
Investment in Roots Multiclean Inc, USA(WOS)		-	(376.95)
Investment in Roots Industries India Private Ltd		(3,000.00)	-
Interest accrued on Loan - Roots Multiclean Inc.,USA -(WOS)		(63.62)	(42.66)
Interest from Roots Multiclean Inc,USA -(WOS)		31.55	29.10
Dividend Income		5.73	1.73
Agricultural Income (Net)		(5.84)	(3.00)
	<b>(B)</b>	<b>(4,194.85)</b>	(1,575.13)
<b>III. Cash flow from financing activities:</b>			
Increase/(Decrease) in Current and Non-Current Borrowings		76.17	(1,153.40)
Finance Costs		(421.76)	(255.33)
Dividend Paid		(60.00)	(60.00)
<b>Net Cash Generated from financing activities</b>	<b>(C)</b>	<b>(405.59)</b>	(1,468.73)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A + B + C)</b>	<b>(1,035.36)</b>	491.75
Cash and Cash equivalents at the beginning of the period		1,265.75	774.00
<b>Cash and Cash equivalents at the end of the period</b>		<b>230.39</b>	1,265.75

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

**R. Vasudev**  
 Partner  
 Membership No. 018342  
 Chennai  
 29.06.2023

**K.Ravi**  
 Director  
 (DIN 01590268)  
 Coimbatore  
 29.06.2023

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

**R.Varun Karthikeyan**  
 Vice Chairman & Managing Director  
 (DIN 00585158)

## SIGNIFICANT ACCOUNTING POLICIES

### a. Property, Plant and Equipment & Intangible Assets

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

### b. Valuation of Inventories

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

### c. Depreciation and Amortisation

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 is considered less compared to the life prescribed under part C of the Schedule II of the Companies Act, 2013 and depreciated accordingly.

Leased equipment - 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; Computer Software - over a period of 6 years.

### d. Revenue Recognition

- i) Revenue has been accounted on accrual basis.
- ii) Export Incentive under various schemes are recognised as income on certainty of realisation.
- iii) Dividend is recognised in Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company and the amount of the dividend can be measured reliably.

### e. Investment

Investment has been shown at cost.

### f. R & D Expenses

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

### g. Foreign Currency Transaction

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

### h. Employee benefits

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

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

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
<b>1. SHARE CAPITAL</b>		
Authorised Share Capital (20,00,000 Equity Shares of Rs.10/- each)	<b>200.00</b>	200.00
Issued, Subscribed & Fully Paid up Capital		
20,00,000 Equity Shares of Rs.10/- each fully paid up	<b>200.00</b>	200.00
<b>1.1 Reconciliation of the Number of shares</b>	<b>Nos.</b>	<b>Nos.</b>
Equity shares at the beginning of the year outstanding	<b>20,00,000</b>	20,00,000
Add : Issued during the Year	<b>-</b>	-
	<b>20,00,000</b>	20,00,000
Less : Buy back during the year	<b>-</b>	-
Equity Shares at the end of the year	<b>20,00,000</b>	20,00,000

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

**1.3** There are no bonus shares issued / shares bought back during the year 2022-23.

**1.4** There are no shares reserved for issue under options and contracts/commitments for the sale of shares / disinvestment as on 31<sup>st</sup> Mar 2023.

**1.5 (a) Details of shareholders holding more than 5% shares**

S.No.	Name of the Shareholder	2022-23		2021-22		% Change during the year
		% of holding	No. of shares	% of holding	No. of shares	
1	M/s Hako, GMBH	<b>26.00</b>	<b>5,20,000</b>	26.00	5,20,000	-
2	M/s Roots Industries India Private Ltd (Formerly known as Roots Industries India Ltd.)	<b>18.00</b>	<b>3,60,000</b>	18.00	3,60,000	-
3	Mr R.Varun Karthikeyan	<b>17.91</b>	<b>3,58,260</b>	17.90	3,57,960	0.08%
4	Mr K.Ramasamy	<b>11.75</b>	<b>2,34,900</b>	11.75	2,34,900	-
5	M/s Roots Auto Products Pvt. Ltd.,	<b>7.50</b>	<b>1,50,000</b>	7.50	1,50,000	-
6	Mrs R. Yoganayaki	<b>5.02</b>	<b>1,00,400</b>	5.02	1,00,400	-
<b>Total</b>			<b>17,23,560</b>		17,23,260	

**(b) Promoters Share Holding**

S.No.	Promoter Name	As at				% change during the year
		31 March 2023		31 March 2022		
		% of holding	No. of shares	% of holding	No. of shares	
1	Mr K. Ramasamy	11.75	2,34,900	11.75	2,34,900	–
2	Mr R. Varun Karthikeyan	17.91	3,58,260	17.90	3,57,960	0.08%
Total		29.66	5,93,160	29.65	5,92,860	



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
-------------	------------	------------

**2. RESERVES AND SURPLUS**
**(a) General Reserve**

Opening Balance	17,022.91	15,022.91
Add : Transfer from Statement of Profit and Loss	2,500.00	2,000.00
	19,522.91	17,022.91

**(b) Surplus in Statement of Profit and Loss**

Opening Balance	2,822.67	2,390.85
Add : Profit for the year	3,542.20	2,491.82
Less : Appropriations:		
Equity dividend Paid*	(60.00)	(60.00)
Transferred to General Reserve	(2,500.00)	(2,000.00)
Net Balance	3,804.87	2,822.67
<b>Total</b>	<b>23,327.78</b>	<b>19,845.58</b>

\*(Refer Note No.38)

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

Term Loans from Bank	329.28	916.82
<b>Total</b>	<b>329.28</b>	<b>916.82</b>

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

S.No.	Particulars	Limit Sanctioned	Type of Security	Terms of Repayment	Amount Outstanding beyond One year as at	
					31.03.2023	31.03.2022
	From Banks:-					
1.	HSBC	2,500.00	First Exclusive charge on the Fixed Assets funded out of the Term Loan	Quarterly	312.50	856.25
2.	HDFC - Car Loan	161.00	Secured against first charge on Car Purchased out of the Auto Loan	Monthly	16.78	39.12
3.	Kotak Mahindra Prime Ltd - Car Loan	101.00			–	21.45
	<b>Total</b>	2,762.00			<b>329.28</b>	<b>916.82</b>

**Maturity Profile of Secured Term Loans**

S.No.	Particulars	1-2 Years	2-3 Years	3-4 Years	Beyond 4 years	Total
1.	HSBC	300.00	12.50	–	–	312.50
2.	HDFC - Car Loan	16.78	–	–	–	16.78
	<b>Total</b>	316.78	12.50	–	–	<b>329.28</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

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

Particulars	Opening Balance 01.04.2022	Added During the year	Reversed during the year	Closing Balance 31.03.2023
<b>(a) Deferred Tax Assets</b>				
Depreciation - Excess claimed in the Books	–	–	–	–
Other Expenses - Disallowance under tax laws	–	–	–	–
<b>Total</b>	–	–	–	–
<b>(b) Deferred Tax Liability</b>				
Depreciation - Excess claimed in the IT - A	1,411.58	340.41	–	<b>1,751.99</b>
Other Expenses - Deferred Revenue - B	–	(33.32)	–	<b>(33.32)</b>
<b>TOTAL - ( A + B )</b>	1,411.58	307.09	–	<b>1,718.67</b>
Net Deferred Tax Liability	355.27	–	–	<b>432.56</b>
Less: Opening Deferred Tax Liability	299.78	–	–	<b>355.27</b>
Net Deferred Tax Debited/(Credited) to Statement of P & L	–	<b>77.29</b>	–	–
<b>Particulars</b>			<b>31.03.2023</b>	31.03.2022

**5 SHORT TERM BORROWINGS**
**SECURED**

(a) Working Capital Loans - from Banks	<b>2,260.33</b>	1,501.53
(b) Current maturities of Long term Borrowings - from Banks	<b>587.73</b>	682.84
<b>Total</b>	<b>2,848.06</b>	2,184.37

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

S.No	Particulars	Limit Sanctioned	Type of Security	31.03.2023	31.03.2022
1	From Banks:- Indian Overseas Bank - Cash Credit	900.00	Secured against First Paripassu charge on Current Assets and Fixed Assets excluding Fixed Assets charged to Term Lenders of the Company	<b>6.51</b>	295.79
2	State Bank of India - Cash Credit - Working Capital Demand Loan	500.00		<b>22.52</b> –	125.00 –
3	Citi Bank - Cash Credit - Packing Credit - Working Capital Demand Loan	2,200.00		– <b>1,200.00</b> –	9.56 508.25 –
4	HSBC - Cash Credit - Packing Credit	1,100.00		<b>13.44</b> <b>1,000.00</b>	62.93 500.00
5	HDFC - Cash Credit	300.00		–	–
6	ICICI Bank - Cash Credit	500.00		<b>17.86</b>	–
	<b>Total</b>	5,500.00		<b>2,260.33</b>	1,501.53

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
<b>(b) Current Maturities of Long term Borrowings</b>		
1. HSBC Bank	543.75	625.00
2. HSBC - Interest accrued but not Due	0.20	0.51
3. HDFC Bank	22.34	22.55
4. Kotak Mahindra	21.45	34.78
<b>Total</b>	<b>587.74</b>	<b>682.84</b>

**6. TRADE PAYABLES**

1. Total outstanding Dues of Micro and Small Enterprises (Refer Note below)	649.68	1,013.77
2. Total outstanding Dues Other than Micro & Small Enterprises	1,845.71	2,689.11
<b>Total</b>	<b>2,495.39</b>	<b>3,702.88</b>

**6.1 Dues to 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	31.03.2023	31.03.2022
a. The principal amount remaining unpaid to any supplier at the end of the year	649.68	1,013.77
b. Interest due remaining unpaid to any supplier at the end of the year	NIL	NIL
c. The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	NIL	NIL
d. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	NIL	NIL
e. The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
f. The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED Act, 2006	NIL	NIL
Disclosure of payable to vendors as defined under the "Micro, Small and Medium 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.		

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

**6.2 Trade Payables ageing schedule**

Particulars	Outstanding for following periods from due date of payment -2022-23				
	# Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	649.68	—	—	—	649.68
II. Others	1,845.71	—	—	—	1,845.71
iii. Disputed dues - MSME	—	—	—	—	—
iv. Disputed dues - Others	—	—	—	—	—
<b>Total</b>	2,495.39	—	—	—	2,495.39
Particulars	Outstanding for following periods from due date of payment 2021-22				
	# Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	1,013.77	—	—	—	1,013.77
II. Others	2,689.11	—	—	—	2,689.11
iii. Disputed dues - MSME	—	—	—	—	—
iv. Disputed dues - Others	—	—	—	—	—
<b>Total</b>	3,702.88	—	—	—	3,702.88

# Amount not due is included in 'less than one year' - heading

Particulars	31.03.2023	31.03.2022
-------------	------------	------------

**7. OTHER CURRENT LIABILITIES**

1. Unclaimed dividend	3.39	3.55
2. Creditors for Capital Expenditure	174.54	104.45
3. GST Payable	603.33	597.39
4. TDS payable	66.31	69.29
5. Advance from Customers and Others	800.72	578.05
<b>Total</b>	<b>1,648.29</b>	<b>1,352.73</b>

**8. SHORT TERM PROVISIONS**

1. Provision for Salaries,Wages,Bonus & Other Employee benefits	1,828.94	1,251.48
2. Income Tax Provisions (Net)	662.19	433.27
3. Provision for Warranties	130.77	87.57
4. Provision for Expenses	258.13	334.98
<b>Total</b>	<b>2,880.03</b>	<b>2,107.30</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

**9. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

Particulars	Gross Block			Depreciation / Amortisation			Net Block	
	As on 31.03.2022	Additions / (Deletions)	As on 31.03.2023	Upto 31.03.2022	For the year/ (Withdrawal)	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
<b>A. PROPERTY, PLANT AND EQUIPMENT</b>								
Land	1,086.21	–	<b>1,086.21</b>	–	–	–	<b>1,086.21</b>	1,086.21
Building	5,916.06	725.15	<b>6,641.21</b>	708.81	189.03	<b>897.84</b>	<b>5,743.37</b>	5,207.25
Plant & Machinery	2,636.60	54.17	<b>2,690.77</b>	1,042.92	158.66	<b>1,201.58</b>	<b>1,489.19</b>	1,593.68
Leased Equipment	119.46	–	–	113.49	–	–	–	5.97
		(119.46)			(113.49)			
Wind Mill	726.53	–	<b>726.53</b>	621.04	10.03	<b>631.07</b>	<b>95.46</b>	105.49
Tools, Dies & Moulds	2,525.36	87.93	<b>2,613.29</b>	1,953.21	157.47	<b>2,110.68</b>	<b>502.61</b>	572.15
Electrical Equipment	477.20	47.77	<b>524.71</b>	202.23	42.22	<b>244.21</b>	<b>280.50</b>	274.97
		(0.26)			(0.24)			
Measuring Instruments Fixtures etc.,	79.09	–	<b>79.09</b>	54.51	4.47	<b>58.98</b>	<b>20.11</b>	24.58
Storage Racks	350.10	123.90	<b>465.57</b>	170.50	27.49	<b>189.97</b>	<b>275.60</b>	179.60
		(8.43)			(8.02)			
Vehicles	1,254.04	178.14	<b>1,420.73</b>	585.50	135.52	<b>711.47</b>	<b>709.26</b>	668.54
		(11.45)			(9.55)			
Furniture & Fittings	272.19	37.90	<b>310.09</b>	176.95	18.68	<b>195.63</b>	<b>114.46</b>	95.24
Office & Misc. Equipment	279.53	39.78	<b>314.42</b>	150.63	22.10	<b>168.09</b>	<b>146.33</b>	128.90
		(4.89)			(4.64)			
Computer	601.50	58.11	<b>659.61</b>	526.76	32.39	<b>559.15</b>	<b>100.46</b>	74.74
<b>TOTAL - A</b>	<b>16,323.87</b>	<b>1,352.85</b>	<b>17,532.23</b>	<b>6,306.55</b>	<b>798.06</b>	<b>6,968.67</b>	<b>10,563.56</b>	<b>10,017.32</b>
		(144.49)			(135.94)			
<b>B. INTANGIBLE ASSETS</b>								
Computer Software	369.97	14.19	<b>381.16</b>	211.10	47.16	<b>257.30</b>	<b>123.86</b>	158.87
		(3.00)			(0.96)			
Technical Know-How	569.60	–	<b>569.60</b>	551.65	17.94	<b>569.59</b>	<b>0.01</b>	17.95
<b>TOTAL - B</b>	<b>939.57</b>	<b>14.19</b>	<b>950.76</b>	<b>762.75</b>	<b>65.10</b>	<b>826.89</b>	<b>123.87</b>	<b>176.82</b>
		(3.00)			(0.96)			
<b>GRAND TOTAL (A + B)</b>	<b>17,263.44</b>	<b>1,367.04</b>	<b>18,482.99</b>	<b>7,069.30</b>	<b>863.16</b>	<b>7,795.56</b>	<b>10,687.43</b>	<b>10,194.14</b>
		(147.49)			(136.90)			
<b>C. CAPITAL WORK IN PROGRESS</b>								
	617.01	(240.07)	<b>376.94</b>	–	–	–	<b>376.94</b>	617.01

**D. i) CWIP Ageing Schedule**

CWIP	CWIP - 2022-23				
	< 1 year	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress (Building under Constructions)	251.97	–	–	–	251.97
Projects in progress (Plant & Machinery - Sewage Plant)	49.99	–	–	–	49.99
Projects in progress (Vehicles)	25.22	–	–	–	25.22
Projects in progress (Computer-Blr Hub)	16.09	–	–	–	16.09
Projects in progress (Genset -Blr Hub)	4.07	–	–	–	4.07
Projects in progress (Office Equipment-Blr Hub)	22.61	–	–	–	22.61
Projects in progress (Storage Racks-Blr Hub)	6.99	–	–	–	6.99
Projects temporarily suspended	–	–	–	–	–
<b>Total</b>	<b>376.94</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>376.94</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

CWIP	CWIP - 2021-22				
	< 1 year	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress (Building under Constructions)	595.35	–	–	–	595.35
Projects in progress (Machineries Assembly line)	9.29	–	–	–	9.29
Projects in progress (Tools & Dies)	12.37	–	–	–	12.37
Projects temporarily suspended	–	–	–	–	–
<b>Total</b>	<b>617.01</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>617.01</b>

**ii) CWIP Ageing Schedule whose completion is overdue or has exceeded its cost compared to the original plan**

CWIP	To be completed in			
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years
Project 1	Nil			
Project 2				

E. The Company has not revalued any of its Property, Plant and Equipment &amp; Intangible Assets during the year.

F. There is no intangible asset under development during the year.

**10. NON-CURRENT INVESTMENTS**
**Unquoted Investments (valued at cost)**

In equity shares of companies unquoted, fully paid-up

No. of Shares	Particulars	31.03.2023	31.03.2022
173,000	Equity shares of Rs. 10 each fully paid-up in Roots Precision Products Pvt. Ltd.,	<b>17.30</b>	17.30
134,127	Equity shares of Rs. 10 each fully paid-up in Roots Cast Pvt. Ltd	<b>60.36</b>	60.36
26,000	Equity shares of USD 100 each fully paid-up in Roots Multiclean Inc., USA (Wholly Owned Subsidiary)	<b>1,784.70</b>	1,784.70
133,330	Equity shares of Rs. 10 each fully paid-up in Roots Industries India Private Ltd (Formerly known as Roots Industries India Ltd)	<b>3,000.00</b>	–
<b>Total</b>		<b>4,862.36</b>	1,862.36
<b>Aggregate amount of unquoted Investments</b>		<b>4,862.36</b>	1,862.36

**11. LONG TERM LOANS & ADVANCES**

(Unsecured Considered Good)

1. Capital Advances	<b>16.93</b>	18.42
2. Loan to Roots Multiclean Inc, USA - (Wholly Owned Subsidiary) #	<b>444.18</b>	380.56
<b>Total</b>	<b>461.11</b>	398.98

# Disclosure as per Section 186: Loan given to WOS to meet their working capital requirements. The Loan carries interest rate of 11% p.a for USD 1,65,000 and 9.00% for USD 2,25,000 (Previous Year - The Loan carries interest rate of 11% p.a. for USD 1,65,000 and 9.00% for USD 2,25,000). Interest is accrued every year but due for payment at the time of repayment of the loan.

Type of Borrower	Amount of Loan or advance in the nature of Loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	2022-23	2021-22	2022-23	2021-22
<b>Related Parties</b>				
Loan to Roots Multiclean Inc., USA - (Wholly Owned Subsidiary)	<b>444.18</b>	380.56	<b>96.33%</b>	95.38%

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
<b>12. OTHER NON-CURRENT ASSETS</b>		
Deposits - EB, Sales Tax and Telephone	25.72	22.28
<b>Total</b>	<b>25.72</b>	<b>22.28</b>
<b>13. INVENTORIES</b>		
(As certified by the Management)		
1. Raw materials, Boughtout & Components	5,755.60	4,899.08
2. Goods in transit-Raw Materials	140.57	13.89
3. Work in Progress	717.63	539.37
4. Finished Goods	1,436.26	812.83
5. Stock-in-Trade	802.86	1,311.80
6. Packing Materials	54.75	55.53
7. Consumables and Stores	33.12	30.49
<b>Total</b>	<b>8,940.79</b>	<b>7,662.99</b>

**Valuation of Inventory:**

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

**14. TRADE RECEIVABLES (Unsecured)**

Trade Receivable - Considered Good	6,965.99	6,863.87
- Considered Doubtful	276.21	230.38
	<b>7,242.20</b>	<b>7,094.25</b>
Less: Provision for Doubtful Debts	(276.21)	(230.38)
<b>Total</b>	<b>6,965.99</b>	<b>6,863.87</b>

\*Trade Receivables include Due from following Group Concerns in which the Directors are interested.

1. Roots Precisions Products Pvt. Ltd.,	4.91	0.86
2. Roots Auto Products Pvt. Ltd.,	-	12.42
3. Hako Group of Companies	234.07	268.40
4. Roots Multiclean Inc., USA (WOS)	231.76	36.92
5. Satchidananda Jothi Nikethan	0.15	-

S.No.	Particulars	Trade Receivables ageing Schedule - 2022-23					Total
		# Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed:</b>							
i. Considered Good		6,435.65	76.81	188.77	50.46	83.29	<b>6,834.98</b>
ii. Considered Doubtful		-	-	-	-	185.25	<b>185.25</b>
<b>Disputed:</b>							
iii. Considered Good		-	-	-	34.51	96.50	<b>131.01</b>
iv. Considered Doubtful		-	-	-	-	90.96	<b>90.96</b>
<b>Total</b>		<b>6,435.65</b>	<b>76.81</b>	<b>188.77</b>	<b>84.97</b>	<b>456.00</b>	<b>7,242.20</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

Trade Receivables ageing Schedule - 2021-22							
S.No.	Particulars	# Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed:							
i.	Considered Good	5,741.91	557.01	250.24	67.15	44.16	6,660.47
ii.	Considered Doubtful	–	–	–	–	139.42	139.42
Disputed:							
iii.	Considered Good	–	–	1.03	99.72	102.65	203.40
iv.	Considered Doubtful	–	–			90.96	90.96
Total		5,741.91	557.01	251.27	166.87	377.19	7,094.25

# Amount not due is included in 'less than six months' - heading

Particulars	31.03.2023	31.03.2022
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**15. CASH AND BANK BALANCES**

1. Cash on hand	<b>6.53</b>	7.18
2. Balance with Banks*	<b>49.20</b>	35.56
3. Deposit with Banks - Fixed Deposits	–	1,029.35
- Held as Margin Money against Bank Guarantees	<b>174.66</b>	193.66
<b>Total</b>	<b>230.39</b>	1,265.75
* Balance with banks includes unpaid dividend account	<b>3.39</b>	3.55

**16. SHORT TERM LOANS AND ADVANCES**

(Unsecured considered good)

1. Prepaid Expenses	<b>78.46</b>	80.33
2. GST Advances & TDS Receivables	<b>1,081.68</b>	1,219.06
3. Advances to Suppliers	<b>398.39</b>	421.16
<b>Total</b>	<b>1,558.53</b>	1,720.55

**17. OTHER CURRENT ASSETS**

(Unsecured considered good)

1. Interest Receivables	<b>33.08</b>	9.86
2. Export Incentive Receivables including MEIS & RoDTEP Scrips in hand	<b>16.56</b>	44.67
3. Export IGST Rebate Receivable	<b>2.49</b>	2.49
<b>Total</b>	<b>52.13</b>	57.02

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
<b>18. REVENUE FROM OPERATIONS</b>		
<b>Revenue from Manufactured Products</b>		
Domestic	17,539.37	13,898.89
Export	7,618.76	6,491.67
	<b>25,158.13</b>	20,390.56
<b>Revenue from Traded products</b>		
Domestic	5,778.09	4,459.30
Export	519.48	336.04
	<b>6,297.57</b>	4,795.34
<b>Revenue from sale of services</b>		
Annual Maintenance Charges	679.70	530.81
Service Charges Received	152.01	118.14
Operation & Maintenance Charges	180.22	135.92
Commission Received	7.42	46.58
	<b>1,019.35</b>	831.45
<b>Other Operating Revenues</b>		
Export Incentive	269.76	237.07
Wind Mill Income	78.68	76.23
<b>Total</b>	<b>32,823.49</b>	26,330.65
<b>19. OTHER INCOME (Non Operating Revenues)</b>		
Interest Income	16.66	36.68
Interest from Roots Multiclean Inc., USA (WOS)	31.55	29.10
Foreign exchange gain	47.04	13.00
Profit on Sale of Fixed Assets	2.87	16.45
Dividend Income	5.73	1.73
Agriculture Income	5.35	4.52
Rent Received	3.97	4.14
Other Income	20.71	–
<b>Total</b>	<b>133.88</b>	105.62

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
<b>20. COST OF MATERIALS CONSUMED</b>		
1. Consumption of Raw materials, Boughtout & Components	<b>11,961.83</b>	9,471.77
2. Consumption of Packing Materials	<b>372.07</b>	320.17
<b>Total</b>	<b>12,333.90</b>	9,791.94
<b>1. Consumption of Raw materials, Boughtout &amp; Components</b>		
Opening Stock of Raw materials, Boughtout & Components	<b>4,943.46</b>	2,900.65
Add: Purchases during the year	<b>12,947.66</b>	11,514.58
	<b>17,891.12</b>	14,415.23
Less: Closing Stock of Raw materials, Boughtout & Components	<b>5,929.29</b>	4,943.46
<b>Total</b>	<b>11,961.83</b>	9,471.77
<b>2. Consumption of Packing Materials</b>		
Opening stock of Packing Materials	<b>55.53</b>	38.65
Add: Purchases during the year	<b>371.29</b>	337.05
	<b>426.82</b>	375.70
Less: Closing stock of Packing Materials	<b>54.75</b>	55.53
<b>Total</b>	<b>372.07</b>	320.17
<b>21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
1. Finished goods	<b>(623.43)</b>	(86.66)
2. Work-in-progress	<b>(178.26)</b>	120.58
3. Stock-in-Trade	<b>508.94</b>	(368.36)
<b>Total</b>	<b>(292.75)</b>	(334.44)
<b>1. Changes in inventories of finished goods</b>		
Opening stock of finished goods	<b>812.83</b>	726.17
Less: Closing stock of finished goods	<b>1,436.26</b>	812.83
<b>Total</b>	<b>(623.43)</b>	(86.66)
<b>2. Changes in inventories of work-in-progress</b>		
Opening stock of work-in-progress	<b>539.37</b>	659.95
Less: Closing stock of work-in-progress	<b>717.63</b>	539.37
<b>Total</b>	<b>(178.26)</b>	120.58
<b>3. Changes in inventories of Stock-in-Trade</b>		
Opening stock-in-Trade	<b>1,311.80</b>	943.44
Less: Closing Stock-in-Trade	<b>802.86</b>	1,311.80
<b>Total</b>	<b>508.94</b>	(368.36)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
<b>22. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	5,269.29	4,176.07
Contribution to Provident Fund, Gratuity and other funds	450.19	343.52
Employee Welfare expenses	243.30	153.60
Voluntary Retirement Benefit	41.65	—
Directors' Remuneration	378.52	217.96
<b>Total</b>	<b>6,382.95</b>	<b>4,891.15</b>
<b>Gratuity:</b>		
<b>Defined Benefit Plan - As on 31<sup>st</sup> March, 2023</b>		
<b>I. Change in obligation during the year ended as at 31<sup>st</sup> March 2023</b>		
1. Present Value of Obligation as at beginning of the year	820.01	758.21
2. Interest cost	58.57	50.14
3. Current Service cost	257.52	96.95
4. Benefit payment	(63.41)	(48.50)
5. Actuarial (gain)/loss	(128.28)	(36.79)
6. Present value of Defined benefit Obligation at the end of the year	944.41	820.01
<b>II. Change in the fair value of plan assets as at 31<sup>st</sup> March 2023</b>		
1. Fair Value of Plan Assets at beginning of the year	758.19	710.62
2. Expected return on plan assets	61.70	51.79
3. Contributions	85.18	44.28
4. Benefits paid	(63.41)	(48.50)
5. Actuarial (gain)/loss on plan assets	57.29	—
6. Fair value of plan assets at the end of year	898.95	758.19
<b>III. Actuarial Gain/ Loss recognised as at 31<sup>st</sup> March 2023</b>		
1. Actuarial (gain)/loss on obligations	128.28	36.79
2. Actuarial (gain)/loss for the year - Plan assets	NIL	NIL
3. Actuarial (gain)/loss on obligations	(128.28)	(36.79)
4. Actuarial (gain)/loss recognised in the year	(128.28)	(36.79)
<b>IV. Net Asset/(Liability) recognised in the Balance sheet as at 31<sup>st</sup> March 2023</b>		
1. Present Value of Defined Benefit Obligation as at March 31, 2023	944.41	820.01
2. Fair value of plan assets as at March 31, 2023	898.95	758.19
3. Funded status	(45.46)	(61.82)
4. Net Asset/(Liability) as at March 31, 2023	(45.46)	(61.82)
<b>V. Expenses recognised in the Statement of Profit &amp; Loss for the year ended 31<sup>st</sup> March 2023</b>		
1. Current Service cost	257.52	96.95
2. Interest cost	58.57	50.14
3. Expected return on plan assets	(61.70)	(51.79)
4. Net actuarial (gain)/loss recognised in the year	(128.28)	(36.79)
5. Expenses recognised in Statement of Profit and Loss	126.11	58.51

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

<b>Particulars</b>	<b>31.03.2023</b>	<b>31.03.2022</b>	
<b>23. OTHER EXPENSES</b>			
<b>Manufacturing Expenses</b>			
Consumption of stores	<b>366.61</b>	286.07	
Power and fuel	<b>157.79</b>	127.81	
Operation & Maintenance Expenses	<b>160.29</b>	114.26	
Labour, Conversion and Testing Charges	<b>56.51</b>	56.44	
Carriage Inwards	<b>96.42</b>	80.30	
Repairs & Maintenance			
Building	<b>120.29</b>	70.87	
Machinery	<b>136.00</b>	78.06	
Computer / Software	<b>168.95</b>	95.42	
Electrical	<b>59.59</b>	44.15	
Office	<b>64.76</b>	35.85	
Factory	<b>36.61</b>	10.22	
Tool	<b>68.47</b>	40.05	
	<b>1,492.29</b>		1,039.50
<b>Selling and Distribution Expenses</b>			
Advertisement	<b>3.82</b>	7.43	
Freight outward	<b>688.88</b>	518.20	
ECGC Premium	<b>0.85</b>	4.21	
Sales Promotion / Demo Expenses	<b>167.41</b>	93.50	
Discounts	<b>125.20</b>	161.73	
Dealer Commission	<b>—</b>	99.06	
Travelling & Conveyance	<b>873.76</b>	555.57	
Royalty	<b>353.38</b>	271.06	
Provision for Doubtful Debts	<b>45.82</b>	—	
Warranty Claims & Allowances	<b>112.60</b>	160.90	
	<b>2,371.72</b>		1,871.66
<b>Establishment Expenses</b>			
Rent	<b>256.76</b>	237.51	
Insurance	<b>98.00</b>	113.96	
Rates and Taxes	<b>140.46</b>	272.38	
Payment to Statutory Auditor (Refer Note No.32)	<b>7.50</b>	7.00	
Postage, Courier & Telephone	<b>72.88</b>	64.87	
Electricity charges	<b>27.73</b>	14.38	
Directors Sitting Fees	<b>1.60</b>	1.90	
Vehicle Maintenance expenses	<b>102.81</b>	80.70	
Printing & Stationery	<b>47.27</b>	46.78	
Books & Periodicals	<b>0.74</b>	0.97	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Legal & Professional Charges	139.24	103.67
Donation	8.76	127.86
CSR Expenditure	70.80	68.42
Subscription & Membership	58.98	9.26
Loss on sale of assets	0.24	1.59
Loss on Foreign Exchange	—	71.04
Agricultural Expenses	11.19	7.52
R & D Expenses	509.22	436.34
<b>Total</b>	<b>1,554.18</b>	<b>1,666.15</b>
<b>24. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation & Amortisation on Property, plant and equipment	798.06	736.23
Depreciation & Amortisation of Intangible assets	65.10	86.47
<b>Total</b>	<b>863.16</b>	<b>822.70</b>
<b>25. FINANCE COSTS</b>		
Interest expense	364.46	186.75
Other Borrowing costs	38.42	59.16
Applicable net loss/(gain) on foreign currency transactions & translation	18.88	9.42
<b>Total</b>	<b>421.76</b>	<b>255.33</b>
<b>26. EARNINGS PER EQUITY SHARE (EPS) - BASIC AND DILUTED</b>		
Profit after tax	3,542.20	2,491.82
Number of equity shares	20,00,000	20,00,000
Basic EPS - Value in Rs.	177.11	124.59
Diluted EPS - Value in Rs.	177.11	124.59
<b>27. CONTINGENT LIABILITY</b>		
Foreign Bill Discounting	326.33	329.76
Bank Guarantees/LC/SBLC/EPCG*	3,199.43	3,311.55
<b>Total</b>	<b>3,525.76</b>	<b>3,641.31</b>
*Includes Rs.2,465.10 Lakhs (Previous Year - Rs.2,250.00 Lakhs) SBLC furnished on behalf of Wholly-owned Subsidiary - Roots Multiclean Inc., USA		
<b>28. CAPITAL COMMITMENTS (Net of Advances)</b>	<b>45.56</b>	<b>32.49</b>
<b>29. CIF VALUE OF IMPORTS</b>		
1. Raw Materials & Packing Materials	128.13	135.92
2. Components & Spares	3,207.36	3,036.07
3. Stock-in-Trade & Boughtout	276.46	812.12
4. Capital Goods	6.72	6.21

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

<b>Particulars</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
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**30. EXPENDITURE INCURRED IN FOREIGN CURRENCY**

1. Foreign Travel	<b>112.86</b>	48.04
2. Commission	<b>20.72</b>	2.49
3. Salary	<b>86.25</b>	66.75
4. Service Charges	<b>–</b>	2.02
5. Dividend	<b>15.60</b>	15.60
Non-Resident Shareholder - Nos.	<b>1</b>	1
Shares held by them - Nos.	<b>5,20,000</b>	5,20,000
Year to which Dividend relates	<b>2021-22</b>	2020-21

**31. EARNINGS IN FOREIGN EXCHANGE**

1. Exports Sales - FOB Value	<b>8,131.46</b>	6,813.39
2. Commission Received	<b>7.42</b>	46.58

**32. PAYMENT TO STATUTORY AUDITORS**

1. Statutory Audit fees	<b>5.00</b>	5.00
2. Taxation Matters	<b>0.50</b>	0.50
3. Certification and Other Fees	<b>2.00</b>	1.50
<b>Total</b>	<b>7.50</b>	7.00

**33. CONSUMPTION OF RAW MATERIALS, COMPONENTS ETC.,**

	<b>2022-23</b>		<b>2021-2022</b>	
	<b>(Rs. in Lakhs)</b>	<b>%</b>	<b>(Rs. in Lakhs)</b>	<b>%</b>
Imported	<b>1,698.99</b>	<b>14.20</b>	1,414.65	14.94
Indigenous	<b>10,262.84</b>	<b>85.80</b>	8,057.12	85.06
<b>Total</b>	<b>11,961.83</b>	<b>100.00</b>	9,471.77	100.00



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

<b>Particulars</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
<b>34. DETAILS OF RESEARCH AND DEVELOPMENT EXPENSES</b>		
Development Expenses	<b>120.99</b>	153.90
Salary to R&D Staff	<b>388.23</b>	282.44
<b>Total</b>	<b>509.22</b>	436.34

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

**36. RELATED PARTY DISCLOSURES**

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

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

<b>S. No.</b>	<b>Name of the Related Party</b>	<b>Relationship</b>
1	Roots Industries India Private Limited (Formerly known as Roots Industries India Ltd)	Entities under Common Control
2	Roots Auto Products Private Ltd	
3	Roots Cast Private Limited	
4	Roots Polycraft	
5	Roots Precision Products Private Limited	
6	American Auto Service (P) Limited	
7	HAKO Group	
8	Mr. K. Ramasamy, Executive Chairman	Key Managerial Personnel
9	Mr. R. Varun Karthikeyan, Vice Chairman & Managing Director	
10	Mr. J. Krishna Kumar, Whole-Time Director (Director - Marketing)	
11	Mr. G. Balasubramaniam, Company Secretary(Till June'22)	
12	Roots Multi Clean Inc.,USA	Wholly Owned Subsidiary
13	Swami Satchidananda Foundation	Enterprise over which Key Managerial Personnel are able to exercise significant influence
14	R.K.Nature Cure Home	
15	Mrs. R.K.Umaadhevi	Relative to Key Managerial Personnel

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

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

Nature of Transactions (Excluding reimbursements)	Entities under Common Control		Key Managerial Personnel		Wholly Owned Subsidiary		Relative to Key Managerial Personnel		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1. Purchase of Fixed Assets	47.89	39.45	–	–	–	–	–	–	47.89	39.45
2. Investment made in Equity	3,000.00	–	–	–	–	376.95	–	–	3,000.00	376.95
3. Purchase of Materials & Consumables	1,362.02	1,588.53	–	–	–	35.56	–	–	1,362.02	1,624.09
4. Rent Paid	45.72	37.85	23.48	18.37	–	–	–	–	69.20	56.22
5. Labour & Calibration Charges	18.92	52.12	–	–	–	–	–	–	18.92	52.12
6. Fuel Purchases (Veh. Maint)	49.58	43.04	–	–	–	–	–	–	49.58	43.04
7. Salary/Welfare Charges Paid	238.54	163.97	–	–	–	–	–	–	238.54	163.97
8. Dividend Paid	30.90	30.90	17.79	17.78	–	–	0.92	0.92	49.61	49.60
9. Donation paid	–	90.00	–	–	–	–	–	–	–	90.00
10. Sales	813.37	798.32	–	–	119.94	1.07	–	–	933.31	799.39
11. Windmill Income	78.68	76.23	–	–	–	–	–	–	78.68	76.23
12. Dividend Received	5.73	1.73	–	–	–	–	–	–	5.73	1.73
13. Interest Received	–	–	–	–	31.55	29.10	–	–	31.55	29.10
14. Rent Received	4.69	4.88	–	–	–	–	–	–	4.69	4.88
15. Salary/Welfare Charges Received	73.66	42.38	–	–	–	–	–	–	73.66	42.38
16. Royalty paid	133.28	118.99	220.29	159.80	–	–	–	–	353.57	278.79
17. Directors Sitting Fees	–	–	–	–	–	–	0.40	0.40	0.40	0.40
18. Managerial Remuneration	–	–	384.35	225.66	–	–	–	–	384.35	225.66
<b>Balance as at 31<sup>st</sup> March, 2023</b>										
19. Investments	3,077.66	77.66	–	–	1,784.70	1,784.70	–	–	4,862.36	1,862.36
20. Trade and Other Payables	220.58	659.01	198.26	143.82	–	–	–	–	418.84	802.83
21. Trade Receivables	239.12	281.68	–	–	231.76	36.92	–	–	470.88	318.60
22. Long Term Loans and Advances	–	–	–	–	320.44	296.86	–	–	320.44	296.86
23. Interest Receivable	–	–	–	–	123.73	83.70	–	–	123.73	83.70
24. Contingent Liability	–	–	–	–	2,465.10	2,250.00	–	–	2,465.10	2,250.00
Note : 1. The above figures are inclusive of Taxes wherever applicable. 2. Foreign Asset/Liabilities are reinstated at the value of foreign exchange rate as on 31 <sup>st</sup> March, wherever applicable.										

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**37. ADDITIONAL REGULATORY INFORMATION**

(Rs. in Lakhs)

**37.1. Ratios**

Particulars	Numerator	Denominator	31.03.2023	31.03.2022	Variance	Reasons for change (More than 25% variation)
a) Current Ratio (In Times)	Current Assets	Current Liability	1.80	1.88	-4.3%	
b) Debt-Equity Ratio (In times)	Total Debt	Total Sh. holders Equity	0.14	0.15	-6.7%	
c) Debt Service Coverage Ratio (In times)	NP + Depn + Int + Loss on sale-Profit on sale	Interest + Principal	21.61	3.22	571.1%	Due to a sizeable increase in profit as compared to the previous year due to increased turnover, also the substantial repayment of Term Loan and better cashflow during the year, resulted in the improved Debt/service coverage ratio, which is a positive one.
d) Return on Equity Ratio	Net Profit after tax	Avg. Share-holders equity	16.3%	13.2%	23.5%	
e) Inventory Turnover Ratio (In times)	Sales (or) COGS	Avg. Inventory	3.91	4.02	-2.7%	
f) Trade Receivables Turnover Ratio (In times)	Net Credit Sales	Avg. Trade Receivables	4.70	3.38	39.1%	Better collection during the year, inspite of increase in turnover resulted in the improved Trade Receivable Turnover ratio.
g) Trade Payables Turnover Ratio (In times)	Net Credit Purchase	Avg. Trade payables	5.23	4.57	14.4%	
h) Net Capital Turnover Ratio (In times)	Net Sales	Net Working Capital	4.12	3.16	30.4%	Increase in sales and better management of working capital resulted in higher net capital turnover ratio
i) Net Profit Ratio	Net Profit	Net Sales	10.75%	9.43%	14.0%	
j) Return on Capital Employed	Earnings before Int. & Tax (EBIT)	Capital employed	24.63%	19.82%	24.3%	
k) Return on Investment	Net Profit after tax	Average Share-holders fund	16.26%	13.20%	23.2%	

**37.2. Corporate Social Responsibility (CSR)**

Where the company covered under section 135 of the Companies Act, the following shall be disclosed with regard to CSR activities:-

	2022-23	2021-22
(a) amount required to be spent by the company during the year	<b>60.38</b>	64.63
(b) amount of expenditure incurred	<b>70.80</b>	68.42
(c) shortfall at the end of the year	<b>NIL</b>	NIL
(d) total of previous years shortfall	<b>NIL</b>	NIL
(e) reason for shortfall	<b>NA</b>	NA
(f) nature of CSR activities	Education, Health, Environmental & Sustainability	
(g) CSR spent through Related Parties	<b>NIL</b>	NIL

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

- 37.3. The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- 37.4. The Company doesn't have any transaction which is not recorded in the books of the accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 37.5. The company has no transaction with struck off companies during the year.
- 37.6. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 37.7. The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 37.8. The company does not have any charges or satisfaction which is yet to be registered with Register of Companies beyond the statutory period.
- 37.9. The company has not made any Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- 37.10. The requirement of number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, does not apply to our company.
- 37.11. The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- 37.12. The Company does not hold any Benami property where any proceeding has been initiated or pending for holding any Benami property.
- 37.13. The company has not made Loans or Advances in the nature of loans to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- 37.14. The company has borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed by the company with the banks or financial institutions are in agreement with the books of accounts.
- 38.** Dividend on the equity Shares is recognised in the books of accounts on the date of approval by the Shareholders of the Company.
- 39.** 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.0041105

**R. Vasudev**  
Partner  
Membership No. 018342  
Chennai  
29.06.2023

**K. Ravi**  
Director  
(DIN 01590268)  
Coimbatore  
29.06.2023

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

**R. Varun Karthikeyan**  
Vice Chairman & Managing Director  
(DIN 00585158)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**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 Multiclean Inc.,
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> March 2023
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. 82.165 = 1 USD
4	Share capital	USD 26,00,000
5	Reserves & surplus	USD (1,45,643)
6	Other Liabilities	USD 54,01,693
7	Total Liabilities (Excluding Investments)	USD 78,56,050
8	Total Assets	USD 78,56,050
9	Investments	–
10	Turnover	USD 81,41,076
11	Profit / (Loss) before taxation	USD 1,64,884
12	Provision for taxation	USD 12,418
13	Profit / (Loss) after taxation	USD 1,52,466
14	Proposed Dividend	–
15	% of shareholding	100%

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

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

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

**R. Vasudev**  
Partner  
Membership No. 018342  
Chennai  
29.06.2023

**K.Ravi**  
Director  
(DIN 01590268)  
Coimbatore  
29.06.2023

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

**R.Varun Karthikeyan**  
Vice Chairman & Managing Director  
(DIN 00585158)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Crore)

**FIVE YEAR FINANCIAL HIGHLIGHTS**

Financial Year	2019	2020	2021	2022	2023
<b>Operating Results</b>					
Revenue from operations	241.92	224.84	220.42	263.31	<b>328.23</b>
Earnings before depreciation, finance cost and tax	51.07	40.69	36.64	45.55	<b>62.29</b>
Depreciation and amortization	6.77	7.09	7.65	8.23	<b>8.63</b>
Finance Cost	3.35	3.73	2.93	2.55	<b>4.22</b>
Tax	11.96	7.50	7.06	9.85	<b>14.02</b>
Net Profit	29.00	22.37	19.00	24.92	<b>35.42</b>
Dividend (paid for previous year) *	0.60	0.60	0.50	0.60	<b>0.60</b>
Retained Profit	28.40	21.77	18.50	24.32	<b>34.82</b>
<b>Performance Indicators</b>					
Net Fixed Assets	64.34	66.02	98.11	101.94	<b>106.87</b>
Share Capital	2.00	2.00	2.00	2.00	<b>2.00</b>
Reserves & Surplus	133.87	155.64	174.14	198.46	<b>233.28</b>
Networth	135.87	157.64	176.14	200.46	<b>235.28</b>
Borrowings	37.57	49.71	42.55	31.01	<b>31.77</b>
Dividend (%) (Paid for previous year)*	25	25	30	30	<b>30</b>
Return on Networth (%)	21.34	14.19	10.79	12.43	<b>15.06</b>
Debt Equity Ratio (in times)	0.28	0.32	0.24	0.16	<b>0.14</b>
Earnings per Share (Rs.)	144.99	111.84	95.00	124.59	<b>177.11</b>
Cash Earnings per Share (Rs.)	178.83	147.31	133.23	165.75	<b>220.27</b>

\* Refer note number 38

The above data is based on standalone financial statements.

Previous Year figures have been regrouped/rearranged wherever necessary.

**Subramaniam Vasudev and Co.,**  
Chartered AccountantsSAUBHAGYA, 168, Second Agraharam  
Salem - 636 00111, Second Street, Dr. Tirumurthi Nagar  
Nungambakkam, Chennai – 600 034**INDEPENDENT AUDITOR'S REPORT****To The Members of ROOTS MULTICLEAN LTD.,  
Report on the Audit of the Consolidated Financial  
Statements****Opinion**

We have audited the accompanying consolidated financial statements of ROOTS MULTICLEAN LTD., ("the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are

relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report and its annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance 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 Standards and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 the management.

### Consolidated Financial Statements

- 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 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 auditor's 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 auditor's 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of the wholly owned subsidiary, whose financial statements reflects total assets of Rs.39.66 crore as at 31<sup>st</sup> March, 2023, total revenues of Rs.63.86 crore and net cash outflows amounting to Rs. 1.51 crore for the year ended on that date, as considered in the financial statements. These financial statements have been audited and have been certified and furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosure included in

**Consolidated Financial Statements**

respect of the 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 audited figures certified by the management.

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 audited financial statements certified by the Management.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the audited financial statements of the wholly owned subsidiary referred to in the other matters paragraph we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors of the company none of the directors of the Holding company, incorporated in India are

disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) The financial results of one subsidiary, incorporated in this consolidated statements is a company incorporated outside India. Hence provisions of section 143(3)(i) of the Companies Act, 2013 are not applicable.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:
  - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii) The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
  - iv) a) The respective managements of the Holding Company and its subsidiary which is a company incorporated outside India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of its knowledge and

**Consolidated Financial Statements**

- belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiary which is a company incorporated outside India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of its knowledge and belief, no funds have been received by the Group from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which is a company incorporated outside India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement;
- v) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the company at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

Place: Chennai  
Date: 29.06.2023  
Membership No. 018342  
(UDIN: 23018342BHACVY7514)

CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2023

(Rs. in Lakhs)

Particulars	Note	31.03.2023	31.03.2022
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	200.00	200.00
Reserves and Surplus	2	23,531.63	19,805.25
		<u>23,731.63</u>	<u>20,005.25</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	3	329.28	916.82
Deferred tax liabilities (Net)	4	432.56	355.27
		<u>761.84</u>	<u>1,272.09</u>
<b>Current Liabilities</b>			
Short-term borrowings	5	5,945.48	4,452.70
Trade payables	6		
(a) Outstanding dues of Micro and Small Enterprises		649.68	1,013.77
(b) Outstanding dues of Creditors other than Micro and Small Enterprises		2,350.49	2,962.84
Other current liabilities	7	1,738.75	1,412.16
Short-term provisions	8	2,949.74	2,155.56
		<u>13,634.14</u>	<u>11,997.03</u>
<b>TOTAL</b>		<u>38,127.61</u>	<u>33,274.37</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment & Intangible Assets	9		
(i) Tangible Assets	9-A	10,610.92	10,048.66
(ii) Intangible Assets	9-B	286.57	358.45
(iii) Capital work-in-progress	9-C	376.94	617.01
Non-current investments	10	3,077.66	77.66
Long term loans and advances	11	16.93	18.42
Other Non-Current Assets	12	33.70	29.63
		<u>14,402.72</u>	<u>11,149.83</u>
<b>Current assets</b>			
Inventories	13	12,447.31	10,326.96
Trade receivables	14	7,695.22	7,147.48
Cash and Cash Equivalents	15	258.77	1,444.83
Short-term loans and advances	16	3,271.46	3,148.25
Other current assets	17	52.13	57.02
		<u>23,724.89</u>	<u>22,124.54</u>
<b>TOTAL</b>		<u>38,127.61</u>	<u>33,274.37</u>

Significant Accounting Policies and Notes on Financial Statements 1 to 26

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

**R. Vasudev**  
 Partner  
 Membership No. 018342  
 Chennai  
 29.06.2023

**K.Ravi**  
 Director  
 (DIN 01590268)  
 Coimbatore  
 29.06.2023

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

**R.Varun Karthikeyan**  
 Vice Chairman & Managing Director  
 (DIN 00585158)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

(Rs. in Lakhs)

Particulars	Note	31.03.2023	31.03.2022
<b>INCOME</b>			
Revenue from operations	18	<b>39,240.84</b>	31,975.41
Other Income	19	<b>102.33</b>	76.52
<b>Total Revenue</b>		<b>39,343.17</b>	32,051.93
<b>EXPENDITURE</b>			
Cost of Materials Consumed	20	<b>16,597.48</b>	15,057.46
Purchase of Stock-in-Trade		<b>2,885.66</b>	2,954.97
Changes in Inventories of Finished goods, Work in Progress and Stock-in-Trade	21	<b>(121.82)</b>	(1,577.60)
Employee Benefits Expense	22	<b>6,998.26</b>	5,512.19
Other expenses	23	<b>6,412.79</b>	5,297.82
<b>Total Expenses</b>		<b>32,772.37</b>	27,244.84
<b>Earnings Before Interest, Tax, Depreciation and Amortisations (EBITDA)</b>		<b>6,570.80</b>	4,807.09
Depreciation and Amortisation Expense	24	<b>928.08</b>	889.85
Finance costs	25	<b>597.34</b>	360.91
<b>Profit Before Tax</b>		<b>5,045.38</b>	3,556.33
<b>Tax Expenses</b>			
Current tax		<b>1,334.97</b>	931.94
Deferred tax	4	<b>77.29</b>	55.49
<b>Profit for the year</b>		<b>3,633.12</b>	2,568.90
<b>Earning per equity share (Face Value of Share Rs.10/- each)</b>			
Basic - Value in Rs.		<b>181.66</b>	128.45
Diluted - Value in Rs.		<b>181.66</b>	128.45

Significant Accounting Policies and Notes on Financial Statements 1 to 26

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

**R. Vasudev**  
Partner  
Membership No. 018342  
Chennai  
29.06.2023

**K.Ravi**  
Director  
(DIN 01590268)  
Coimbatore  
29.06.2023

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

**R.Varun Karthikeyan**  
Vice Chairman & Managing Director  
(DIN 00585158)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

(Rs. in Lakhs)

Particulars	2022-23	2021-22
<b>Net Profit before Tax</b>	<b>5,045.38</b>	3,556.33
<b>Add :</b> Depreciation	<b>928.08</b>	889.85
Finance Cost	<b>597.34</b>	360.91
Interest Received on Fixed Deposits	<b>(16.66)</b>	(36.68)
Dividend Income	<b>(5.73)</b>	(1.73)
(Profit)/ Loss on Sale of Assets (Net)	<b>(2.63)</b>	(14.86)
Agricultural Income (Net)	<b>5.84</b>	3.00
	<b>6,551.62</b>	4,756.82
Increase/(Decrease) Forex Translation Reserve	<b>153.26</b>	47.11
Increase/(Decrease) in Trade Payables	<b>(976.44)</b>	1,150.25
Increase/(Decrease) in Short Term Provisions	<b>794.18</b>	(76.20)
Increase/(Decrease) in Other Current Liabilities	<b>326.59</b>	202.51
(Increase)/ Decrease in Inventories	<b>(2,120.35)</b>	(2,807.41)
(Increase)/ Decrease in Other Current Assets	<b>4.89</b>	(23.31)
(Increase)/ Decrease in Receivables	<b>(547.74)</b>	1,407.32
(Increase)/ Decrease in Short-Term Loans and Advances	<b>(123.21)</b>	(791.46)
<b>Cash generated from operations</b>	<b>4,062.80</b>	3,865.63
Income Tax	<b>(1,334.97)</b>	(931.94)
<b>I. Net Cash from operating activities (A)</b>	<b>2,727.83</b>	2,933.69
<b>II. Cash flow from Investing activities</b>		
Capital expenditure including capital advance	<b>(1,186.95)</b>	(1,273.15)
(Increase)/ Decrease in Long Term Advance - Deposits	<b>1.49</b>	32.19
(Increase)/ Decrease Other Non-Current Assets	<b>(4.07)</b>	18.64
Proceed from Sale of assets (Net)	<b>11.19</b>	35.89
Interest Received on Fixed Deposits	<b>16.66</b>	36.68
Investment in Roots Industries India Private Ltd	<b>(3,000.00)</b>	—
Dividend Income	<b>5.73</b>	1.73
Agricultural Income (Net)	<b>(5.84)</b>	(3.00)
<b>(B)</b>	<b>(4,161.79)</b>	(1,151.02)
<b>III. Cash flow from financing activities:</b>		
Increase/(Decrease) in Current and Non-Current Borrowings	<b>905.24</b>	(756.50)
Finance Cost	<b>(597.34)</b>	(360.91)
Equity Dividend Paid	<b>(60.00)</b>	(60.00)
<b>Net Cash Generated from financing activities (C)</b>	<b>247.90</b>	(1,177.41)
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(1,186.06)</b>	605.26
Cash and Cash equivalents at the beginning of the period	<b>1,444.83</b>	839.57
<b>Cash and Cash equivalents at the end of the period</b>	<b>258.77</b>	1,444.83

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

**R. Vasudev**  
 Partner  
 Membership No. 018342  
 Chennai  
 29.06.2023

**K.Ravi**  
 Director  
 (DIN 01590268)  
 Coimbatore  
 29.06.2023

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

**R.Varun Karthikeyan**  
 Vice Chairman & Managing Director  
 (DIN 00585158)



## SIGNIFICANT ACCOUNTING POLICIES

### Basis of Consolidation and Significant Accounting Policies:

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

#### a) Basis of preparation

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

#### b) Uses of estimates

The preparation of financial statements requires management to make judgements, 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 estimates 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 WOS used in the consolidation are drawn up to the same reporting date as of the company i.e. year ended March 31, 2023.
- The financial statements of the Company and its WOS have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra group transactions and unrealised profits have been fully eliminated.
- The excess of cost to the Company of its investments in the WOS over its share of equity of the WOS, at the dates on which the investments in the WOS are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the WOS as on the date of investments is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

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

S.No.	Name of the Company	Relationship	Country of Incorporation	% of equity holding	
				31.03.2023	31.03.2022
1	Roots Multiclean Inc.,	Wholly Owned Subsidiary	USA	100%	100%

#### e) Other Significant Accounting Policies

Other significant accounting policies are as 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.0041105

**R. Vasudev**  
 Partner  
 Membership No. 018342  
 Chennai  
 29.06.2023

**K.Ravi**  
 Director  
 (DIN 01590268)  
 Coimbatore  
 29.06.2023

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

**R.Varun Karthikeyan**  
 Vice Chairman & Managing Director  
 (DIN 00585158)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
<b>1. SHARE CAPITAL</b>		
Authorised Share Capital (20,00,000 Equity Shares of Rs.10/- each)	<u>200.00</u>	<u>200.00</u>
Issued, Subscribed & Fully Paid up Capital		
20,00,000 Equity Shares of Rs.10/- each fully paid up	<u>200.00</u>	<u>200.00</u>
<b>1.1 Reconciliation of the Number of shares</b>		
Equity shares at the beginning of the year outstanding	<u>20,00,000</u>	<u>20,00,000</u>
Add : Issued during the Year	<u>—</u>	<u>—</u>
	<u>20,00,000</u>	<u>20,00,000</u>
Less : Buy back during the year	<u>—</u>	<u>—</u>
Equity Shares at the end of the year	<u>20,00,000</u>	<u>20,00,000</u>
<b>2. RESERVES AND SURPLUS</b>		
<b>a. General Reserve</b>		
Opening Balance	<u>17,022.91</u>	<u>15,022.91</u>
Add : Transfer from Statement of Profit and Loss	<u>2,500.00</u>	<u>2,000.00</u>
	<u>19,522.91</u>	<u>17,022.91</u>
<b>b. Surplus in Statement of Profit and Loss</b>		
Opening Balance	<u>2,656.27</u>	<u>2,147.37</u>
Add : Profit for the year	<u>3,633.12</u>	<u>2,568.90</u>
Less : Appropriations:		
Equity dividend paid	<u>(60.00)</u>	<u>(60.00)</u>
Transferred to General Reserve	<u>(2,500.00)</u>	<u>(2,000.00)</u>
	<u>3,729.39</u>	<u>2,656.27</u>
<b>c. Forex Translation Reserve:</b>		
Opening Balance	<u>126.07</u>	<u>78.96</u>
Current Year	<u>153.26</u>	<u>47.11</u>
<b>Total (a + b + c)</b>	<u>23,531.63</u>	<u>19,805.25</u>
<b>3. LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Term Loan from Banks	<u>329.28</u>	<u>916.82</u>
<b>Total</b>	<u>329.28</u>	<u>916.82</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(Rs. in Lakhs)

## 4. DEFERRED TAX LIABILITIES (NET)

Particulars	Opening Balance 01.04.2022	Added During the year	Reversed during the year	Closing Balance 31.03.2023
<b>a. Deferred Tax Assets</b>				
Depreciation - Excess claimed in the Books	—	—	—	—
Other Expenses - Disallowance under tax laws	—	—	—	—
<b>Total</b>	—	—	—	—
<b>b. Deferred Tax Liability</b>				
Depreciation - Excess claimed in the IT - A	1,411.58	340.41	—	<b>1,751.99</b>
Other Expenses - Deferred Revenue - B	—	(33.32)	—	<b>(33.32)</b>
<b>TOTAL - (A + B)</b>	1,411.58	307.09	—	<b>1,718.67</b>
Net Deferred Tax Liability	355.27	—	—	<b>432.56</b>
Less: Opening Deferred Tax Liability	299.78	—	—	<b>355.27</b>
Net Deferred Tax Debited/(Credited) to Statement of P & L	—	<b>77.29</b>	—	—
Particulars			<b>31.03.2023</b>	31.03.2022

## 5. SHORT TERM BORROWINGS

## SECURED

Working Capital Loan - from Banks	<b>5,357.75</b>	3,769.86
Current maturities of Long term Borrowings - from Banks	<b>587.73</b>	682.84
<b>Total</b>	<b>5,945.48</b>	4,452.70

## 6. TRADE PAYABLES

Total outstanding Dues of Micro and Small Enterprises	<b>649.68</b>	1,013.77
Total outstanding Dues of Creditors Other than Micro & Small Enterprises	<b>2,350.49</b>	2,962.84
<b>Total</b>	<b>3,000.17</b>	3,976.61

## 6.1 Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment -2022-23				
	#Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	<b>649.68</b>	—	—	—	<b>649.68</b>
II. Others	<b>2,350.49</b>	—	—	—	<b>2,350.49</b>
iii. Disputed dues - MSME	—	—	—	—	—
iv. Disputed dues - Others	—	—	—	—	—
<b>TOTAL</b>	<b>3,000.17</b>	—	—	—	<b>3,000.17</b>
Particulars	Outstanding for following periods from due date of payment 2021-22				
	#Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	1,013.77	—	—	—	1,013.77
II. Others	2,962.84	—	—	—	2,962.84
iii. Disputed dues - MSME	—	—	—	—	—
iv. Disputed dues - Others	—	—	—	—	—
<b>TOTAL</b>	<b>3,976.61</b>	—	—	—	<b>3,976.61</b>

# Amount not due is included in 'less than one year' - heading

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
<b>7. OTHER CURRENT LIABILITIES</b>		
1. Unclaimed dividend	3.39	3.55
2. Creditors for Capital Expenditure	174.54	104.45
3. GST Payable	603.33	597.39
4. TDS payable	66.32	69.29
5. Advance from customers and Others	891.17	637.48
<b>Total</b>	<b>1,738.75</b>	<b>1,412.16</b>
<b>8. SHORT TERM PROVISIONS</b>		
1. Provision for Salaries,Wages,Bonus & Other Employee benefits	1,877.52	1,286.67
2. Income Tax Provisions(Net)	671.59	435.23
3. Provision for Warranties	138.56	96.97
4. Outstanding Expenses	262.07	336.69
<b>Total</b>	<b>2,949.74</b>	<b>2,155.56</b>

**9. PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS**

PARTICULARS	Gross Block		Depreciation / Adjustment		Net Block	
	As on 31.03.2022	Additions / (Deletions)	As on 31.03.2023	Upto 31.03.2022	Upto 31.03.2023	As on 31.03.2023
				For the year/ adjustment for sale of assets @/ adjustment for Foreign Exchange Translation Reserve #		As on 31.03.2022
<b>A. PROPERTY, PLANT AND EQUIPMENT</b>						
Land	1,086.21	–	1,086.21	–	–	1,086.21
Building	5,916.07	725.15	6,641.22	708.81	897.85	5,743.37
Plant & Machinery	2,771.65	61.73	2,833.38	1,162.35	172.14 #3.53	1,609.30
Leased Equipment	128.97	– (119.46)	9.51	123.00	– @ (113.49)	5.97
Wind Mill	726.53	–	726.53	621.04	10.03	105.49
Tools,Dies & Moulds	2,569.49	87.93	2,657.42	1,985.25	167.88 # (5.31)	584.24
Electrical Equipment	477.20	47.77 (0.26)	524.71	202.24	42.22 @ (0.24)	274.96
Measuring Instruments	106.40	–	106.40	81.82	4.48	24.58
Fixtures etc	350.10	123.91	465.57	170.50	27.49	179.60
Storage Racks		(8.44)			@ (8.02)	
Vehicles	1,254.73	209.37 (11.45)	1,452.65	586.18	138.57 @ (9.55)	668.55
Furniture & Fittings	297.01	37.90	334.91	198.16	22.50 # (0.22)	98.85
Office & Misc. Equipment	279.53	39.78 (4.89)	314.42	150.63	22.10 @ (4.64)	128.90
Computer	640.11	64.88	704.99	565.36	33.07 # 0.01	74.75
<b>TOTAL (A)</b>	16,604.00	1,398.42	17,857.92	6,555.34	829.52	10,048.66
Adjustment for sale of assets @		(144.50)			@ (135.94)	
Adjustment for Foreign Exchange Translation Reserve #					# (1.92)	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(Rs. in Lakhs)

<b>B. INTANGIBLE ASSETS</b>								
Computer Software	384.24	14.19	<b>395.43</b>	225.36	47.15	<b>271.55</b>	<b>123.88</b>	158.88
		(3.00)			@ (0.96)			
Good Will	292.24	–	<b>292.24</b>	110.61	33.47	<b>129.55</b>	<b>162.69</b>	181.63
					@ (14.53)			
Technical Know-How	569.59	–	<b>569.59</b>	551.65	17.94	<b>569.59</b>	–	17.94
<b>TOTAL (B)</b>	<b>1,246.07</b>	<b>14.19</b>	<b>1,257.26</b>	<b>887.62</b>	<b>98.56</b>	<b>970.69</b>	<b>286.57</b>	<b>358.45</b>
Adjustment for sale of assets @		(3.00)			@ (0.96)			
Adjustment for Foreign Exchange Translation Reserve #					# (14.53)			
<b>GRAND TOTAL (A + B)</b>	<b>17,850.07</b>	<b>1,412.61</b>	<b>19,115.18</b>	<b>7,442.96</b>	<b>928.08</b>	<b>8,217.69</b>	<b>10,897.49</b>	<b>10,407.11</b>
Adjustment for sale of assets @		(147.50)			@ (136.90)			
Adjustment for Foreign Exchange Translation Reserve #					@ (16.45)			
<b>C. CAPITAL WORK IN PROGRESS</b>	<b>617.01</b>	<b>(240.07)</b>	<b>376.94</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>376.94</b>	<b>617.01</b>

## D. i) CWIP Ageing Schedule

CWIP		CWIP - 2022-23				
		< 1 year	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	(Building under Constructions)	<b>251.97</b>	–	–	–	<b>251.97</b>
Projects in progress	(Plant & Machinery - Sewage Plant)	<b>49.99</b>	–	–	–	<b>49.99</b>
Projects in progress	(Vehicles)	<b>25.22</b>	–	–	–	<b>25.22</b>
Projects in progress	(Computer-Blr Hub)	<b>16.09</b>	–	–	–	<b>16.09</b>
Projects in progress	(Genset -Blr Hub)	<b>4.07</b>	–	–	–	<b>4.07</b>
Projects in progress	(Office Equipment–Blr Hub)	<b>22.61</b>	–	–	–	<b>22.61</b>
Projects in progress	(Storage Racks–Blr Hub)	<b>6.99</b>	–	–	–	<b>6.99</b>
Projects temporarily suspended		–	–	–	–	–
<b>Total</b>		<b>376.94</b>	–	–	–	<b>376.94</b>
CWIP		CWIP - 2021-22				
		< 1 year	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress	(Building under Constructions)	595.35	–	–	–	595.35
Projects in progress	(Machineries Assembly line)	9.29	–	–	–	9.29
Projects in progress	(Tools & Dies)	12.37	–	–	–	12.37
Projects temporarily suspended		–	–	–	–	–
<b>Total</b>		<b>617.01</b>	–	–	–	<b>617.01</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

**ii) CWIP Aging Schedule whose completion is overdue or has exceeded its cost compared to the original plan**

CWIP	To be completed in			
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years
Project 1	NIL			
Project 2				

E. The Company has not revalued any of its Property, Plant and Equipment &amp; Intangible Assets during the year.

F. There is no intangible asset under development during the year.

Particulars	31.03.2023	31.03.2022
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**10. NON-CURRENT INVESTMENTS**

Unquoted Investments (valued at cost)

In equity shares of companies unquoted, fully paid-up

No. of Shares	Particulars	31.03.2023	31.03.2022
1,73,000	Equity shares of Rs. 10 each fully paid-up in Roots Precision Products Pvt. Ltd.,	17.30	17.30
1,34,127	Equity shares of Rs.10 each fully paid-up in Roots Cast Pvt. Ltd.,	60.36	60.36
1,33,330	Equity shares of Rs. 10 each fully paid-up in Roots Industries India Pvt. Ltd., (Formerly known as Roots Industries India Ltd.)	3,000.00	–
<b>Total</b>		<b>3,077.66</b>	77.66
<b>Aggregate amount of unquoted Investments</b>		<b>3,077.66</b>	77.66

**11. LONG TERM LOANS & ADVANCES**

(Unsecured Considered Good)

Capital Advances	16.93	18.42
<b>Total</b>	<b>16.93</b>	18.42

**12. OTHER NON-CURRENT ASSETS**

Deposits - EB, Sales Tax and Telephone	33.70	29.63
<b>Total</b>	<b>33.70</b>	29.63

**13. INVENTORIES**

(As certified by the Management)

1. Raw materials, Boughtout & Components	7,690.93	6,022.60
2. Goods in transit-Raw Materials	222.96	13.89
3. Work in Progress	1,262.34	621.39
4. Finished Goods	1,724.61	2,201.73
5. Stock-in-Trade	1,339.33	1,381.33
6. Packing Materials	54.75	55.53
7. Consumables and Stores	152.39	30.49
<b>Total</b>	<b>12,447.31</b>	10,326.96

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

**Valuation of Inventory:**

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

Particulars	31.03.2023	31.03.2022
<b>14. TRADE RECEIVABLES</b> (Unsecured)		
Trade Receivable - Considered Good	7,695.22	7,147.48
- Considered Doubtful	280.18	230.38
	<u>7,975.40</u>	<u>7,377.86</u>
Less: Provision for Doubtful Debts	(280.18)	(230.38)
<b>Total</b>	<u>7,695.22</u>	<u>7,147.48</u>

S.No	Particulars	Trade Receivables ageing Schedule 2022-23					Total
		# Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed:</b>							
i.	Considered Good	7,164.88	76.81	188.77	50.46	83.29	<b>7,564.21</b>
ii.	Considered Doubtful	–	3.97	–	–	185.25	<b>189.22</b>
<b>Disputed:</b>							
iii.	Considered Good	–	–	–	34.51	96.50	<b>131.01</b>
iv.	Considered Doubtful	–	–	–	–	90.96	<b>90.96</b>
<b>Total</b>		<b>7,164.88</b>	<b>80.78</b>	<b>188.77</b>	<b>84.97</b>	<b>456.00</b>	<b>7,975.40</b>

S.No	Particulars	Trade Receivables ageing Schedule -2021-22					Total
		# Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed:							
i.	Considered Good	6,025.52	557.01	250.24	67.15	44.16	6,944.08
ii.	Considered Doubtful	–	–	–	–	139.42	139.42
Disputed:							
iii.	Considered Good	–	–	1.03	99.72	102.65	203.40
iv.	Considered Doubtful	–	–	–	–	90.96	90.96
Total		6,025.52	557.01	251.27	166.87	377.19	7,377.86
# Amount not due is included in ‘less than six months’ - heading							



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
<b>15. CASH AND CASH EQUIVALENTS</b>		
1. Cash on hand	<b>14.00</b>	13.60
2. Balance with Banks*	<b>70.11</b>	208.22
3. Deposit with Banks - Fixed Deposits	–	1,029.35
- Held as Margin Money against Bank Guarantees	<b>174.66</b>	193.66
<b>Total</b>	<b>258.77</b>	1,444.83
* Balance with the banks includes unpaid dividend account	<b>3.39</b>	3.55
<b>16. SHORT TERM LOANS AND ADVANCES</b> (Unsecured considered good)		
1. Prepaid Expenses	<b>78.46</b>	80.33
2. GST Advances & TDS Receivables	<b>1,081.68</b>	1,219.06
3. Advances to Suppliers including deposits with suppliers	<b>2,111.32</b>	1,848.86
<b>Total</b>	<b>3,271.46</b>	3,148.25
<b>17. OTHER CURRENT ASSETS</b> (Unsecured considered good)		
1. Interest Receivables	<b>33.08</b>	9.86
2. Export Incentive Receivables including MEIS & RODTEP Scrips in hand	<b>16.56</b>	44.67
3. Export IGST Rebate Receivable	<b>2.49</b>	2.49
<b>Total</b>	<b>52.13</b>	57.02
<b>18. REVENUE FROM OPERATIONS</b>		
<b>Revenue from Manufactured Products:</b>		
Domestic	<b>24,049.50</b>	19,543.65
Export	<b>7,498.82</b>	6,491.67
	<b>31,548.32</b>	26,035.32
<b>Revenue from Traded products:</b>		
Domestic	<b>5,778.09</b>	4,459.30
Export	<b>519.48</b>	336.04
	<b>6,297.57</b>	4,795.34
<b>Revenue from sale of services:</b>		
Annual Maintenance Charges	<b>679.70</b>	530.81
Service Charges Received	<b>179.17</b>	118.14
Operation & Maintenance Charges	<b>180.22</b>	135.92
Commission Received	<b>7.42</b>	46.58
	<b>1,046.51</b>	831.45
<b>Other Operating Revenues:</b>		
Export Incentive	<b>269.76</b>	237.07
Wind Mill Income	<b>78.68</b>	76.23
<b>Total</b>	<b>39,240.84</b>	31,975.41

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Rs. in Lakhs)

<b>Particulars</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
<b>19. OTHER INCOME (Non Operating Revenues)</b>		
1. Interest income	<b>16.66</b>	36.68
2. Foreign exchange gain	<b>47.04</b>	13.00
3. Profit on Sale of Fixed Assets	<b>2.87</b>	16.45
4. Dividend Income	<b>5.73</b>	1.73
5. Agricultural Income	<b>5.35</b>	4.52
6. Rent Received	<b>3.97</b>	4.14
7. Other Income	<b>20.71</b>	–
<b>Total</b>	<b>102.33</b>	76.52
<b>20. COST OF MATERIALS CONSUMED</b>		
1. Consumption of Raw materials, Boughtout & Components	<b>16,225.41</b>	14,737.29
2. Consumption of packing materials	<b>372.07</b>	320.17
<b>Total</b>	<b>16,597.48</b>	15,057.46
<b>1. Consumption of Raw materials, Boughtout &amp; Components</b>		
Opening stock of Raw materials, Boughtout & Components	<b>6,066.98</b>	4,854.04
Add: Purchases during the year	<b>18,224.72</b>	15,950.23
	<b>24,291.70</b>	20,804.27
Less: Closing stock of Raw materials, Boughtout & Components	<b>8,066.29</b>	6,066.98
<b>Total</b>	<b>16,225.41</b>	14,737.29
<b>2. Consumption of Packing materials</b>		
Opening stock of packing materials	<b>55.53</b>	38.65
Add: Purchases during the year	<b>371.29</b>	337.05
	<b>426.82</b>	375.70
Less: Closing stock of packing materials	<b>54.75</b>	55.53
<b>Total</b>	<b>372.07</b>	320.17

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
<b>21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS</b>		
1. Finished goods	477.12	(1,452.78)
2. Work-in-progress	(640.94)	215.17
3. Traded Goods	42.00	(339.99)
<b>Total</b>	<b>(121.82)</b>	<b>(1,577.60)</b>
<b>1. Changes in inventories of finished goods</b>		
Opening stock of finished goods	2,201.73	748.95
Less: Closing stock of finished goods	1,724.61	2,201.73
<b>Total</b>	<b>477.12</b>	<b>(1,452.78)</b>
<b>2. Changes in inventories of work-in-progress</b>		
Opening stock of work-in-progress	621.39	836.56
Less: Closing stock of work-in-progress	1,262.33	621.39
<b>Total</b>	<b>(640.94)</b>	<b>215.17</b>
<b>3. Changes in inventories of Traded Goods</b>		
Opening stock of Traded Goods	1,381.33	1,041.34
Less: Closing stock of Traded Goods	1,339.33	1,381.33
<b>Total</b>	<b>42.00</b>	<b>(339.99)</b>
<b>22. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	5,862.87	4,784.91
Contribution to Provident Fund, Gratuity and other funds	450.18	343.52
Employee Welfare expenses	265.04	165.80
Voluntary Retirement Benefit	41.65	—
Directors' Remuneration	378.52	217.96
<b>Total</b>	<b>6,998.26</b>	<b>5,512.19</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022	
<b>23. OTHER EXPENSES</b>			
<b>Manufacturing Expenses</b>			
Consumption of stores	400.57	292.87	
Power and fuel	172.76	130.77	
Operation & Maintenance Expenses	273.03	192.87	
Labour, Conversion and Testing Charges	82.05	82.89	
Carriage Inwards	209.50	151.45	
<b>Repairs &amp; Maintenance</b>			
Building	129.51	74.94	
Machinery	139.09	78.56	
Computer/Software	224.79	119.83	
Electrical	59.59	44.15	
Office	87.50	49.79	
Factory	54.24	21.81	
Tool	71.90	40.05	1,279.98
	<b>1,904.53</b>		
<b>Selling and Distribution Expenses</b>			
Advertisement	14.65	9.95	
Freight outward	708.14	529.34	
ECGC Premium	0.85	4.21	
Sales Promotion/Demo Expenses	214.31	163.75	
Discounts	128.09	161.73	
Dealer Commission	126.77	224.46	
Travelling & Conveyance	905.00	564.87	
Royalty	353.38	271.06	
Provision for Doubtful Debts	49.80	—	
Warranty Claims & Allowances	182.07	201.76	2,131.13
	<b>2,683.06</b>		
<b>Establishment Expenses</b>			
Rent	286.89	278.10	
Insurance	171.74	139.35	
Rates and Taxes	144.18	278.13	
Payment to Auditors	7.50	12.96	
Postage, Courier & Telephone	80.35	78.00	
Electricity charges	27.73	14.38	
Directors' Sitting Fees	1.60	1.90	
Vehicle Maintenance expenses	164.13	112.91	
Printing & Stationery	57.42	53.21	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Books & Periodicals	0.74	0.97
Legal and Professional Charges	212.61	189.34
Donation	8.76	127.86
CSR Expenditure	70.80	68.42
Subscription & Membership	70.10	14.69
Loss on sale of assets	0.24	1.59
Loss on Foreign Exchange	–	71.04
Agricultural Expenses	11.19	7.52
R & D Expenses	509.22	436.34
<b>Total</b>	<b>6,412.79</b>	<b>5,297.82</b>

## 24. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation & Amortisation on Property, plant and equipment	829.52	771.15
Depreciation & Amortisation of Intangible assets	98.56	118.70
<b>Total</b>	<b>928.08</b>	<b>889.85</b>

## 25. FINANCE COST

Interest expense - Bank	499.23	252.77
Other Borrowing costs	79.23	98.72
Applicable net loss/(gain) on foreign currency transactions & translation	18.88	9.42
<b>Total</b>	<b>597.34</b>	<b>360.91</b>

## 26. 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.0041105

**R. Vasudev**  
 Partner  
 Membership No. 018342  
 Chennai  
 29.06.2023

**K.Ravi**  
 Director  
 (DIN 01590268)  
 Coimbatore  
 29.06.2023

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

**R.Varun Karthikeyan**  
 Vice Chairman & Managing Director  
 (DIN 00585158)

**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 31<sup>st</sup> Annual General Meeting of the Company, to be held on Wednesday, the 27<sup>th</sup> September, 2023 at 11.00 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.

## Resolutions:

S.No.	Subject	For	Against
	Ordinary Business:		
1	Adoption of		
	(a) audited Standalone financial statements		
	(b) audited Consolidated financial statements		
2	Declaration of Dividend		
3	Re-appointment of Mrs. R.K. Umaadhevi (DIN 01067950), Director, who retires by rotation		
4	Re-appointment of Mr. K. Ravi (DIN 01590268), Director, who retires by rotation		
	Special Business:		
5	Re-appointment of Mr. C. Sivakumar, (DIN 00844529), as an Independent Director		
6	Increase in the remuneration payable to Mr. R. Varun Karthikeyan (DIN 00585158), Vice Chairman and Managing Director		
7	Payment of Royalty to Mr. K. Ramasamy (DIN 00034360) Executive Chairman		
8	Re-appointment of Mr. K. Ramasamy (DIN 00034360) as Executive Chairman		
9	Increase in the remuneration payable to Mr. J. Krishnakumar (DIN 09419339) Whole-Time Director (Director-Marketing)		
10	Ratification of remuneration payable to Cost Auditors M/s. Ramakrishnan & Co. (Firm No. 100285)		
11	Payment of Commission to Independent Directors		

Signed this ..... day of ..... 2023.

Signature of Shareholder :

Signature of Proxyholder(s) :

 Affix  
Revenue  
Stamp

## 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.







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: [karthikn@roots.co.in](mailto:karthikn@roots.co.in) Web: [www.rootsmulticlean.com](http://www.rootsmulticlean.com)