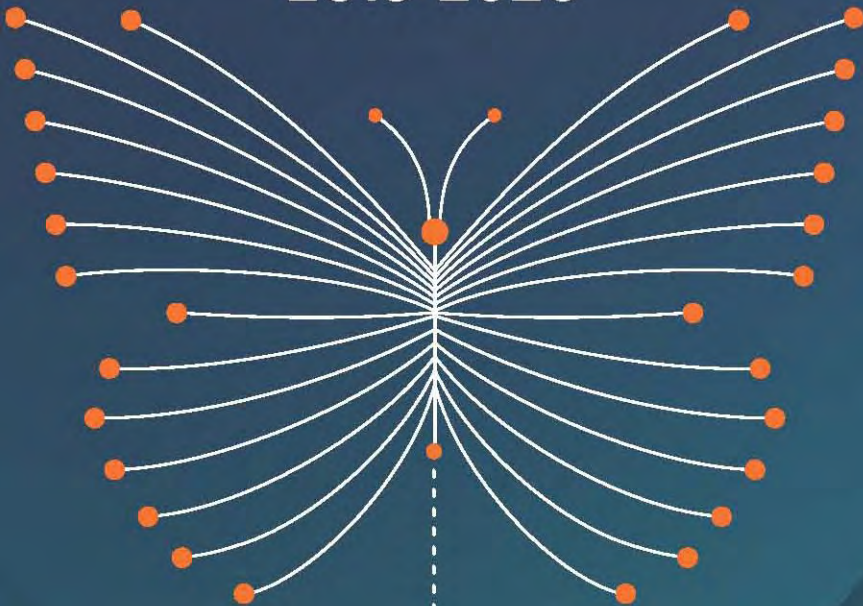
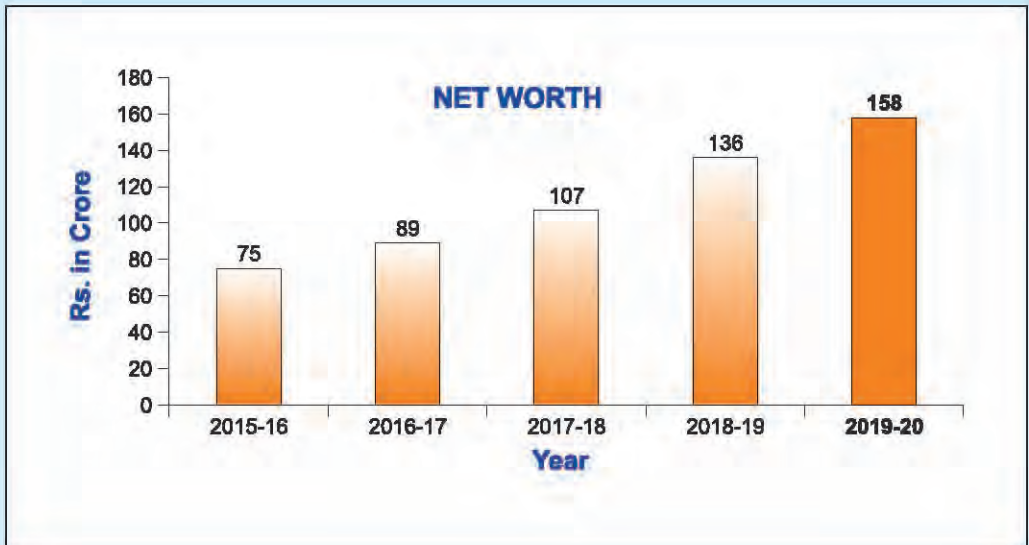
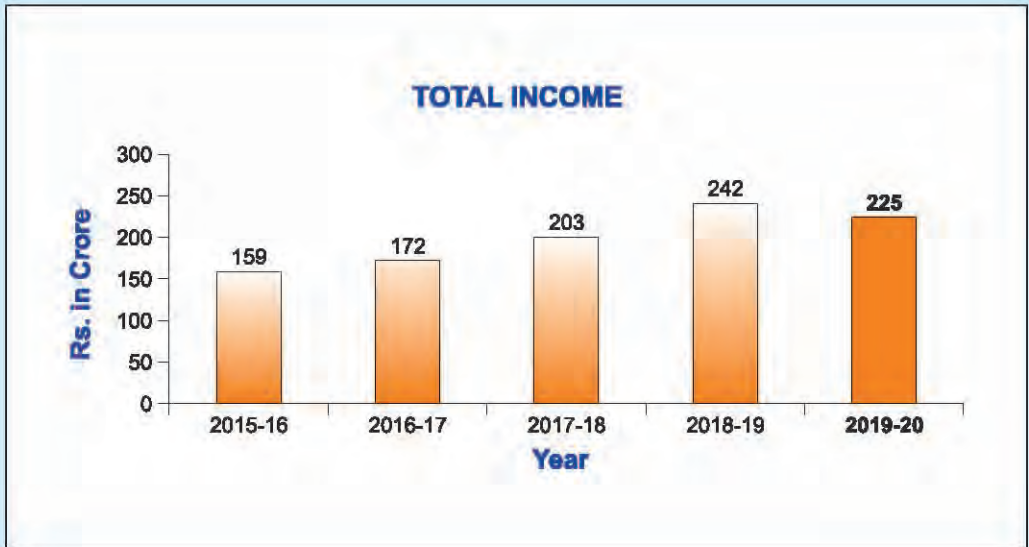


**28<sup>th</sup> Annual Report  
2019-2020**



**ROOTS MULTICLEAN LTD**



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

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**Statutory Auditors**

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

**Cost Auditors**

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

**Bankers**

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

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

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

**Board of Directors**

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

**Company Secretary**

Sri G Balasubramaniam (FCS 9699)

**Registered Office**

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

**Factories****Main Unit**

Mettupalayam Post, Kovilpalayam  
Kinathukadavu Taluk – 642 110

**Ezeclean Division**

Sanganoor Road  
Ganapathy, Coimbatore – 641 006

**Flipper Division**

Mettupalayam Post  
Kinathukadavu Taluk – 642 110

**Logistics Division**

Malumichampatti  
Coimbatore – 641 050

**NOTICE TO SHAREHOLDERS**

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

**ORDINARY BUSINESS:**

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

**SPECIAL BUSINESS:**

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

By order of the Board

Coimbatore  
Date: 13.08.2020

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

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**NOTES:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Your User ID details are given below:

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

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



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

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

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

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

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

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

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

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

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

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

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

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

**OTHER INSTRUCTIONS:**

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

Details / Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

In case of any grievance in connection with remote e-voting, Members may contact Ms. Pallavi Mhatre, NSDL, 4<sup>th</sup> Floor, "A" Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, e-mail: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), Tel:1800-222-990 / + 91 22 24994545.

3. Shareholders are encouraged to download the user manual available in <https://www.evoting.nsdl.com> well in advance to have a better understanding of the login and voting process.
4. Any person who acquires shares of the Company and becomes member of the Company after despatch of the Notice of AGM and holding shares as on the cut-off date i.e., 22<sup>nd</sup> September, 2020, may obtain login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting, then you can use your existing password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
5. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
6. The Chairman will declare the results of voting forthwith upon receipt of report from Scrutinizer and the same shall be immediately placed on the Company's website [www.rootsmulticlean.com](http://www.rootsmulticlean.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. The resolutions shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of Voting results (i.e. remote e-Voting and the e-Voting held at the AGM).
8. Since the AGM will be held through VC / OAVM, the route map to the venue is not annexed to this Notice.

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

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

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

As per the recent notification by Government the securities of the companies can be transferred only in dematerialised form. Hence Members are requested to dematerialise their equity shares from physical form to demat form. The International Security Identification Number (ISIN) allotted to the Equity Shares of the Company is INE011F01013.

Company's Registrar and Share Transfer Agents:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Coimbatore  
Date: 13.08.2020

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

## DIRECTORS' REPORT

Dear Shareholders,

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

### FINANCIAL RESULTS

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

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

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

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

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

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



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

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

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

### **New Products**

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

### **Reserves**

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

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

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

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

### **Share Capital**

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

### **Extract of Annual Return**

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

### **Number of Board Meetings**

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

The details of Board meetings are given below:

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

Attendance of Directors during the year:

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

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

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

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

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

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

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

## HR Development and Industrial Relation

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

## Particulars of Contracts or Arrangements with Related Parties

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

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

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

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

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

### a) Conservation of Energy:

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

### b) Technology Absorption:

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

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

The Foreign Exchange earnings and outgo are as below:

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

Foreign exchange outgo Rs.41.13 Crore

**Risk Management Policy**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Internal Financial Control**

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

### **Deposits**

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

### **Declaration by Independent Directors**

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

### **Compliance with Secretarial Standards**

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

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

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



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

### **Audit Committee**

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

### **Credit Rating**

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

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

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

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

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

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

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

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

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

### **Nomination & Remuneration Committee**

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

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

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

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

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

**Applicability:**

The Policy is applicable to

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

*Definitions*

'Board' means Board of Directors of the Company.

'Directors' means Directors of the Company.

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

'Company' means Roots Multiclean Ltd.

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

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

Part – B covers the appointment and nomination; and

Part – C covers remuneration and perquisites etc.

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

(a) Size and composition of the Board:

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

(b) Directors:

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

(c) Succession plans:

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

(d) Evaluation of performance:

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

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

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

(e) Board diversity:

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

*Part – B covers the appointment and nomination:*

General Appointment Criteria:

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

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

Term / Tenure:

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

Retirement:

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

Removal:

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

*Part – C covers remuneration and perquisites etc.*

General:

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

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

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

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

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

### **Statutory Auditors**

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

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

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

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

### **Internal Auditor**

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

### **Cost Records**

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

### **Cost Auditors**

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

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

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

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

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

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

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

### **Vigil Mechanism**

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

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

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

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

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

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

There was no change in the nature of the business.

### **Material Changes**

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



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

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

**Directors' Responsibility Statement**

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

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

**Acknowledgement**

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

Coimbatore  
Date: 13.08.2020

For and on behalf of the Board  
**(Sd.) K.Ramasamy**  
Executive Chairman  
(DIN 00034360)

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

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

**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

S. No.	Name and Description of main Products / Services	NIC Code of the Product / Service (2004)	% to total turnover of the Company
1	Floor Cleaning Equipments and Industrial vacuum cleaners	29299	95.01

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

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

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

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

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

## (ii) Shareholding of Promoters:

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

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

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

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

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



**V. INDEBTEDNESS:**

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

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

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

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

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

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

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

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

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal Made, if any (Give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Coimbatore  
Date: 13.08.2020

For and on behalf of the Board

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

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

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

**POLICY ON RELATED PARTY TRANSACTIONS**

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

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

Under the Companies Act, 2013:

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

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

Under the Companies Act, 2013:

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

**C. BY THE SHAREHOLDERS:**

Under the Companies Act, 2013:

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

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

For and on behalf of the Board

Coimbatore  
Date: 13.08.2020

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

### **Annexure 3**

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

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

##### **CSR Policy**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

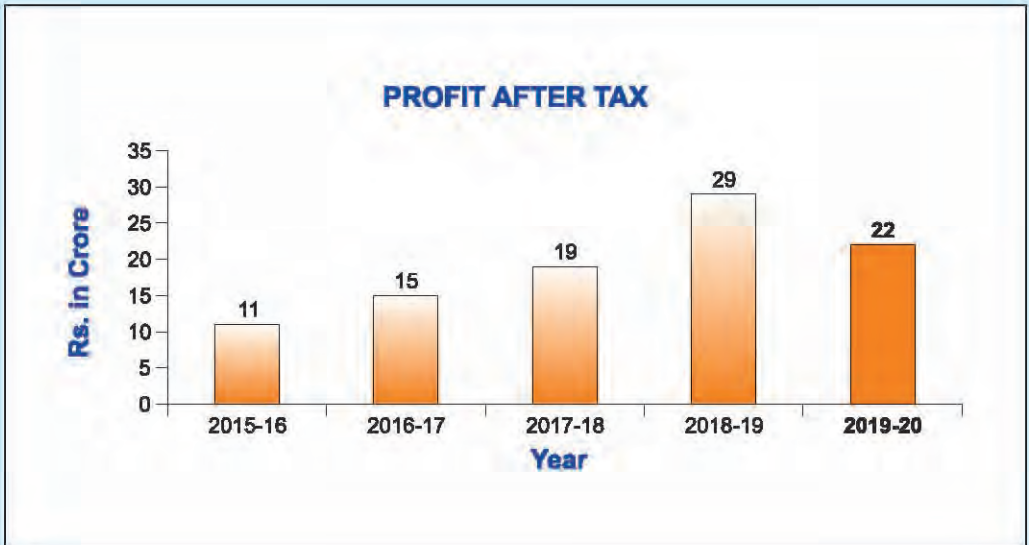
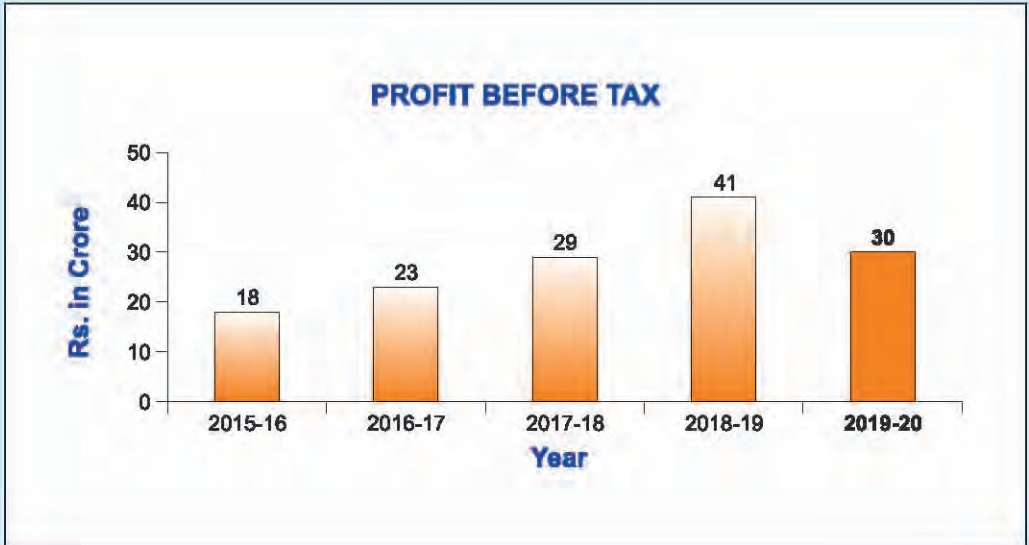
### Responsibility statement of the CSR Committee

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

Coimbatore  
Date: 13.08.2020

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

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



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



ADDING VALUE

## ROOTS MULTICLEAN LTD

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

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

E-mail: [rmclsales@rootsemail.com](mailto:rmclsales@rootsemail.com) Web: [www.rootsmulticlean.com](http://www.rootsmulticlean.com)