January 07, 2026

Roots Multiclean Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based - Cash credit	81.00	85.00	[ICRA]A+ (Stable); reaffirmed
Long term – Fund based - Term loan	13.00	26.50	[ICRA]A+ (Stable); reaffirmed
Long term - Unallocated	0.56	16.00	[ICRA]A+ (Stable); reaffirmed
Short term – Non fund based	43.69	10.75	[ICRA]A1; reaffirmed
Total	**138.25**	**138.25**	

**Instrument details are provided in Annexure-I*

Rationale

The rating reaffirmation factors in Roots Multiclean Limited's (RMCL/the company) established brand presence in the industrial cleaning segment. Over the years, RMCL has benefited from the brand name of the Roots Group, and its established position and brand presence as one of the leading players in the industrial cleaning segment in India with a diversified customer base across various industries.

The ratings also factor in a robust financial risk profile, reflected in healthy profitability, comfortable capital structure and debt protection metrics. The revenues witnessed a healthy YoY growth of 16%, increasing to ~Rs. 507 crore in FY2025 from ~Rs. 439 crore in FY2024. Going forward, ICRA expects the company to continue to report a healthy growth in revenues along with maintaining strong debt coverage indicators.

The ratings continue to be constrained by the intense competition in the industry. Further, the company's operating margin is exposed to the volatility in the input prices, given the company's limited ability to hike prices on an immediate basis. ICRA also notes the high working capital intensity of the operations primarily due to the elevated inventory holding requirements.

The Stable outlook on RMCL's rating reflects ICRA's opinion that the company will continue to benefit from its established position as a mechanised cleaning equipment manufacturer and the favourable demand prospects that are expected to keep the earnings healthy, going forward.

Further, the outlook underlines ICRA's expectation that the entity's incremental capex, which will help expand the product portfolio, will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Established brand presence and vast experience in industrial cleaning industry - RMCL was incorporated in 1992 as a part of the Roots Group based in Coimbatore to manufacture mechanised cleaning equipment. Since then, RMCL has leveraged the brand of the Roots Group and has established itself as one of the top players in the industrial cleaning segment in India. The Roots Group of companies has a track record of over four decades in diverse segments such as horns, aluminium castings, plastic components and precision components, in addition to mechanised cleaning equipment.

Diversified customer base across diverse industries – The company caters to a wide variety of customers in the manufacturing and services sectors. No client forms over 5% of the revenue in the domestic market, thereby eliminating customer concentration risk. The customer base in the domestic market is expected to expand further as the industrial cleaning products segment is in a growth phase. Apart from industries, RMCL caters to the facility management services sector wherein corporates outsource their facility management needs. It also caters to government institutions, supported by new Government initiatives such as Clean India. It has been able to cater to the demands of customers effectively because of its after-sales services.

Healthy financial risk profile – RMCL has a firm financial risk profile, reflected in its healthy profitability, comfortable capital structure and strong debt protection metrics. The company's operating profitability has remained healthy in the range of 16-17%.in the last two years. The return on capital employed (RoCE) remained strong at 19.4% in FY2025, driven by healthy profitability. The company's net worth was around Rs. 331 crore as on March 31, 2025. The capital structure continues to be comfortable with a gearing of 0.3 times as on March 31, 2025, driven by consistently healthy cash accruals and moderate reliance on external debt for funding its working capital requirement. Further, the debt protection metrics are healthy, reflected in an interest coverage ratio of 7.5 times and total debt/OPBDITA of 1.2 times in FY2025.

Credit challenges

High working capital intensity - As the company manufactures a wide variety of products, it needs to maintain an inventory of finished goods and traded spares both at its factories and the branches, which leads to high working capital intensity of operations (NWC/OI of around 38% in FY2025 and in the range of 38-45% in the last five fiscals). The price fluctuations in raw materials have also prompted the company to hold a higher stock of raw materials.

Profitability exposed to increase in raw material prices - The company's profitability metrics remain exposed to the fluctuation in the prices of key raw materials – steel and aluminium – and the associated lag in passing on the hike to the customers. Hence, a timely pass-through of the hikes in input costs to customers remains key for RMCL's performance.

Intense competition - The competition is highly intense in the industrial cleaning industry, reducing the bargaining power against suppliers and customers. However, going forward, ICRA expects RMCL to witness a healthy OI growth because of sustained demand, improved geographical presence and regular addition of new products.

Liquidity position: Adequate

RMCL's liquidity position is likely to remain adequate, with healthy cash flow from operations against low fixed debt repayment obligations and buffer in working capital facilities (undrawn working capital limits of around Rs. 81 crore at a consolidated level as of October 2025). The average utilisation of the fund-based limits stood at around 39% (consolidated) during the last 13 months ended October 2025. Besides, the entity had ~Rs. 25.17 crore in fixed deposits and another ~Rs. 26.87 crore in mutual fund investments as on October 31, 2025.

Rating sensitivities

Positive factors – The ratings can be upgraded if the company demonstrates a significant improvement in its scale of operations while maintaining the profit margins with improved working capital cycle and liquidity position.

Negative factors – The ratings may be downgraded if there is a substantial decline in the scale of operations and profitability, leading to a deterioration of the key credit metrics. A large debt-funded capex or a stretch in the working capital cycle adversely impacting the liquidity profile and other key credit metrics will also affect the ratings. A total debt/OPBDITA of 1.5 times or above on a sustained basis at the consolidated level may also warrant a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	To arrive at the ratings, ICRA has considered the consolidated financials of RMCL with its group entity, which is listed in Annexure II

About the company

RMCL, incorporated in 1992, started manufacturing mechanised cleaning equipment in the early 1990s through a techno-financial collaboration with Hako Werke GmbH, Germany. Initially, the technical alliance and joint venture partnership with Hako Werke had catapulted RMCL's global entry. RMCL later developed its own technological capabilities in product design and now launches its own products in several categories. Several RMCL products are among the leading brands in India in their respective categories.

Key financial indicators (audited)

RMCL	Consolidated		Standalone		
	FY2024	FY2025	FY2024	FY2025	7MFY2026*
Operating income	439.0	507.4	357.0	417.3	275.7
PAT	45.1	47.7	42.8	52.4	31.7
OPBDIT/OI	17.1%	16.4%	19.3%	19.6%	18.8%
PAT/OI	10.3%	9.4%	12.0%	12.5%	11.5%
Total outside liabilities/Tangible net worth (times)	0.5	0.6	0.3	0.4	-
Total debt/OPBDIT (times)	0.9	1.2	0.3	0.6	-
Interest coverage (times)	12.9	7.5	27.0	27.0	-

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortization; *Provisional*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

			Current ratings (FY2026)	Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Jan 07, 2026	Date	Rating	Date	Rating	Date	Rating
Long term - Cash credit - Fund based	Long term	85.00	[ICRA]A+ (Stable)	Dec 13, 2024	[ICRA]A+ (Stable)	Sep 11, 2023	[ICRA]A (Stable)	Jun 13, 2022	[ICRA]A (Stable)
Long term - Term loan - Fund based	Long term	26.50	[ICRA]A+ (Stable)	Dec 13, 2024	[ICRA]A+ (Stable)	Sep 11, 2023	[ICRA]A (Stable)	Jun 13, 2022	[ICRA]A (Stable)
Long term - Unallocated	Long term	16.00	[ICRA]A+ (Stable)	Dec 13, 2024	[ICRA]A+ (Stable)	Sep 11, 2023	[ICRA]A (Stable)	Jun 13, 2022	[ICRA]A (Stable)
Short term – Others - Non-fund based	Short term	10.75	[ICRA]A1	Dec 13, 2024	[ICRA]A1	Sep 11, 2023	[ICRA]A1	Jun 13, 2022	[ICRA]A1

Complexity level of the rated instrument

Instrument	Complexity indicator
Fund based – Cash credit	Simple
Fund based – Term loan	Simple
Unallocated	NA
Non-fund based	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term – Fund based – Cash credit	NA	NA	NA	85.00	[ICRA]A+ (Stable)
NA	Long term - Fund-based – Term loan	Nov 29, 2019	NA	Dec 04, 2029	26.50	[ICRA]A+ (Stable)
NA	Long term - Unallocated	NA	NA	NA	16.00	[ICRA]A+ (Stable)
NA	Short term – Non-fund based	NA	NA	NA	10.75	[ICRA]A1

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	RMCL ownership	Consolidation approach
Roots Multiclean Inc., USA	100.00%	Full consolidation

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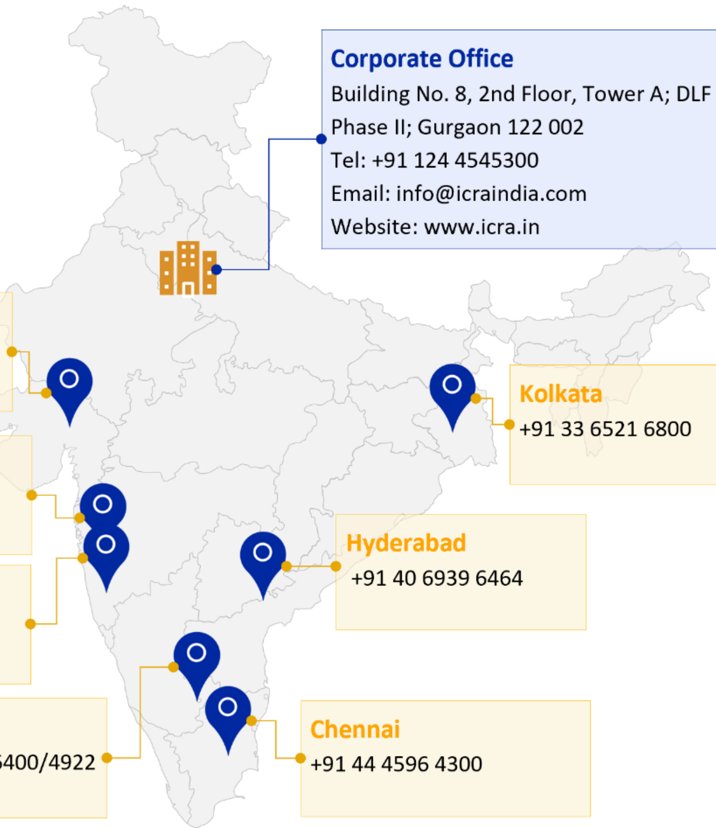

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