

Rosmerta Technologies Limited

July 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	-	-	Reaffirmed at CARE BBB+ (RWN) ; Continues to be on Rating Watch with Negative Implications and Withdrawn
Short Term Bank Facilities	-	-	Reaffirmed at CARE A2 (RWN) ; Continues to be on Rating Watch with Negative Implications and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE has reaffirmed and withdrawn the outstanding ratings of 'CARE BBB+; (RWN)/CARE A2 (RWN)' [Triple B Plus; Rating Watch with Negative Implications/ A Two; Rating Watch with Negative Implications] assigned to the bank facilities of Rosmerta Technologies Ltd (RTL) with immediate effect. The above action has been taken at the request of RTL and 'No Objection Certificate' received from the bank(s) that have extended the facilities rated by CARE.

The ratings assigned to Rosmerta Technologies Limited (RTL) continue to be on rating watch with developing implications following the allegations levelled against the promoters of the group with regards to concealment of material facts in the Draft Red Herring Prospectus (DRHP) filed for one of the subsidiaries of RTL, namely, Rosmerta Digital Services Limited (RDSL), which has also resulted in the deferment of its Initial Public Offer (IPO). Based on the company's correspondence, the exchange has raised no queries regarding the anonymous complaint filed against the Rosmerta Group.

The ratings continue to reflect RTL's established partnerships with leading Original Equipment Manufacturers (OEMs), its extensive pan-India distribution network, strong market position, and an experienced management team. Operational performance remained stable in FY25 (April 1 to March 31), and the company has been actively diversifying into new product segments to mitigate revenue concentration risks. The ratings also consider RTL's comfortable financial risk profile, supported by a stable capital structure and healthy debt coverage metrics. However, the ratings are offset by the presence of product concentration risk, substantial investments into preference shares of group entities and competition from new players entering the market.

Analytical approach: Consolidated approach; The consolidated approach is on account of strong operational and financial linkages amongst the group entities under the same management. The entities considered in consolidation are provided in Annexure-06.

Detailed description of key rating drivers:

Key strengths

Tie up with leading OEM with PAN India presence

The company has tie up with leading OEMs like Hero Moto Corp Limited, Maruti Suzuki India Limited, Bajaj Auto India Private Limited, Honda Motorcycle & Scooters India, etc. and has presence in PAN India with strong distribution network of about 350+ centers for affixation of HSRP plates.

Strong market position along with experienced management team

The day-to-day operations of RTL are managed by professionals under the direct supervision of directors who possess considerable experience in their respective fields. RTL is promoted by KKH Technologies Limited, which holds 86% stake in the former, an investment company which is primarily controlled by The Motilal Nagpal Family Trust, whereby Mr. Kartick Nagpal & Mr. Karn Vivek Nagpal are the beneficial owners holding 20% each, with the other beneficiaries being Mrs. Aarti Nagpal and Mr. Hariansh Nagpal. Further, Mr. Pankaj Madan and Mr. Brijesh Singh are the board of directors in KKH Technologies Limited, whereby Mr. Pankaj Madan is also on the board of RTL. Mr. Pankaj Madan is a post-graduate in accounting having 15 year of experience in finance.

Stable operational performance during FY25

The group's total operating income (TOI) registered a modest growth of approximately 4%, reaching Rs. 881.55 crore in FY25 (UA) compared to Rs. 847.95 crore in the previous year. This subdued growth was primarily due to the flat performance of its key revenue-generating segment—High-Security Registration Plates (HSRP). The PBILDT margin of the group moderated by 142 bps and stood at 18.75% in FY25 (PY: 20.17%). The elevated margin in FY24 was driven by economies of scale, which normalized

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications

in FY25. The PAT margin moderated by 236 bps and stood at 14.83% in FY25 (PY: 17.18%). The higher PAT margin in FY24 was largely attributable to an exceptional income of Rs. 21.60 crore from the sale of one of its subsidiaries.

Comfortable financial risk profile

The financial risk profile continued to remain comfortable with overall gearing of 0.21x as on Mar-31, 2025 (PY: 0.19x). Further, the debt coverage metrics also stood comfortable with Interest Coverage (PBILDT/Interest) ratio and Total debt to GCA of 16.37x and 0.91x respectively (PY: 1198x and 0.54x respectively).

Favourable regulatory environment

As per the extant guidelines issued by the Ministry of Road Transport and highways (MoRTH), all vehicles sold before April 2019 must have HSRP to facilitate tracking of stolen vehicles through registration of vehicles in central database and to make the registration plates tamper free. As a result of this all OEM's must comply with the regulation for all new manufactured vehicles being rolled out. Furthermore, for the existing four-wheelers and two-wheelers plying on the road, it has been made mandatory to affix HSRP in a phased manner across various states. On the back of RTL's wide distribution network, the company was able to cater to the surge in demand which was reflected in growth in revenues and profitability over the past couple of years. The states such as Andhra Pradesh, Assam, Bihar, Delhi, Uttar Pradesh, Uttarakhand, Telangana, and Himachal Pradesh, among others have implemented HSRP on March 31, 2023 and in Karnataka, the same has been mandated from November 2023 onwards which provides revenue visibility in the near term. The company's ability to cater to the demand and tackle competition without any adverse impact on the profitability or the capital structure shall remain a key monitorable going forward.

Key weaknesses

Whistleblower complaint and allegations against promoters

The whistleblower's complaint against Rosmerta group to the various regulators primarily revolved around material concealment of facts in DRHP filed for a group entity – Rosmerta Digital Services Ltd and implicit involvement of Mr. Vivek Nagpal (father of founding promoters i.e. Mr. Kartick Nagpal & Mr. Karn Vivek Nagpal) in the operations of Rosmerta group. Mr. Vivek Nagpal had a history of being implicated in the 2002 stock market scam and was also debarred from securities market for a period of five years by Securities and Exchange Board of India (SEBI). However, as discussed with the management of the company, they have refuted direct or indirect involvement of Mr. Vivek Nagpal in the overall group structure. Rosmerta group has been promoted by The Motilal Nagpal Family Trust, whereby Mr. Kartick Nagpal and Mr. Karn Vivek Nagpal are the beneficial owners holding 20% each and balance held by other beneficiaries viz, Mrs. Aarti Nagpal (Wife of Mr. Vivek Nagpal) and Hariansh Nagpal. Pursuant to these allegations, the management has deferred their fund-raising plans through IPO in the group entity and await conducive market conditions for the IPO.

Based on the company's correspondence, the exchange has raised no queries regarding the anonymous complaint filed against the Rosmerta Group.

Product Concentration risk

During FY24, the company derived 63% of its total revenue from HSRP plates (PY: ~61%), 8.5% from Smart Cards (PY: 12.6%), 10.8% from Rosmerta Digital (PY: 6.6%) and 2.5% from telecom cards (PY: 0.00%), which expose the company to product concentration risk. Therefore, any saturation in the market of HSRP plate with increased competition can impact on the scale of operations of the company. The risk is, however, mitigated to some extent with company's diversifying into new products and ramping-up of operations in those segments such as multi profile sim cards, company's strong tie ups with OEM's and its future plan to diversify into other business-like scrapping of old vehicles.

Significant investments in group entities

The company, through its subsidiary Rosmerta Safety Systems Limited (RSSL) has made investments amounting to Rs.263.77 Cr. (PY: Rs.238.22 Cr.) in the preference instruments of various group companies. RSSPL has surplus cash balances. In the financial year 2021-22, RSSL invested these surplus funds in the inter-corporate loans to group companies. In FY 2022-23, the intercorporate loans given by RSSL, were received back. As part of group strategic investment, RSSL has invested its surplus funds in investments in the preference share instruments of the Group Companies. The Companies in which RSSL has invested, has strong business plans. Investments are also secured taking cognizance of the fact that these entities are part of the group and there a significant underline value of Assets (i.e. land & building etc.). However, any further investments in group/ associate entities shall be credit negative and remain key monitorable.

Exposed to competition from players entering the market

The company remains exposed to the threat of new entrants due to low barriers of entry in the business of manufacturing and distribution of HSRP plates which has grown at a significant rate in past two years supported by favorable change in regulatory policy by state/central government for mandatory implementation of HSRP plates. The company thus remains exposed to the threat of a new entrant with an established network or any adverse regulatory changes which may impact the future business potential.

Liquidity: Adequate

The company has adequate liquidity marked by strong cash accruals and low scheduled debt repayment obligations in upcoming years. Healthy profitability margins and adequate cash balance have reduced reliance of the company on bank finance for its working capital requirement. Free cash and cash equivalent as on March 31st, 2024 were Rs. 35.29 crore (PY: Rs. 36.79 crore). The company normally extends credit for 30 days to its customers and receives credit of 60-120 days from its creditors.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Information Technology	Information Technology	IT - Hardware	Computers Hardware & Equipments

Rosmerta Technologies Limited (RTL) was incorporated on May 03, 2006 as a private limited company which was changed to public limited company on September 29, 2009. RTL is promoted by KKH Technologies Limited, which holds 86% stake in the former, an investment company which is primarily controlled by The Motilal Nagpal Family Trust, whereby Mr. Kartick Nagpal & Mr. Karn Vivek Nagpal are the beneficial owners holding 20% each, with the other beneficiaries being Mrs. Aarti Nagpal and Mr. Hariansh Nagpal. It is engaged in the business of manufacturing and affixation of High Security Registration Plates (HSRP) with production capacity of 4 crore plates set. RTL is also into manufacturing of Speed Limiter Devices, Vehicle Tracking System (VTS), Global Positioning System (GPS) etc. The company has recently diversified into the business of manufacturing and trading of PPE for COVID-19 such as 3 ply mask, N-95 Mask and sanitizers etc. RTL belongs to Rosmerta Technologies group. The other two companies belonging to group are Rosmerta Safety Systems Pvt. Ltd. (RSSPL) and Rosmerta Autotech Pvt. Ltd. (RAPL). RSSPL manufactures High Security Registration Plates (HSRP) and has manufacturing plant in Bilaspur district in Himachal Pradesh with capacity of 1 million set of HSRP plates per month and in Kamrup, Assam with an installed 4 CARE Ratings Ltd. Press Release capacity of five million sets of HSRP plates per month and RAPL is a highly specialized manufacturer and supplier of Road Safety Devices such as Speed Governor (Fuel based), Speed Governor (Cable/Actuator type), Vehicle Tracking System (VTS) and Auto Fare Meters in the field of automobile sector.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	847.95	881.55
PBILDT	171.06	165.32
PAT	145.69	130.69
Overall gearing (times)	0.19	0.21
Interest coverage (times)	11.98	16.37

A: Audited Prov.: Provisional; Note: these are latest available financial results

Status of non-cooperation with previous CRA: NA

Any other information: NA

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	0.00	Withdrawn
Fund-based - ST-Bank Overdraft		-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC		-	-	-	0.00	Withdrawn
Non-fund-based-Short Term		-	-	-	0.00	Withdrawn
Term Loan-Long Term		-	-	Proposed	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - ST-Bank Overdraft	ST	-	-	1) CARE A2 (RWN) (02-Jul-2025)	1)CARE A2 (RWN) (18-Nov-24) 2)CARE A2 (05-Jul-24)	1)CARE BBB; Positive (23-Oct-23)	1)CARE BBB; Stable (10-Oct-22)
2	Non-fund-based - ST-BG/LC	ST	-	-	1) CARE A2 (RWN) (02- Jul-2025)	1)CARE A2 (RWN) (18-Nov-24) 2)CARE A2 (05-Jul-24)	1)CARE A3 (23-Oct-23)	1)CARE A3 (10-Oct-22)
3	Non-fund-based-Short Term	ST	-	-	1) CARE A2 (RWN) (02- Jul-2025)	1)CARE A2 (RWN) (18-Nov-24) 2)CARE A2 (05-Jul-24)	1)CARE A3 (23-Oct-23)	1)CARE A3 (10-Oct-22)
4	Term Loan-Long Term	LT	-	-	1) CARE BBB+ (RWN) (02- Jul-2025)	1)CARE BBB+ (RWN) (18-Nov-24) 2)CARE BBB+; Stable (05-Jul-24)	-	-
5	Fund-based - LT-Cash Credit	LT	-	-	1) CARE BBB+ (RWN) (02- Jul-2025)	1)CARE BBB+ (RWN) (18-Nov-24) 2)CARE BBB+; Stable	-	-

						(05-Jul-24)		
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LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - ST-Bank Overdraft	Simple
3	Non-fund-based - ST-BG/LC	Simple
4	Non-fund-based-Short Term	Simple
5	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Rosmerta Autotech Private Limited	Full	Subsidiary
2	Rosmerta Engineering Private Limited	Full	Subsidiary
3	Rosmerta Holding Private Limited	Moderate	Subsidiary
4	Rosmerta Logistics Private Limited	Full	Subsidiary
5	Rosmerta Solutions Private Limited	Full	Subsidiary
6	Rosmerta Inspection Private Limited	Full	Subsidiary
7	Konnet Vian Private Limited	Proportionate	Subsidiary
8	Rosmerta Auto Recycling Private Limited	Full	Subsidiary
9	Rosmerta Safety Systems Private Limited	Full	Subsidiary
10	Smart Card IT Solutions Private Limited	Full	Subsidiary
11	KKH Finvest Private Limited	Full	Subsidiary

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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