

September 20, 2023

## Raaja Magnetics Limited: Continues to remain under issuer non-cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based- Cash Credit	12.00	12.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term-Fund Based- Term Loan	3.00	3.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Short Term- Non-Fund based-others	16.83	16.83	[ICRA]A4; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
<b>Total</b>	<b>31.83</b>	<b>31.83</b>	

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has kept the Long-term and short-term ratings of Raaja Magnetics Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance, Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at [www.icra.in](http://www.icra.in).

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities : [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

### About the company

RML manufactures electrical stampings and die-cast rotors for motors used in pumps for agricultural and general industrial applications. The castings find applications in various kinds of motors such as hermetic motors, pump motors, appliances

motors and general purposes motors. RML has its two manufacturing units in Coimbatore (Tamil Nadu) and Bangalore (Karnataka) to cater to the South India market.

### Key financial indicators

Standalone	FY2020	FY2021
Operating Income (Rs. crore)	69.6	55.6
PAT (Rs. crore)	-4.8	-3.6
OPBDIT/OI (%)	1.1%	2.0%
PAT/OI (%)	-6.9%	-6.6%
Total Outside Liabilities/Tangible Net Worth (times)	7.5	16.3
Total Debt/OPBDIT (times)	43.5	38.0
Interest Coverage (times)	0.3	0.5

**Status of non-cooperation with previous CRA: Not Applicable**

**Any other information: None**

### Rating history for past three years

Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years				
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2020		
				20-Sept-2023			29-Nov-2019	17-June-2019	
1 Fund Based-Cash Credit	Long Term	12.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA] BBB- (Stable); ISSUER NOT COOPERATING	
2 Fund Based-Term Loan	Long Term	3.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA] BBB- (Stable); ISSUER NOT COOPERATING	
3 Non-Fund based-others	Short Term	16.83	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA] A3; ISSUER NOT COOPERATING	

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund Based- Cash Credit	Simple
Fund Based- Term Loan	Simple
Non-Fund based-others	Very 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, is available on ICRA's website: [Click Here](#)

**Annexure-1: Instrument details**

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund Based- Cash Credit	-	-	-	12.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Fund Based- Term Loan	-	-	-	3.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Non-Fund based- others	-	-	-	16.83	[ICRA]A4; ISSUER NOT COOPERATING

**Source: Raaja Magnetics Limited**

**Annexure-2: List of entities considered for consolidated analysis: Not Applicable**

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