

September 16, 2024

Edward Food Research and Analysis Centre Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Non-convertible debenture	36.00	36.00	[ICRA]B- (Stable); withdrawn
Total	36.00	36.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the rating at the current level in accordance with ICRA's policy on withdrawal as the rated non-convertible debenture (NCD) has been entirely redeemed and there is no amount outstanding against the instrument.

The Key rating drivers, Liquidity position, Rating sensitivities have not been captured as the rating has been withdrawn. Nevertheless, the financial profile of Edward Food Research and Analysis Centre Limited (EFRAC) has improved following a significant equity infusion of Rs. 48.26 crore by QIMA (UK) Limited in August 2024. The funds infused have been utilised to fully redeem the outstanding NCD (Rs. 48.26 crore including accrued interest), positively impacting the company's capital structure and debt metrics. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the standalone financials of EFRAC.

About the company

Edward Food Research and Analysis Centre Limited (EFRAC) was established in August 1921. The company operates a testing and research laboratory for food and food products, drugs and cosmetics, and environment at Subhash Nagar in North 24 Parganas district, West Bengal. Mandala Food Co-Investments II Ltd. and Mandala Litmus SPV, based out of Mauritius, made an equity investment in FY2017, post which, the Mandala Group held an equity stake of 51% in EFRAC. One of the Mandala Group entities (Mandala Food Co-Investments I Ltd.) also invested in EFRAC through NCD. In August 2024, QIMA (UK) Limited, having a global presence in the testing, inspection, and certification business, acquired the Mandala Group's stake in EFRAC and infused a fresh equity of ~Rs. 48 crore, which has been used to redeem the NCD. QIMA's equity shareholding in the company stands at ~72%.

Key financial indicators (audited)

EFRAC (Standalone)	FY2023	FY2024	Q1 FY2025*
Operating income	28.7	28.6	7.0
PAT	0.9	1.9	-0.2
OPBDIT/OI	41.9%	44.7%	42.7%
PAT/OI	3.1%	6.5%	-3.4%
Total outside liabilities/Tangible net worth (times)	-3.7	-4.2	-
Total debt/OPBDIT (times)	4.1	3.9	-
Interest coverage (times)	1.4	1.4	1.4

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2025)				Chronology of rating history for the past 3 years					
				FY2024		FY2023		FY2022	
Instrument	Type	Amount Rated (Rs Crore)	Sept 16, 2024	Date	Rating	Date	Rating	Date	Rating
Non-Convertible Debenture	Long Term	36.00	[ICRA]B-(Stable); Withdrawn	11-Jan-24	[ICRA]B-(Stable)	12-Jan-23	[ICRA]B-(Stable)	21-Mar-22	[ICRA]B-(Stable)
								07-Apr-21	[ICRA]C+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Non-Convertible Debenture	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
INE008V07042	Non-Convertible Debenture	June 2016	18.00%	July 1, 2025*	36.00	[ICRA]B- (Stable); Withdrawn

Source: Company; *Redeemed on August 27, 2024

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Shamsher Dewan

+91 124 4545328

shamsherd@icraindia.com

Kinjal Shah

+91 022 61143400

kinjal.shah@icraindia.com

Sujoy Saha

+91 33 7150 1184

sujoy.saha@icraindia.com

Sovanlal Biswas

+91 33 7150 1181

sovanlal.biswas@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.