

April 14, 2026

## Happilo International Private Limited: [ICRA]BBB- (Stable)/[ICRA]A3; assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term-Fund-based-Term loan	9.50	[ICRA]BBB- (Stable); assigned
Long-term-Fund-based-Working capital demand loan	30.00	[ICRA]BBB- (Stable); assigned
Short-term-Fund-based-Bill discounting	25.00	[ICRA]A3; assigned
Long-term/Short-term-Unallocated limits	10.50	[ICRA]BBB- (Stable)/[ICRA]A3; assigned
<b>Total</b>	<b>75.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The assigned ratings factor in favourably expectation of a sustained improvement in the scale of operations of Happilo International Private Limited over the medium term, supported by its high-quality premium products, strong brand recall among urban high-income consumers, and improvement in marketing intensity (marketing spends as % of revenues) and marketing elasticity to revenues. Promoted by Mr. Vikas Nahar, the brand commenced operations in 2016 and is engaged in the business of packaged healthy snacks, primarily dry fruits, nuts, berries and related products. The company has established a wide domestic footprint, supported by a network of around 200 distributors and presence across nearly 35,000 retail outlets, including C&D class stores (with Class C being smaller and independent retailers, and Class D being small outlets or temporary setups, often serving as a niche or local convenience spot). It operates a manufacturing facility in Bengaluru, which undertakes cleaning, washing, drying, roasting, and packaging of healthy snacks, including nuts, berries, and seed mixes. The facility is equipped with several advanced imported machines equipped with US technology.

Happilo has secured funding from private equity investors over the years, namely A91 Partners and Motilal Oswal Alternate Investment Advisors Pvt Ltd, which provided adequate support for funding marketing initiatives and scaling up operations. ICRA notes that the company is in the process of setting up a new manufacturing facility in Tumkur, Karnataka, with the associated capex being partly funded through term debt and funds raised from private equity investors and promoter.

The company's revenues have increased at a healthy CAGR over the years, reflecting its growth stage business profile. Over time, Happilo has sustained product quality and strengthened its premium positioning, making its offerings a preferred choice among urban, higher income consumers. The company undertook significant brand building initiatives in FY2023 and FY2024, including high visibility campaigns such as the sponsoring teams in the Indian Premier League (IPL), which adversely impacted profitability in the near term but helped in building strong brand recall. Subsequently, in FY2025, although revenues declined by around 15% (largely on account of one-time trading sales of Rs. 32 crore in FY2024), the company achieved operational profitability by rationalising marketing spends and focusing on profitable growth. In FY2026, as per provisional figures, revenues recorded a healthy growth of around 60% over FY2025 to about Rs. 450 crore, while maintaining operational profitability (OPM of ~2% in FY2026 compared to 1.1% in FY2025). Going forward, the company is expected to sustain growth while gradually improving profitability.

Despite improvement in the operating performance, debt coverage indicators remain modest, constrained by relatively lower operating margins and modest cash accruals. The company reported subdued coverage metrics in FY2025, with interest coverage of 0.4x and DSCR of 0.3x. However, these metrics are expected to improve to 1.7-2.0x and 1.2-1.3x, respectively, over the medium term, supported by improvement in operating margins and cash generation.

The ratings continue to be constrained by the company's modest profitability and exposure to competitive pressure arising from moderate entry barriers in the industry. Nevertheless, Happilo's established brand, in-house manufacturing capabilities enabling strong quality control, and wide domestic presence are expected to support its credit profile over the near-to-medium term.

The Stable outlook on Happilo's long-term rating reflects ICRA's expectation of a sustained growth in the scale of operations, along with a gradual improvement in profitability, supported by the company's wide distribution network, strong brand recall, and improvement in marketing elasticity to revenue.

## Key rating drivers and their description

### Credit strengths

**Fast growing branded player in the healthy snacking and dry fruits segment; wide distribution network** – Happilo operates as a branded player in the processed nuts, dry fruits, seeds, berries, trail mixes and allied healthy snacking categories. Over the years, the company has scaled up its operations (revenue of Rs. 450 crore as per provisional figures in FY2026 vis-à-vis Rs. 140 crore in FY2021), supported by increasing consumer preference for packaged, premium and health-focused food products. The company has built a recognisable brand in the organised segment, particularly in urban markets, supported by a wide product portfolio and distribution network with around 200+ distributors, presences across around 35,000 retailers (including C&D class retail outlets – with Class C being smaller and independent retailers, and Class D being small outlets or temporary setups, often serving as a niche or local convenience spot), and a healthy brand visibility on quick commerce and ecommerce platforms.

**Successful track record of raising growth capital at regular intervals from reputed institutional investors** – Timely fund infusion from private equity investors has aided the company in ramping up its scale of operations over the years. Regular equity support has enabled Happilo to undertake large-scale brand-building initiatives, including sponsorships of high-visibility events such as the IPL, which has strengthened brand recall and supported long-term revenue growth.

### Credit challenges

**Exposure to intense competition and limited entry barriers** – The organised nuts and healthy snacks segment witnesses intense competition from national brands (like Farmley, Nutraj, and Wonderland), regional players, private labels of large e-commerce/quick commerce platforms and unorganised players in offline markets. Entry barriers remain moderate, with limited product differentiation in core stock keeping units (SKUs) like almonds, cashews and raisins. This constrains pricing power and necessitates sustained spending on marketing, promotions and trade incentives, weighing on profitability.

**Modest profitability; suppressed debt coverage indicators** – Financial risk profile remains constrained by suppressed debt coverage indicators, with the operating profitability remaining modest and cash accruals just about adequate to cover interest and scheduled debt repayments on a sustained basis. Elevated reliance on working capital borrowings and short-tenure facilities, coupled with moderate profitability, has resulted in subdued interest coverage and debt service coverage metrics, although timely external funding support from private equity investors and promoters provides comfort.

**Exposure to fluctuations in input prices; premium brand positioning and affluent target customer mitigate the same to an extent** – The company remains exposed to volatility in prices of key raw materials, however, it has positioned itself in the premium segment, catering largely to higher-income, urban consumers who demonstrate a greater willingness to pay for branded, quality-oriented healthy snack products. This consumer profile provides the company with relatively better pricing flexibility and pass-through ability for raw material cost fluctuations compared to mass-market peers. Nevertheless, the extent of cost pass-through remains partly moderated by competition and pricing pressure inherent to platform-driven distribution channels.

## Liquidity position: Adequate

Happilo's liquidity position remains Adequate, characterised by expected cash flow from operations of greater than Rs. 4-5 crore in FY2027 against repayment obligation of Rs. 7 crore and modest capex plans of Rs. 10-12 crore in FY2027. The company closed a funding round of around Rs. 17-18 crore in FY2026 and has cash and bank balances of Rs. 18 crore as of April 2026.

## Rating sensitivities

**Positive factors** – The ratings could be upgraded in case of a significant scale-up in revenues and profitability of the company, leading to improved cash accruals and debt coverage metrics on a sustained basis.

**Negative factors** – The ratings could witness a downward revision in case of any adverse impact on the revenue and profitability of the company, resulting in a deterioration in debt protection metrics. Further, any sizeable debt-funded capex or higher working capital requirement, leading to an adverse impact on the liquidity position of the company, can trigger a downward rating revision.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology FMCG</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

Happilo International Private Limited, founded in 2016 by Vikas D. Nahar and headquartered in Bengaluru, is a leading Indian healthy snacking brand offering a wide range of premium dry fruits, nuts, berries, seeds, and roasted snacks.

The company primarily operates through e-commerce channels, which account for around 80-85% of revenues, with the remainder generated through offline distribution. It has established a wide domestic footprint with around 200 distributors and a presence across nearly 35,000 retail outlets, including C&D class stores, and also exports to countries such as Singapore, Saudi Arabia, Sri Lanka, Nepal, Mauritius and Maldives.

## Key financial indicators (audited)

HIPL (Standalone)	FY2024	FY2025	9M FY2026*
Operating income	328.8	280.0	351.3
PAT	-136.6	-9.6	0.0
OPBDIT/OI	-28.4%	1.1%	3.0%
PAT/OI	-41.5%	-3.4%	0.0%
Total outside liabilities/Tangible net worth (times)	7.6	12.7	2.1
Total debt/OPBDIT (times)	-1.3	42.8	7.0
Interest coverage (times)	-15.1	0.4	1.8

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 amortisation

\*Provisional Figures

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Instrument	Current ratings (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	April 14, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based-Term loan	Long Term	9.50	[ICRA]BBB-(Stable)	-	-	-	-	-	-
Fund-based-Working capital demand loan	Long Term	30.00	[ICRA]BBB-(Stable)	-	-	-	-	-	-
Fund-based-Bill discounting	Short Term	25.00	[ICRA]A3	-	-	-	-	-	-
Unallocated limits	Long Term/Short Term	10.50	[ICRA]BBB-(Stable)/[ICRA]A3	-	-	-	-	-	-

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ Fls (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, Fls	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fls	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term-Fund-based-Term loan	Simple
Long-term-Fund-based-Working capital demand loan	Simple
Short-term-Fund-based-Bill discounting	Simple
Long-term/Short-term-Unallocated limits	Not Applicable

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 II: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	FY2025	NA	FY2032	9.50	[ICRA]BBB- (Stable)
NA	Working capital demand loan	NA	NA	NA	30.00	[ICRA]BBB- (Stable)
NA	Bill discounting	NA	NA	NA	25.00	[ICRA]A3
NA	Unallocated limits	NA	NA	NA	10.50	[ICRA]BBB-(Stable)/[ICRA]A3

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

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