

October 7, 2026

Earth Crust Private Limited: [ICRA]BBB- (Stable)/[ICRA]A3; assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator [#]
Long-term – Fund-based – Cash credit	17.00	[ICRA]BBB- (Stable); assigned	RBI
Long-term – Fund-based – Term loans	12.76	[ICRA]BBB- (Stable); assigned	RBI
Long-term/Short-term – Unallocated limits	20.24	[ICRA]BBB- (Stable)/[ICRA]A3; assigned	RBI
Total	50.00		

*Instrument details are provided in Annexure I

[#]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.

Rationale

The ratings assigned to the bank lines of Earth Crust Private Limited (ECPL), a manufacturer of packaged snacks viz., namkeens, sweets, biscuits, cookies and other packaged foods under the *Let's Try* brand, factor in its track record of profitable growth since inception in FY2021, an improving brand acceptance, a calibrated approach to capacity expansion and its ability to garner investor interest. The company has scaled up its operations, achieving a compounded annual growth rate (CAGR) of around 224% in revenues over the past four years, reaching around Rs. 203 crore in FY2026 (provisional) from Rs. 6 crore in FY2023. This has been supported by the rising acceptance and brand recall on major e-commerce platforms, product launches and deeper market penetration. At the same time, its operating profit margin (OPM) improved gradually to around 5.2% in FY2026 (provisional) from around 2.2% in FY2024, mainly due to economies of scale. ICRA forecasts the company to sustain its revenue growth momentum over the medium term with a gradual improvement in profitability as the company plans to invest substantially in marketing and promotional activities. The assigned ratings also consider the favourable demand outlook for packaged snack food in India, supported by the increasing consumption of branded products, rising disposable incomes and the growing consumer preference for conveniently packaged branded food products. While the packaged food segment is highly competitive, ECPL has differentiated the *Let's Try* brand as a relatively healthy snacking option that uses groundnut oil as the cooking medium instead of palm oil (typically used by the larger industry). The ratings also consider ECPL's efforts to widen its distribution reach through e-commerce channels, general trade and modern trade, although ecommerce remains its primary distribution channel as of now. The ratings draw support from ECPL's demonstrated ability to raise growth capital from institutional private equity (PE) investors in the form of compulsory convertible preference shares (CCPS). The company raised Rs. 31.7 crore through CCPS between FY2023 and FY2026 and around Rs. 14 crore in 4M FY2027, which have supported its expansion plans and working capital requirements. ICRA also notes that the company is planning to raise another round of funds from investors in the near term to support its growth plans.

The ratings are, however, constrained by ECPL's moderate profitability amid intense competition and limited entry barriers in the snacking industry. While the profitability has improved year-on-year (YoY), it remains moderate on account of higher marketing and promotional expenditure. The debt coverage indicators and net worth position are likely to improve further with an expected increase in earnings and steady accretion to reserves. ECPL maintained healthy debt protection metrics till FY2025; however, its key debt protection indicators, including the DSCR, are expected to moderate to 1.2-1.5 times during FY2027 and FY2028 amid the debt-funded capex undertaken in FY2026 and the planned capex in FY2027. Nevertheless, the debt protection metrics are expected to remain comfortable over the medium term, supported by a sustained improvement

in earnings. Moreover, ECPL competes with large national and regional brands as well as numerous local and unorganised manufacturers, and would require sustained expenditure on consumer promotions, distributor incentives, advertising and distribution expansion to enhance its market position. Further, the profitability remains exposed to the company's ability to pass on input cost increases amid intense competition in the industry. Additionally, while ECPL has established associations with majority e-commerce players, the high dependence on this sales avenue exposes it to channel concentration risks.

The Stable outlook on the long-term rating reflects ICRA's opinion that ECPL will continue to benefit from the favourable demand prospects for branded packaged snacks and its ongoing initiatives to scale up revenues through marketing and capacity expansions. The outlook also factors in ICRA's expectations that any incremental capital expenditure will be funded prudently so that the company is able to maintain its debt protection metrics at levels commensurate with the current ratings.

Key rating drivers and their description

Credit strengths

Established track record of raising growth capital – ECPL has demonstrated its ability to raise growth capital at regular intervals from a diversified base of institutional investors. The company commenced raising funds from PE investors in FY2023 through CCPS. It progressively broadened its investor base through multiple funding rounds. ECPL raised Rs. 31.7 crore through the issuance of CCPS during FY2023-FY2026 and further around Rs. 14 crore in 4M FY2027. These infusions have supported the company's working capital requirements, marketing spends and business expansion initiatives. Nevertheless, the company remains in a capital-intensive growth phase, with continued expenditure expected towards brand building, working capital and capacity expansion. Thus, a timely completion of future fund-raising rounds, if any, will remain important for the planned expansions.

Fast-growing branded snack player on e-commerce platforms – ECPL has rapidly scaled up its presence in the branded packaged snacks segment through its 'Let's Try' brand. The company's operating income increased to Rs. 203.2 crore in FY2026 from Rs. 64.9 crore in FY2025 and Rs. 6.0 crore in FY2023. The scaling up of revenue has been supported by product launches, increasing brand visibility, deeper market penetration and an expanding distribution footprint. Further, the company has positioned several of its products at a premium to the mass market alternatives, supported by product differentiation through the use of groundnut oil instead of palm or refined oil in certain offerings. Nevertheless, the sustainability of the premium positioning will depend on ECPL's ability to maintain product quality, preserve brand differentiation and generate repeat purchases while managing competitive intensity. Its ability to convert the rapid increase in revenues into stronger profitability and cash generation will also remain a monitorable.

Favourable demand outlook for packaged snack food industry in India – The demand outlook for packaged snack food in India remains favourable, backed by increasing urbanisation, rising disposable incomes, changing lifestyles and a growing consumer preference for convenient, ready-to-eat products. Further, the increased preference for hygienic products, post the pandemic, and a gradual shift from loose and unorganised food items has led to a healthy growth in demand for packaged snacks in recent fiscals.

Credit challenges

Moderate scale of operations; exposure to intense competition and limited entry barriers – Despite a healthy growth, ECPL's revenue remains moderate compared with established packaged food companies. Further, the industry is intensely competitive, with reputed national brands, regional participants and unorganised manufacturers competing across products and price points. The limited entry barriers in many snack categories permit frequent entry of new participants and private labels. This necessitates high selling expenses to maintain market presence.

Moderate profitability due to high marketing and promotional expenses – ECPL remains in a brand building and expansion phase, which entails considerable marketing and promotional spending on key e-commerce platforms. Although its OPM

improved to 5.2% in FY2026, its profitability remains exposed to the extent of distributor incentives, advertising, and promotional activities.

Exposure to fluctuations in input prices – ECPL’s profitability is exposed to movements in the prices of food commodities, oil, packaging materials and other ingredients. While the company has positioned itself in the relatively premium segment, the extent of cost pass-through would remain partly moderated by competition and pricing pressures inherent to platform-driven distribution channels.

Liquidity position: Adequate

ECPL’s liquidity is seen to remain adequate, supported by expected steady cash generation from the business and cash and bank balances of around Rs. 23 crore as on March 31, 2026. The average utilisation of its fund-based working capital utilisation stood at around 85% of the sanctioned limit over the 12-month period ended August 2026. The company is likely to generate net cash accruals in the range of Rs. 13-17 crore in FY2027 against repayment obligations of around Rs. 10 crore each in FY2027 and FY2028. Further, the company has debt-funded capex plans of Rs. 10-15 crore in FY2027, which is being funded through term loans of Rs. 7-8 crore. Overall, ICRA expects ECPL to be able to meet its near-term commitments through internal cash flow generation, cash and bank balances, more fund-raising plans through CCPS and additional working capital limits.

Rating sensitivities

Positive factors – The ratings could be upgraded if there is a material increase in ECPL’s scale of operations and earnings, leading to a strengthening of the net worth and liquidity position while maintaining comfortable debt protections metrics.

Negative factors – Pressure on the ratings could arise if there is a material decline in revenue and earnings, or a higher-than-projected debt-funded capex, or an elongation in the working capital cycle, resulting in a moderation of the debt coverage indicators and liquidity position on a sustained basis. A specific credit metric for downgrade would be a DSCR of less than 1.4 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology FMCG
Parent/Group support	None
Consolidation/Standalone	Standalone

About the company

Earth Crust Private Limited (ECPL) is a Delhi-based company that was incorporated in June 2020. ECPL manufactures snack foods and packaged foods, including roasted snacks, wafers, peanuts, mixtures, rusks and other ready-to-eat food products under the ‘Let’s Try’ brand. ECPL is promoted by Mr. Nitin Kalra and Ms. Neelam Kalra. The company has been receiving funding from various PE investors.

Key financial indicators (audited)

ECPL (Standalone)	FY2025	FY2026*
Operating income (OI)	64.9	203.2
PAT	0.5	5.1
OPBDIT/OI	2.0%	5.2%
PAT/OI	0.8%	2.5%
Total outside liabilities/Tangible net worth (times)	1.5	2.1
Total debt/OPBDIT (times)	6.8	4.8
Interest coverage (times)	2.3	4.5

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 numbers

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instruments	Current ratings (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Oct 7, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund based – Cash credit	Long term	17.00	[ICRA]BBB- (Stable)	-	-	-	-	-	-
Fund based – Term loan	Long term	12.76	[ICRA]BBB- (Stable)						
Unallocated limits	Long-term/Short-term	20.24	[ICRA]BBB- (Stable)/[ICRA]A3	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based – Cash credit	Simple
Long term – Fund based – Term loan	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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial sector regulator [#]
NA	Long term – Fund based – Cash credit	NA	NA	NA	17.00	[ICRA]BBB- (Stable)	RBI
NA	Long term – Fund based – Term loan	FY2025-FY2027	NA	FY2030-FY2032	12.76	[ICRA]BBB- (Stable)	RBI
NA	Long term/Short term – Unallocated limits	NA	NA	NA	20.24	[ICRA]BBB- (Stable)/[ICRA]A3	RBI

Source: Company

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

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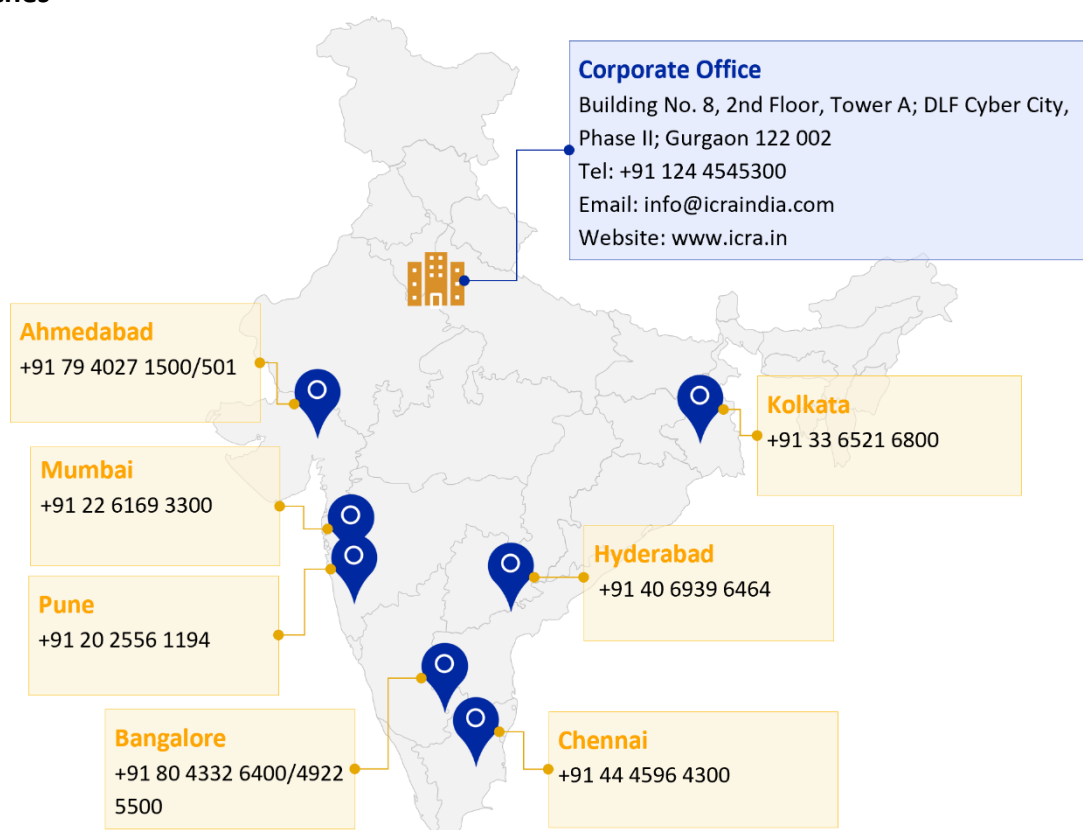


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