

October 07, 2025

## Casablanca Industries Private Limited: Rating downgraded to [ICRA]BB-(Stable)

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debenture (NCD) Programme	350.00	350.00	[ICRA]BB- (Stable); downgraded from [ICRA]BB(Stable)
<b>Total</b>	<b>350.00</b>	<b>350.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating downgrade reflects the expectation of continued weak debt coverage indicators for Casablanca Industries Private Limited (CIPL) over the near to medium term, with the entity's earnings (at a consolidated level) expected to improve only gradually. Aided by the completion of the acquisition of Ball Aerosol Packaging (currently known as Casa Cans Private Limited) in February 2025, CIPL is expected to report a healthy scale-up in operations (at a consolidated level) in the current fiscal, with revenues estimated to reach around Rs. 430-450 crore. The operating margins of the company remained impacted by certain one-time expenses in Q1 FY2026 (Rs. 2.2 crore), apart from an increase in raw material prices. Aided by various cost-efficiency measures undertaken following the acquisition and moderation in raw material inflation, the entity is expected to report operating margins of 12-13% in FY2026, with a further improvement expected over the medium term. Nonetheless, the debt coverage metrics of the company are expected to continue to remain weak.

The total outlay for the acquisition was Rs. 250 crore, which was funded through NCDs. The company raised an additional Rs. 100 crore for refinancing its existing bank debt, repayment of external commercial borrowings availed from the promoters, and the balance towards part-funding the proposed capital expenditure. Owing to this debt-funded acquisition and ballooning debt repayments, debt coverage indicators are expected to remain modest for the entity, with an estimated interest coverage of around 1.0-1.2 times in FY2026. The operating profit margins for the entity have remained volatile in the past owing to various factors, including intense competition, write-offs of doubtful debts, increased legal expenses, and rising raw material prices that could not be fully passed on to end customers. The ability of the company to successfully integrate the proposed acquisition and report healthy margins on a sustained basis remains to be seen. The ratings are also constrained by the weak liquidity position, as reflected in the limited cushion in fund-based limits and low cash/bank balances.

The ratings continue to take comfort from the extensive experience of the promoters and management in the packaging industry. The company enjoys long-term relationships with leading companies, which have facilitated repeat business. However, customer concentration risk remains high, with the top five customers accounting for more than ~60% of its revenues. The demand prospects for the industry also remain favourable, which augurs well for the company's revenue growth.

The Stable outlook reflects ICRA's expectation of a steady improvement in the company's earnings, aided by healthy orders, which is expected to lead to a gradual improvement in the company's financial risk profile.

### Key rating drivers and their description

#### Credit strengths

**Extensive experience of promoters with established track record in packaging industry** – The promoter of CIPL, Mr. Delfin Gilbert, has extensive experience of over five decades in similar lines of business. This has helped the company develop relationships with leading customers and suppliers in the industry. Moreover, the company's customer base and geographical reach have also expanded following the acquisition.

**Established relationship with leading customers** – CIPL manufactures aerosol cans and supplies to major players (One Asia Network India Pvt. Ltd., Vanesa Cosmetics Private Limited, to name a few) in both domestic and international markets. The company has an established customer base and enjoys long-term relationships with leading personal care companies (brand owners as well as their contract manufacturers), which facilitates repeat business. ICRA notes the company's exposure to customer concentration risk, with the top five customers accounting for more than 50-60% of its revenues in recent years, though the established relationships with these customers provide some comfort.

### Credit challenges

**Weak financial risk profile** – CIPL undertook a large debt-funded acquisition of Casa Cans Private Limited (CCPL) in FY2025. The total outlay for the acquisition was estimated at Rs. 250 crore. The company raised an additional Rs. 100 crore of NCDs for refinancing its existing bank debt, repaying external commercial borrowings availed from the promoters, and part-funding the proposed capital expenditure in CCPL. Owing to this debt-funded acquisition and ballooning debt repayments, debt coverage indicators are expected to remain modest for the entity, with estimated interest coverage of around 1.0-1.2 times in FY2026. However, some comfort can be drawn from the fact that repayments for the NCDs are structured in a ballooning pattern and there is a three-year moratorium on the Rs. 256 crore NCDs.

**Limited bargaining power due to significant competition** – CIPL faces intense competition in the cans industry from other domestic players as well as companies from exporting countries, which limits its pricing power. This is likely to constrain improvement in profitability and debt coverage metrics over the near to medium term.

**Exposed to volatile raw material prices and demand trends** – CIPL's profitability is vulnerable to volatility in raw material prices, including aluminium, which are linked to the London Metal Exchange (LME). The company's prices are based on the LME, and price variations (within a defined range) are passed on to customers with a lag, as seen in Q1 FY2026 margins, through monthly and quarterly price revisions. However, ICRA notes that if the variation in LME prices goes beyond the defined range, CIPL can pass on that variation to customers. The margins are also exposed to changes in demand trends and consumer preferences.

**Working capital-intensive nature of operations** – The operations are working capital-intensive, as reflected in high debtor and inventory days. This is likely to constrain improvement in the company's return indicators over the near to medium term.

### Liquidity position: Stretched

CIPL had free cash and bank balances of around Rs. 15 crore as on August 2025. The company is expected to generate cash flows from operations of around Rs. 25-30 crore over the next few years. The repayments are estimated at Rs. 10.3 crore in FY2026 and Rs. 45.1 crore in FY2027. The company's ability to successfully integrate the acquired entity's operations and generate healthy operating profit margins while maintaining a comfortable working capital cycle will be critical.

### Rating sensitivities

**Positive factors** – ICRA could upgrade the rating if CIPL demonstrates sustained improvement in its profitability and scale of operations post-acquisition, while effectively managing its working capital cycle, leading to an improvement in debt coverage metrics and liquidity position.

**Negative factors** – The rating may be downgraded if there is a material decline in revenues and profitability, and/or elongation of the working capital cycle, or any additional debt-funded capex/investments that weaken CIPL's debt coverage metrics.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the consolidated financials of the company. Details of entities consolidated are given in Annexure II.

## About the company

Incorporated in 2011, CIPL manufactures mono-block aluminium cans of various diameters. As on March 31, 2025, 99.99% of the company's stake was held by Indicans Holdings BV, promoted by Mr. Delfin Gilbert. The entity acquired Casa Cans Private Limited (earlier known as Ball Aerosol Packaging Private Limited) in FY2025.

### Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	167.3	219.5
PAT	17.0	10.8
OPBDIT/OI	14.4%	14.5%
PAT/OI	10.1%	4.9%
Total outside liabilities/Tangible net worth (times)	4.5	12.8
Total debt/OPBDIT (times)	3.7	11.5
Interest coverage (times)	3.8	1.6

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	07-Oct-25	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Non-Convertible Debenture (NCD)	Long term	350.00	[ICRA]BB-(Stable)	Oct 08, 2024	[ICRA]BB(Stable)	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
NCD	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 / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE834U07019	NCD	November 22, 2024	10%-12%*	November 22, 2030	94.0	[ICRA]BB-(Stable)
INE834U07027	NCD	January 14, 2025	10%-14.10%^	November 22, 2030	256.0	[ICRA]BB-(Stable)

Source: Company \*10% for Year1,11% for Year 2 and 12% from 3<sup>rd</sup> Year ^10% for Year1,11% for Year 2 and 14.10% from 3<sup>rd</sup> Year

**Annexure II: List of entities considered for consolidated analysis**

Company Name	CIPL Ownership	Consolidation Approach
Casa Cans Private Limited	100%	Full Consolidation

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