

Twinkle Papers Limited

June 25, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	27.90	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	8.25	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Twinkle Papers Limited (hereinafter referred as TPL) to monitor the rating(s) vide e-mail communications/letters dated April 30, 2025; June 11, 2025 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Limited has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited's opinion is not sufficient to arrive at a fair rating. The ratings on TPL's bank facilities will now be denoted as **CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of TPL has been revised on account of non-availability of requisite information due to non-cooperation by TPL. CareEdge Ratings views information availability risk as a key factor in its assessment of credit risk. The ratings continue to factor in modest scale of operations and weak financial risk profile characterized by high overall gearing owing to low net-worth base and higher reliance of working capital limits, stretched liquidity position and working capital-intensive nature of operations. The ratings are further constrained by vulnerability of margins to raw material prices volatility and foreign exchange fluctuations with highly competitive nature of industry and customer concentration risk. The ratings, however, derive comfort from improvement in profitability margin in FY24 (refers to April 1 to March 31), extensive experience of the promoters and the company's long track record of operations, association with reputed client base.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on June 05, 2024 the following were the rating strengths and weaknesses.

Key weaknesses

Modest scale of operations

The company's scale of operation continues to remain low and reported Rs.58.38 crore during FY24 (PY: Rs.54.81 crores) owing to decline in sale of corrugated box which was partially offset by increase in demand of plastic items in FY24 as compared to the last fiscal. Further, the company has reported an operating income of around Rs.12.00 crore for 2MFY25 (refers to April 1 to May 31) on the back of steady demand and growth in volumes

Leveraged financial risk profile

The company's financial risk profile remains leveraged, as evident by deterioration in overall gearing to 3.83x as on March 31, 2024 (Prov.) as against 3.66x as on March 31, 2023. The low net-worth base of Rs.11.32 crore as on March 31, 2024 along with the higher utilization of working capital limits and fresh term loan availed by the company led to increase in leverage. Further, debt coverage indicators though improved slightly yet remained leveraged as marked by interest coverage ratio of 2.23x in FY24 (PY: 2.03x) and Total Debt to GCA is 9.61x as against 12.75x in FY23 on account of improving profitability margins.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Working capital intensive operations along with high customer concentration risk

The operations of the company are working capital intensive as characterized by operating cycle of 153 days in FY24 (PY: 127 days) due to elongated inventory days. The company maintains high levels of inventory, which stood at 154 days in FY24 (PY: 121 days) for smooth functioning of production, exposing the company's margins to susceptibility to fluctuation in raw material prices. Further, top 5 customer accounted for around 39% of total sales in FY24 with share of top 2 customers accounting to ~27% exposing the company to customer concentration risk. The risk, however, is mitigated to some extent as the company is having long-term relationship with its customers.

Vulnerability of margins to raw material prices and foreign exchange fluctuations

Major raw material used by the company is plastic granules, chemicals and paper products constituting ~68% of total income in FY24 (PY: ~76%). The prices of these raw materials are fluctuating in nature as they depend on demand and supply scenario. This exposes the margins to any adverse movement in the raw material prices. Furthermore, the margins of the company are exposed to foreign exchange fluctuation, as the company imports the raw material (Chemicals) from middle east. In absence of any natural hedge, margins of the company are exposed to any adverse fluctuation in the foreign exchange prices.

Presence in highly competitive industry

The packaging industry is highly fragmented in nature with stiff competition from large number of organized as well as unorganized players. This limits the pricing power of the manufacturers and puts further pressure on profitability. However, this risk is mitigated to some extent as the company has a reputed clientele and long track record of operations.

Key strengths

Improving profitability margins

The company has witnessed the improvement in PBILDT margin from 10.72% in FY23 to 15.44% in FY24 primarily on account of saving in raw material cost and improved performance in plastic items segment both in terms of improved sales realisation as well as higher quantities sold. Consequently, PAT margin increased from 1.55% in FY23 to 2.18% in FY24. Further, during FY24 the company had started the production of pallets, which is relatively higher profit yielding segment.

Experienced promoters and long-standing association with customers and suppliers

Twinkle Papers Limited is a family-owned business. Incorporated in 1995, the company is managed by Mr Amit Jain who has an overall experience of over two decades and looks after production, and quality control function of the company. Moreover, day-to-day operations of the company are supported by a team of professionals having experience ranging between 10-40 years. Being in operations for more than 2 decades, the company has long standing relationships with its customers and suppliers.

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Paper & Paper Products](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Plastic Products - Industrial

Incorporated in 1995, Twinkle Papers Limited (TPL) is operating in packaging industry and engaged in manufacturing of Plastic (HDPE) Drums/ Containers, Corrugated Boxes, and Paper Cones at its manufacturing facility located at Malerkotla, Punjab. For plastic segment, the company is having production capacities for manufacturing HDPE Drums/containers with capacity ranging from 100 ml to 1000 ml (HDPE Drums/containers). Annual capacity stood at 6,500 MT as on March 31, 2024. For Corrugated boxes segment, the company is having a corrugation machine with capacity of 8,000 MT per annum as on March 31, 2024. The company is a family-owned business with Mr. Amit Jain as its managing director.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	47.05	54.81	58.59
PBILDT	4.32	5.88	9.17
PAT	0.71	0.85	1.71
Overall gearing (times)	3.05	3.66	2.98
Interest coverage (times)	2.06	2.03	2.35

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	17.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	30/09/2029	10.90	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit	-	-	-	-	8.25	CARE A4; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	10.90	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (05-Jun-24)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (12-Feb-24)	1)CARE BB; Stable (02-Feb-23)
2	Fund-based - LT-Cash Credit	LT	17.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (05-Jun-24)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (12-Feb-24)	1)CARE BB; Stable (02-Feb-23)
3	Non-fund-based - ST-Letter of credit	ST	8.25	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (05-Jun-24)	1)CARE A4; ISSUER NOT COOPERATING* (12-Feb-24)	1)CARE A4 (02-Feb-23)

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

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Puneet Kansal Director CARE Ratings Limited Phone: 120-4452018 E-mail: puneet.kansal@careedge.in Sandeep Aggarwal Associate Director CARE Ratings Limited Phone: 120-4452062 E-mail: Sandeep.aggarwal@careedge.in Arpit Garg Lead Analyst CARE Ratings Limited E-mail: arpit.garg@careedge.in
---	--

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CareEdge Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CareEdge Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**