

Result Glance: Q1FY26

The net sales for the quarter de-grew by 22.2% to Rs281mn as compared to Rs361mn in the same quarter last year. The Ebitda margins for the quarter under review stood at 6.90% as compared to 26.65% in the comparative quarter last year. The company reported a loss of Rs21mn as compared to a profit of Rs6mn in the same quarter last year. The EPS for the quarter stands at Rs(0.07). The company appears to have been struggling with working capital needs. Since the past two quarters, there has been no update provided by the Management.

The quarter under review saw the divestment of its wholly owned subsidiary Calchem Industries to H.G. Partners LLP (which is a part of the promotor group and also having the same directors as SNCL). As a part of the related party transaction, 100% of Calchem's outstanding debt obligations will also be transferred. This acquisition was approved at a total consideration of ~Rs95mn and is sold at a value of Rs130mn.

As per the recent press release, the promoter group i.e. Manekchand Panachand Trading Investment Company Pvt. Ltd, have obtained an ad-interim injunction from the Bombay High Court restraining Badjate Stock Broking Pvt. Ltd, Badjate Stocks and Shares Pvt. Ltd, and Bonanza Portfolio Ltd from selling the company's shares pledged with them. The promoters have also filed a suit seeking damages for illegal sale of shares and resultant losses.

We are still unable to get any update from the Management, which is a requisite for any future projections to be done. Thereby, we are not including any projections. We shall update as and when some clarity is received from the Management. Until then, we maintain a Hold on the stock.

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