

NEWSLETTER  
(FY25 EARNINGS UPDATES)

**OVERVIEW:** This newsletter serves to provide review of our portfolio recommendations as Companies report FY25 earnings. Our portfolio Companies (with recommended Buy to our clients) have been able to deliver **XIRR north of 53%** (or c.20% returns in 5 months) despite volatility in global & domestic markets linked to Trump tariffs, war tensions, global supply chain rejigs, changing commodity prices etc.

- This newsletter is being published now as the portfolio Companies have reported their FY25 results.
- We have included our rationale / process for recommending them to our clients for the benefit of readers and only for knowledge purposes. Links to full equity research note (public version) is mentioned in the footer of respective pages.
- Please note this newsletter does not serve as current / future BUY or SELL recommendations for any of these Companies. Any BUY / SELL recommendation has been issued to our clients only as part of our paid services.

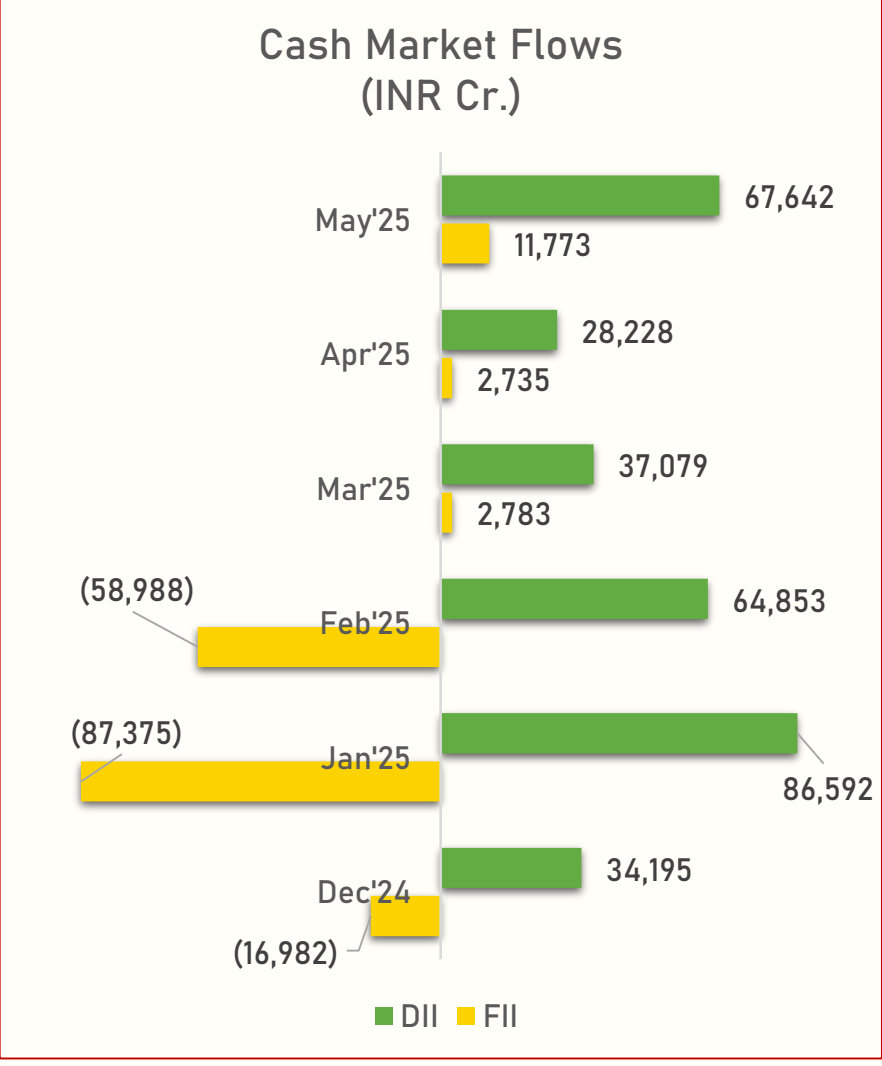
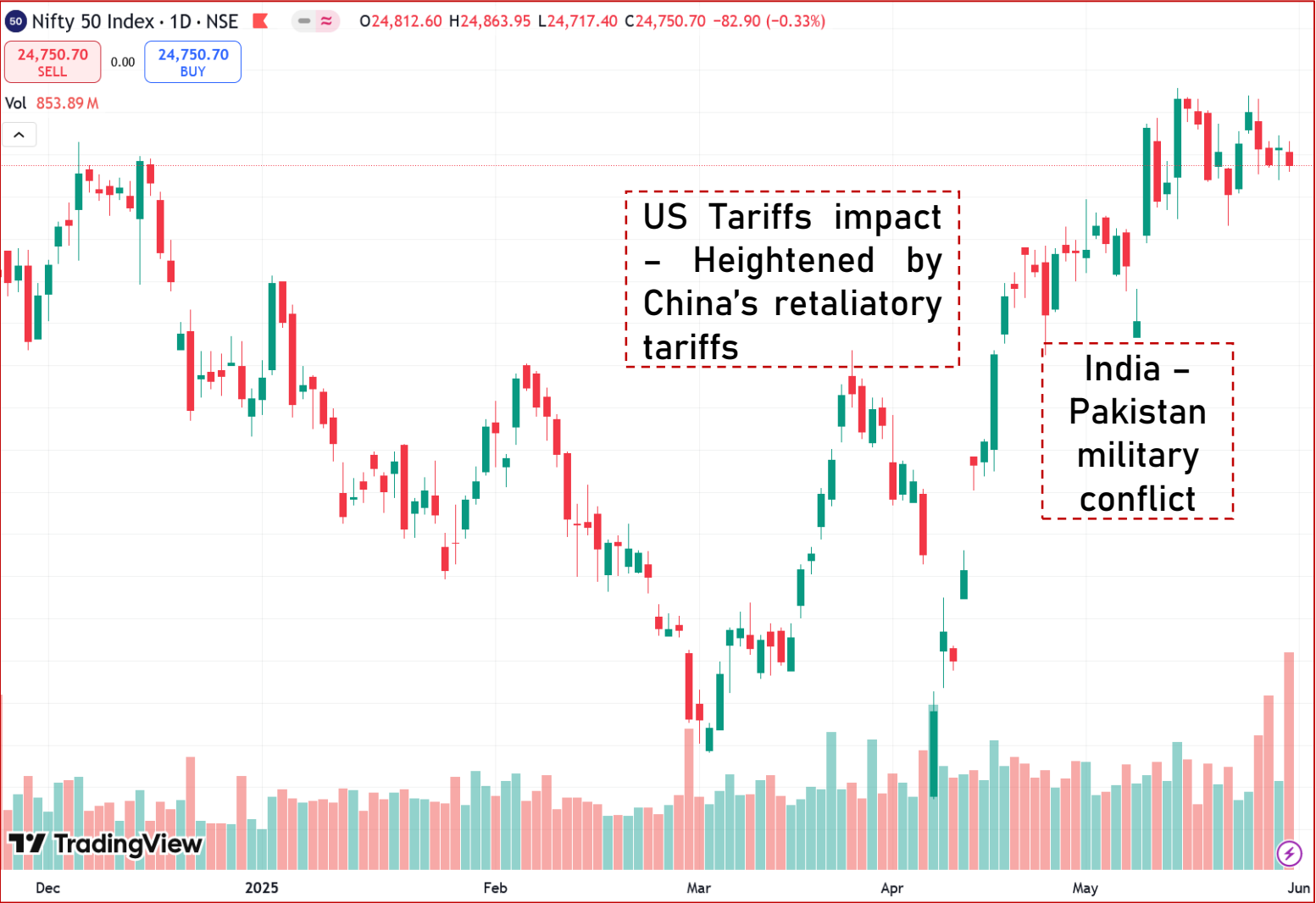
Company Name	Price at Recommendation	CMP (INR)	Upside %
Thyrocare	683	1,050	53.7%
Standard Glass Lining	131	184	40.2%
Danish Power	804	1,026	27.6%
Suraksha Diagnostics	258	324	25.6%
Thangamayil Jewellery	1,649	1,904	15.5%
PCBL Chemical	361	398	10.2%
Sky Gold	363	393	8.2%
PN Gadgil	520	549	5.6%
Dhabriya Bollywood	394	359	(8.8%)

**XIRR of 53.3%**  
(Absolute return of c.20% in 5 mo.)

Note: Actual returns are higher since this does not take into effect date of investing & exits recommended at higher price during the period.

*\*CMP, M.Cap & PE as on 30-May-2025 (source: Screener)*

**NIFTY 50:** During Dec’24 to Mar’25, NIFTY 50 has remained flattish witnessing correction from the levels of 24,800 in Dec’24 to 21,760 in Apr’25 followed by inflows / buying which led NIFTY 50 to close at the level of 24,750 as on May’25



**Volatile flows from FII's amidst global uncertainties**

INDEX	NIFTY 50	MIDCAP 100	SMALLCAP 100	NIFTY BANK	NIFTY AUTO	NIFTY IT	NIFTY FMCG	HEALTHCARE	OIL & GAS	REALTY
PE Ratio	22.32x	32.84x	31.65x	14.63x	24.25x	27.89x	43.7x	36.14x	13.71x	46.62x
PB Ratio	3.62x	4.95x	4.33x	2.33x	4.94x	7.67x	10.58x	5.96x	1.7x	5.49x

Source: NSE (30-May-2025)

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**NIFTY 50:** Financial Year 2026 has started with a lot of global turmoil transpiring flow of events thereby setting stage for a global reset.

Event	Remarks	Date	NIFTY 50 Close	Change (d-o-d)
Global Trade Tensions & Tariffs	<b>US-China Tariff Escalation:</b> <ul style="list-style-type: none"><li>Multiple rounds of tariff increases (up to 245%) and retaliatory measures by China, including rare earth export quotas, have increased global uncertainty.</li><li>Periodic pauses and rollbacks provided temporary relief, but the overall environment remains volatile.</li></ul> <b>Impact on India:</b> <ul style="list-style-type: none"><li>While India was not directly targeted, global supply chain disruptions and shifts in trade policy have indirect effects on Indian exporters and importers.</li><li>India-UK FTA signed, offering potential export growth opportunities</li></ul>	30-May-25	24,751	-83
		29-May-25	24,834	81
		28-May-25	24,752	-74
		27-May-25	24,826	-175
		26-May-25	25,001	148
		23-May-25	24,853	243
		22-May-25	24,610	-204
		21-May-25	24,813	130
		20-May-25	24,684	-262
		19-May-25	24,945	-74
		16-May-25	25,020	-42
		15-May-25	25,062	395
		14-May-25	24,667	89
		13-May-25	24,578	-346
		12-May-25	24,925	917
		9-May-25	24,008	-266
		8-May-25	24,274	-141
		7-May-25	24,414	35
		6-May-25	24,380	-82
		5-May-25	24,461	114
		2-May-25	24,347	13
		30-Apr-25	24,334	-2
		29-Apr-25	24,336	7
Geopolitical Risks	<b>India-Pakistan Tensions:</b> <ul style="list-style-type: none"><li>April-May 2025 saw a brief military escalation, including airstrikes and missile exchanges, followed by a ceasefire.</li><li>Market volatility spiked during the conflict but normalized post-ceasefire.</li></ul> <b>Middle East &amp; Russia-Ukraine:</b> <ul style="list-style-type: none"><li>Ongoing conflicts and ceasefire negotiations in Israel-Gaza and Russia-Ukraine add to global risk premiums and commodity price volatility.</li></ul>	28-Apr-25	24,329	289
		25-Apr-25	24,039	-207
		24-Apr-25	24,247	-82
		23-Apr-25	24,329	162
		22-Apr-25	24,167	42
		21-Apr-25	24,126	274
		17-Apr-25	23,852	414
		16-Apr-25	23,437	109
		15-Apr-25	23,329	500
		11-Apr-25	22,829	429
		9-Apr-25	22,399	-137
		8-Apr-25	22,536	374
		7-Apr-25	22,162	-743
		4-Apr-25	22,904	-346
		3-Apr-25	23,250	-82
		2-Apr-25	23,332	167
		1-Apr-25	23,166	-354
Monetary Policy & Liquidity	<b>RBI Policy Actions:</b> <ul style="list-style-type: none"><li>25bps repo rate cut in April 2025; stance shifted to 'Accommodative'.</li><li>RBI revised FY26 GDP growth forecast down to 6.5% (from 6.7%), CPI inflation revised down to 4%.</li><li>Aggressive liquidity infusion (~INR 3 lakh crore) via open market operations to support banking system.</li></ul> <b>Global Central Banks:</b> <ul style="list-style-type: none"><li>US Fed and PBOC policy shifts, including rate cuts and liquidity measures, continue to influence FII flows and currency volatility.</li></ul>	30-May-25	24,751	-83
		29-May-25	24,834	81
		28-May-25	24,752	-74
		27-May-25	24,826	-175
		26-May-25	25,001	148
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		16-May-25	25,020	-42
		15-May-25	25,062	395
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		5-May-25	24,461	114
		2-May-25	24,347	13
		30-Apr-25	24,334	-2
		29-Apr-25	24,336	7
Global Macro Data & Credit Ratings	<b>US Economic Data:</b> <ul style="list-style-type: none"><li>Signs of recession (rising unemployment, bond yield spikes), Moody's US credit rating downgrade.</li><li>US policy responses (tariff pauses, fiscal stimulus) closely watched by global investors.</li></ul> <b>China's Economic Measures:</b> <ul style="list-style-type: none"><li>LPR cuts to support growth, currency appreciation impacting global trade dynamics.</li></ul> <b>India Credit Rating Upgrade:</b> <ul style="list-style-type: none"><li>Gets upgraded to 'BBB' with a 'Stable' trend in rating by Morningstar DBRS, a global sovereign credit rating agency</li></ul>	28-Apr-25	24,329	289
		25-Apr-25	24,039	-207
		24-Apr-25	24,247	-82
		23-Apr-25	24,329	162
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Market Sentiment & Flows	<b>Volatility Indicators:</b> <ul style="list-style-type: none"><li>India VIX spiked during geopolitical events, normalized as risks subsided.</li></ul> <b>FII Activity:</b> <ul style="list-style-type: none"><li>FII flows turn positive on back of block deals, post conflict resolutions &amp; expected positive trade developments</li></ul>	30-May-25	24,751	-83
		29-May-25	24,834	81
		28-May-25	24,752	-74
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		2-May-25	24,347	13
		30-Apr-25	24,334	-2
		29-Apr-25	24,336	7
Outlook for FY26 (from events so far)	<b>Risks:</b> <ul style="list-style-type: none"><li>Persistent global trade tensions, geopolitical flashpoints, and external shocks.</li></ul> <b>Opportunities:</b> <ul style="list-style-type: none"><li>India's proactive policy response, FTA with UK, and strong domestic liquidity position the market for selective outperformance.</li></ul> <b>Key Watch points:</b> <ul style="list-style-type: none"><li>Progress on global trade negotiations, FII flows, domestic macro indicators, and Q1FY26 earnings.</li></ul>	28-Apr-25	24,329	289
		25-Apr-25	24,039	-207
		24-Apr-25	24,247	-82
		23-Apr-25	24,329	162
		22-Apr-25	24,167	42
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		30-May-25	24,751	-83
		29-May-25	24,834	81
		28-May-25	24,752	-74
		27-May-25	24,826	-175
		26-May-25	25,001	148
		23-May-25	24,853	243

India VIX continues to remain elevated



NEWSLETTER  
(FY25 EARNINGS UPDATES)



❑ **Thyrocare Technologies Ltd. & Suraksha Diagnostics:** Stock Price appreciation by c.54% & c.26% respectively since our recommendation and CMP as on 30-May-2025

Investment Thesis:

**Thyrocare** operating primarily as B2B player marked by lowest cost of testing charges amongst peers yet ranked high in testing quality (critical parameter in healthcare), highest ratio of NABL Accredited labs to Total Labs, highest no. of tests performed amongst peers, improving financial growth metrics

**Suraksha Diagnostics** operating primarily as B2C player with regional dominance in the Eastern markets being able to command high premiums in testing charges (likely to sustain further despite competition as discussed with management), proceeds from IPO providing liquidity, growth visibility from strategic expansion plans

Parameter	Check	Remarks
Industry Tailwinds	✓	Diagnostics sector market size to grow at 10-12% CAGR from FY24 to FY28 (higher than previous growth rates)
Historical Performance	✓	Normalization of Covid revenues in FY23 leading to drop Y-o-Y (common across players). Post that growth witnessed
Revenue Visibility	✓	Our interaction with doctors / sector specialists indicated positive uptick in healthcare testing going forward
Peer Comps & Relative Valuation	✓	<ul style="list-style-type: none"><li>Better / comparative growth record compared to Peers</li><li>Reasonable valuation</li></ul>
Credit Rating	✓	Not Rated on back of low reliance on debt due to healthy CFO / EBITDA
Financial Ratios	✓	Key metrics of D/E, WC cycle etc. within our internal benchmarks

Note: Indicative List for knowledge purposes (Actual Parameters considered are more to reflect potential risks & upsides)

Suraksha (INR Cr.)	FY22(A)	FY23(A)	FY24(A)	FY25(A)
Revenue	223	190	219	252
% Y-o-Y	59%	(15%)	15%	15%
Gross Margin %	72.9%	85.6%	87.5%	88.3%
EBITDA %	28.1%	23.1%	32.0%	33.1%
PAT %	9.2%	3.1%	10.4%	12.2%
Debt (Short+Long)	100	97	90	89
Equity	146	156	179	210
Debt/Equity	0.68x	0.62x	0.50x	0.42x
NWC	(1)	(3)	1	8
NWC (days)	-ve	-ve	2	12
CFO	58	44	60	63
CFI	(43)	(21)	(35)	(40)
CFF	(14)	(24)	(25)	(24)
CFO + CFI + CFF	0	(1)	0	(0)
Cash + Bank Bal.	45	55	55	20
CFO / EBITDA %	92%	100%	86%	76%

FY25 Financial Performance (Actuals):

- Thyrocare Technologies:** Revenue, EBITDA & PAT growth of 20%, 39% and 31% respectively (Y-o-Y) in FY25 vs FY24
- Suraksha Diagnostics:** Revenue, EBITDA & PAT growth of 15%, 19% and 34% respectively (Y-o-Y) in FY25 vs FY24

Thyrocare (INR Cr.)	FY22(A)	FY23(A)	FY24(A)	FY25(A)
Revenue	589	527	572	687
% Y-o-Y	19%	(11%)	9%	20%
Gross Margin %	71.2%	69.0%	70.9%	72.2%
EBITDA %	39.9%	22.8%	24.0%	27.7%
PAT %	28.5%	12.0%	11.9%	13.0%
Debt (Short+Long)	21	23	42	25
Equity	527	535	528	547
Debt/Equity	0.04x	0.04x	0.08x	0.05x
NWC	101	89	51	43
NWC (days)	63	62	32	23
CFO	113	129	168	191
CFI	(24)	(39)	(91)	(53)
CFF	(89)	(86)	(85)	(130)
CFO + CFI + CFF	0	4	(8)	8
Cash + Bank Bal.	14	28	40	54
CFO / EBITDA %	48%	108%	122%	101%

Company Name	Thyrocare	Suraksha
CMP (INR)	1,050	324
Current Market Cap (INR Cr.)	5,560	1,672
PE	61.3x	54.0x

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# NEWSLETTER

## (FY25 EARNINGS UPDATES)



- ❑ **Standard Glass Lining Ltd.:** Stock Price appreciated by c.40% since our recommendation & CMP as on 30-May-2025
- Investment Thesis: Track record of higher revenue growth rate than peers along with improvement in margins, recent IPO and upgrade in credit ratings from CRISIL, expected Industry tailwinds, benefits from strategic partnerships expected to drive future growth
  - Investment Consideration:

### Growth in revenue along with improvement in operating margins

- Augmented by change in product mix, increase in exports, extensive experience of promoters in driving the business

### New products introduction complemented by strategic partnerships:

- Customized and innovative product offerings complemented by strategic collaborations with HHV Pumps, Asahi Glassplant, GL Hakko, Gale Process Solutions to tap global sales
- Launching (a) shell & tube heat exchangers in licensing agreement with AGI Inc., Japan with applications in clean rooms with Indian market size of INR 2,000 Cr. (b) semiconductor industry related low leaching, high corrosion resistant glass
- 72 types of products manufactured with 18 to be launched

### Repeat customers contributing significant portion of operating revenues

- FY24 & H1FY25 contribution from repeat customers ~53.5% & 56.5% respectively. Long standing relationships in excess of 3 years with 13 of top 20 customers.

Parameter	Check	Remarks
Industry Tailwinds	✓	Slowdown in end user industries coming to an end with expected growth from here on
Historical Performance	✓	Revenue growth along with margins expansion
Revenue Visibility	✓	New product launches, strategic collaboration with bigger players
Peer Comps & Relative Valuation	✓	<ul style="list-style-type: none"> <li>Better growth record compared to Peers</li> <li>Reasonable valuation</li> </ul>
Credit Rating	✓	Upgraded by CRISIL
Financial Ratios	✓	Key metrics of D/E, WC cycle etc. within our internal benchmarks
Note: Indicative List for knowledge purposes (Actual Parameters considered are more to reflect potential risks & upsides)		

- FY25 Financial Performance (Actuals):
  - Revenue, EBITDA & PAT growth of 13%, 13% and 14% respectively (Y-o-Y) in FY25 vs FY24

Particulars (INR Cr.)	FY22(A)	FY23(A)	FY24(A)	FY25(A)
Revenue	240	498	544	614
% Y-o-Y	89%	107%	9%	13%
Gross Margin %	52.0%	42.6%	41.6%	43.9%
EBITDA %	16.8%	17.2%	17.4%	17.5%
PAT %	10.4%	10.7%	10.9%	11.0%
Debt (Short+Long)	70	82	129	68
Equity	69	156	409	713
Debt/Equity	1.01x	0.53x	0.32x	0.10x
NWC	146	160	291	385
NWC (days)	221	117	195	229
CFO	(7)	2	(65)	5
CFI	(30)	(29)	(157)	(160)
CFF	37	33	232	141
CFO + CFI + CFF	0	5	10	(14)
Cash + Bank Bal.	0	5	52	122
CFO / EBITDA %	(18%)	2%	(69%)	5%

### KEY DEVELOPMENTS\*

#### New Product Launch confirmation

- Glass lined shell & tube heat exchangers launched (14-May-2025) developed in collaboration with AGI Group Japan
- Exclusive 20 year license to assemble the heat exchangers in India
- India market size of the product at INR 2,000 Cr. with potential to cater to exports (exc. Japan)

#### Commencement of Operations at Unit-5 of S2 Engineering Industry Pvt. Ltd. (WOS)

- DCCO from 15-Mat-2025. This is expected to scale operations and enhance overall efficiency

CMP (INR)	184
Current Market Cap (INR Cr.)	3,671
PE	57x

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\*Post our coverage

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## (FY25 EARNINGS UPDATES)



- ❑ **Danish Power:** Stock Price appreciated by c.28% since our recommendation & CMP as on 30-May-2025
- Investment Thesis: Prospective mainboard Company available on SME exchange with strong prospects of revenue growth on back of 70% capacity expansion backed by upgrade in credit ratings from CRISIL (in April'25) driven by strong management and track record
  - Investment Consideration:

**Unexecuted order book of INR 400 Cr. (as on Feb'25)** to be executed in next 8 to 9 months providing revenue visibility for FY26:

- Order book position has improved from INR 371 Cr. (as on Sep'24) on back of order inflows

**Growth in revenue along with improvement in operating margins**

- FY25 revenues expected to be INR 420 to 430 Cr. (est. ~INR 278 Cr. till Dec'24) with operating margins to sustain at 19-20% in medium term driven by higher contribution from inverter duty segment, economies of scale on back of capacity expansion
  - Reported EBITDA % of 19.8% till Dec'24

**Capacity expansion from 4,681 MVA to 8,000 MVA** from IPO proceeds

- Our analysis indicates at 85% of capacity utilization, Company has potential to generate north of INR 580 Cr. of revenues from transformer segment

Parameter	Check	Remarks
Industry Tailwinds	✓	Transformer capacity fully booked with rising power demand
Historical Performance	✓	Revenue growth along with margins expansion
Revenue Visibility	✓	Unexecuted order book for 8-9 months + Upcoming capacity for further upside
Peer Comps & Relative Valuation	✓	<ul style="list-style-type: none"> <li>Better / comparative growth record compared to Peers</li> <li>Reasonable valuation</li> </ul>
Credit Rating	✓	Upgraded by CRISIL
Financial Ratios	✓	Key metrics of D/E, WC cycle etc. within our internal benchmarks
Note: Indicative List for knowledge purposes (Actual Parameters considered are more to reflect potential risks & upsides)		

- FY25 Financial Performance (Actuals):
  - Revenue, EBITDA & PAT growth of 28%, 48% and 51% respectively (Y-o-Y) in FY25 vs FY24

Particulars (INR Cr.)	FY22(A)	FY23(A)	FY24(A)	FY25(A)
Revenue	149	189	332	427
% Y-o-Y		27%	76%	28%
Gross Margin %	17.4%	20.0%	25.9%	29.3%
EBITDA %	7.1%	8.6%	16.8%	19.4%
PAT %	3.5%	4.5%	11.4%	13.3%
Debt (Short+Long)	28	14	13	4
Equity	35	44	82	320
Debt/Equity	0.80x	0.31x	0.16x	0.01x
NWC	43	30	61	145
NWC (days)	105	58	67	124
CFO	6	29	26	(19)
CFI	(6)	(10)	(7)	(41)
CFF	2	(18)	(4)	165
CFO + CFI + CFF	1	1	14	105
Cash + Bank Bal.	5	6	20	125
CFO / EBITDA %	53%	179%	46%	(23%)

### RELATIVE STOCK PERFORMANCE



Value creation via share price appreciation on back of strong reported earnings, margins expansion leading to EPS accretion

CMP (INR)	1,026/-
Current Market Cap (INR Cr.)	2,021
PE	34.6x

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## (FY25 EARNINGS UPDATES)



- ❑ **Thangamayil, Sky Gold, PN Gadgil:** Stock Price appreciated by c.16%, c.8%, c.6% respectively since our recommendation
- Investment Thesis: Market cap expansion driven by strong year on year revenue growth and sustainability (with potential improvement) of existing margins. Sky Gold operates as pure manufacturing play while Thangamayil, PN Gadgil & Senco Gold are growing as retail players with strong presence in South, West & East parts of India respectively

FY25 Financial Performance (Actuals):

- FY25 Revenue, EBITDA & PAT growth (Y-o-Y)
- Thangamayil:** 28%, 3% and (4%) respectively
- Sky Gold:** 103%, 154% and 228% respectively
- PN Gadgil:** 26%, 24% and 41% respectively

Thanga (INR Cr.)	FY22(A)	FY23(A)	FY24(A)	FY25(A)
Revenue	2,193	3,153	3,827	4,911
% Y-o-Y	21%	44%	21%	28%
Gross Margin %	9.0%	9.4%	9.6%	8.8%
EBITDA %	3.9%	4.9%	5.5%	4.5%
PAT %	1.8%	2.5%	3.2%	2.4%
Debt (Short+Long)	420	571	532	797
Equity	324	389	493	1,102
Debt/Equity	1.29x	1.47x	1.08x	0.72x
NWC	745	966	1,176	1,954
NWC (days)	124	112	112	145
CFO	(79)	10	330	(424)
CFI	(21)	(86)	(30)	(138)
CFF	94	78	(293)	637
CFO + CFI + CFF	(7)	2	8	75
Cash + Bank Bal.	17	76	82	242
CFO / EBITDA %	(92%)	7%	156%	(194%)

Sky Gold (INR Cr.)	FY22(A)	FY23(A)	FY24(A)	FY25(A)
Revenue	786	1,154	1,745	3,548
% Y-o-Y	(1%)	47%	51%	103%
Gross Margin %	3.6%	4.3%	6.0%	7.1%
EBITDA %	2.6%	3.1%	4.4%	5.5%
PAT %	2.1%	1.6%	2.3%	3.7%
Debt (Short+Long)	92	146	310	630
Equity	77	98	244	684
Debt/Equity	1.20x	1.49x	1.27x	0.92x
NWC	116	151	364	823
NWC (days)	54	48	76	85
CFO	(7)	(6)	(137)	(273)
CFI	(2)	(20)	(107)	(157)
CFF	10	43	239	427
CFO + CFI + CFF	1	17	(5)	(3)
Cash + Bank Bal.	1	18	77	175
CFO / EBITDA %	(36%)	(18%)	(178%)	(139%)

Parameter	Check	Remarks
Industry Tailwinds	✓	Indian Domestic jewelry sector to grow at 16% CAGR (FY24 to FY28)
Historical Performance	✓	Revenue growth along with margins expansion
Revenue Visibility	✓	Recurring / stable demand arising from festivals, weddings, daily wear along with shift from unorganized to organized players
Peer Comps & Relative Valuation	✓	<ul style="list-style-type: none"> <li>Better / comparative growth record compared to Peers</li> <li>Reasonable valuation</li> </ul>
Credit Rating	✓	Upgraded for Thangamayil & PN Gadgil while stable for Sky Gold
Financial Ratios	✓	Key metrics of D/E, WC cycle etc. within our internal benchmarks
Note: Indicative List for knowledge purposes (Actual Parameters considered are more to reflect potential risks & upsides)		

PN Gadgil (INR Cr.)	FY22(A)	FY23(A)	FY24(A)	FY25(A)
Revenue	2,556	4,508	6,112	7,693
% Y-o-Y		76%	36%	26%
Gross Margin %	9.8%	8.0%	8.4%	9.1%
EBITDA %	4.4%	2.7%	4.4%	4.4%
PAT %	2.7%	2.1%	2.5%	2.8%
Debt (Short+Long)	336	324	455	930
Equity	282	366	534	1,554
Debt/Equity	1.19x	0.89x	0.85x	0.60x
NWC	563	505	848	1,815
NWC (days)	80	41	51	86
CFO	73	105	6	(675)
CFI	(22)	(45)	(49)	(424)
CFF	(46)	(55)	51	1,167
CFO + CFI + CFF	5	5	9	68
Cash + Bank Bal.	45	49	80	529
CFO / EBITDA %	65%	85%	2%	(201%)

Company Name	Thanga	Sky Gold	PN Gadgil
CMP (INR)	1,904	393	549
Current Market Cap (INR Cr.)	5,992	5,774	7,444
PE	50.5x	43.5x	34.1x

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## NEWSLETTER (FY25 EARNINGS UPDATES)



- ❑ **PCBL Chemical Ltd.:** Stock Price appreciated by c.10% since our recommendation & CMP as on 30-May-2025
- Investment Thesis: Market leader in domestic carbon black segment with capacity expansion along with product diversification, new products development in progress backed by RPSG Group.
  - Investment Consideration:

**Leadership in domestic carbon black segment with capacity ramp-up plan & increase in sales of specialty grade which is margin accretive**

- Company has total installed capacity of 678,000 MTPA of Rubber Black and 92,000 MTPA of Specialty Black which is set to cross total 1,000,000 MTPA by FY27 (increase of ~30%) spread across 5 locations in India

**Acquisition of Aquapharm chemicals – India's largest and globally top 3 phosphonate producer with diversified product applications**

- Production capacity of 130,000 MTPA with manufacturing plants in India, USA and Saudi Arabia and further addition of 38,000 MTPA in FY25

**Nanovace Technologies Ltd. (JV between PCBL & Kindia holding 51% & 49% stake respectively) to commence manufacturing in FY27 / FY28 with topline potential of INR 2,000 Cr. & EBITDA margins of 50%**

- Ordered machines for setting up pilot plant for obtaining product approval from customers

Parameter	Check	Remarks
Industry Tailwinds	✓	Demand from carbon black segment & chemicals segment
Historical Performance	✓	Revenue growth along with margins expansion
Revenue Visibility	✓	Diversified across carbon black, chemicals & power generation
Peer Comps & Relative Valuation	✓	<ul style="list-style-type: none"> <li>Better / comparative growth record compared to Peers</li> <li>Reasonable valuation</li> </ul>
Credit Rating	✓	AA rated with Stable outlook
Financial Ratios	✓	Key metrics of D/E, WC cycle etc. within our internal benchmarks
Note: Indicative List for knowledge purposes (Actual Parameters considered are more to reflect potential risks & upsides)		

- FY25 Financial Performance (Actuals):
  - Revenue, EBITDA & PAT growth of 31%, 29% and (11%) respectively (Y-o-Y) in FY25 vs FY24

Particulars (INR Cr.)	FY22(A)	FY23(A)	FY24(A)	FY25(A)
Revenue	4,446	5,774	6,420	8,404
% Y-o-Y	67%	30%	11%	31%
Gross Margin %	29.5%	24.6%	30.4%	30.9%
EBITDA %	14.7%	12.7%	16.2%	15.9%
PAT %	9.5%	7.6%	7.6%	5.2%
Debt (Short+Long)	786	1,029	4,983	5,571
Equity	2,622	2,839	3,250	3,709
Debt/Equity	0.30x	0.36x	1.53x	1.50x
NWC	798	726	908	1,467
NWC (days)	65	46	52	64
CFO	290	504	1,105	760
CFI	(541)	(552)	(4,214)	(690)
CFF	217	(31)	3,381	(64)
CFO + CFI + CFF	(34)	(78)	272	6
Cash + Bank Bal.	159	96	385	389
CFO / EBITDA %	44%	69%	107%	57%

### RELATIVE STOCK PERFORMANCE



Our analysis indicates that long term growth story for the Company remains intact

- Q4FY25 carbon black realization dropped as foreign players sold huge quantities in Asian countries at very low prices

CMP (INR)	398
Current Market Cap (INR Cr.)	15,046
PE	34.6x

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# NEWSLETTER

## (FY25 EARNINGS UPDATES)



❑ **Dhabriya Pollywood Ltd.:** Stock Price is down by c.9% since our recommendation & CMP as on 30-May-2025

- Investment Thesis: Increasing real estate demand from urbanization along with promoter's extensive experience in the market driving the Company to innovate and produce multiple SKUs along with repeat orders from large RE players such as DLF, M3M, Mahindra Group etc.
- Investment Consideration:

**Durable, sustainable and versatile** products to meet increasing real estate demand from urbanization

- Easy to install products with quicker turnaround time ensures real estate developers compliance with RERA timelines

**Premium looking products at lower cost** compared to wood / marble provides a suitable alternative

**Established market position** with diversified customer base & products

- Promoter has been in business for over 25 years with strong understanding of market dynamics and healthy relationships with customers and suppliers
- Order book of ~INR 135 Cr.+ (Sep'24) for uPVC and modular furniture with regular deliveries to marquee clients such as M3M, DLF etc. provides product offtake and revenue receipts visibility
- PAN India presence with ~800+ dealers/distributors further strengthens position in extruded PVC profile

**Existing capacity has potential to achieve ~1.75x (FY24) revenues** without any major capex

Parameter	Check	Remarks
Industry Tailwinds	✓	Product demand will capture the growth from rapid urbanization in the real estate sector
Historical Performance	✓	Revenue growth along with margins expansion
Revenue Visibility	✓	Regular updates on BSE with order wins from DLF, M3M etc.
Peer Comps & Relative Valuation	✓	<ul style="list-style-type: none"> <li>Better / comparative growth record compared to Peers</li> <li>Reasonable valuation</li> </ul>
Credit Rating	✓	CRISIL BBB/Stable
Financial Ratios	✓	Key metrics of D/E, WC cycle etc. within our internal benchmarks
Note: Indicative List for knowledge purposes (Actual Parameters considered are more to reflect potential risks & upsides)		

- FY25 Financial Performance (Actuals):

- Revenue, EBITDA & PAT growth of 11%, 21% and 28% respectively (Y-o-Y) in FY25 vs FY24

Particulars (INR Cr.)	FY22(A)	FY23(A)	FY24(A)	FY25(A)
Revenue	134	171	212	235
% Y-o-Y	26%	28%	24%	11%
Gross Margin %	36.7%	37.3%	44.8%	47.5%
EBITDA %	10.3%	10.8%	14.7%	16.0%
PAT %	3.8%	4.9%	6.6%	7.6%
Debt (Short+Long)	54	57	53	53
Equity	60	69	82	100
Debt/Equity	0.89x	0.83x	0.64x	0.53x
NWC	59	63	61	74
NWC (days)	162	133	106	115
CFO	10	14	32	17
CFI	(7)	(13)	(20)	(12)
CFF	(1)	(1)	(10)	(5)
CFO + CFI + CFF	2	1	2	1
Cash + Bank Bal.	4	5	7	7
CFO / EBITDA %	72%	76%	102%	46%

### CONSOLIDATING & BUILDING ON GAINS

#### Quarterly Results

Consolidated Figures in Rs. Crores / [View Standalone](#)

[PRODUCT SEGMENTS](#)

	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023	Dec 2023	Mar 2024	Jun 2024	Sep 2024	Dec 2024	Mar 2025
Sales +	40.08	36.79	43.75	40.16	50.48	50.19	54.65	52.02	54.78	58.69	58.05	54.90	63.47
Expenses +	34.60	34.07	39.41	35.31	43.97	43.29	47.06	44.22	46.08	49.45	48.87	46.05	53.23
Operating Profit	5.48	2.72	4.34	4.85	6.51	6.90	7.59	7.80	8.70	9.24	9.18	8.85	10.24
OPM %	3.67%	7.39%	9.92%	12.08%	12.90%	13.75%	13.89%	14.99%	15.88%	15.74%	15.81%	16.12%	16.13%
Other Income +	0.11	0.07	0.06	0.02	0.15	0.05	0.12	0.14	0.22	0.12	0.18	0.12	0.16
Interest	0.86	0.91	1.01	0.98	1.11	1.30	1.24	1.21	1.33	1.18	1.26	1.18	1.24
Depreciation	0.89	0.85	0.88	0.90	1.15	1.47	1.66	1.86	1.91	1.93	2.18	2.42	2.10
Profit before tax	3.84	1.03	2.51	2.99	4.40	4.18	4.81	4.87	5.68	6.25	5.92	5.37	7.06
Tax %	4.06%	37.86%	14.74%	24.75%	21.36%	25.84%	25.57%	31.62%	28.35%	25.60%	29.39%	28.86%	23.94%
Net Profit +	3.30	0.65	2.14	2.25	3.45	3.10	3.59	3.33	4.06	4.65	4.18	3.82	5.37
EPS in Rs	3.05	0.60	1.98	2.08	3.19	2.86	3.32	3.08	3.75	4.30	3.86	3.53	4.96

Consistent improvement in margins along with expansion in topline

CMP (INR)	359
Current Market Cap (INR Cr.)	392
PE	21.7x

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For any queries or grievances: Mr. Nishant Gupta | Email: [nishant.gupta@mcapital.in](mailto:nishant.gupta@mcapital.in) | Contact Number: 8171433387 | Website: [www.mcapital.in](http://www.mcapital.in) | Twitter: [@Mcapital\\_In](https://twitter.com/Mcapital_In)

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- Buy: > 15%
- Hold: -5% to 15%
- Reduce: -15% to -5%
- Sell: < -15%