

ABB



StaG

AIF CAT III



PORTFOLIO RESULTS Q1 FY26

AUGUST 2025



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Portfolio Snapshot

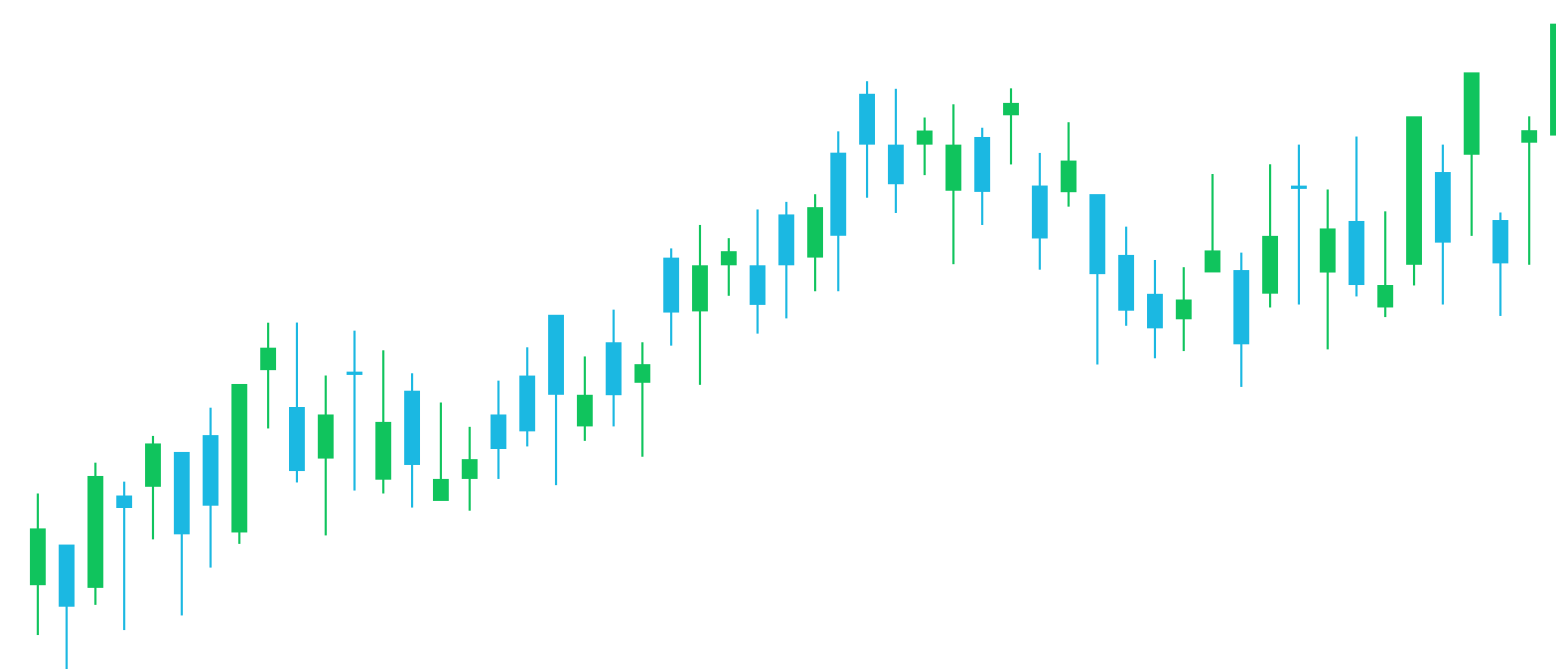
Results & Reflections



Portfolio Positioning

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I Executive Snapshot

A quarter of steady delivery with selective opportunities emerging.

- The result season was mixed, more **upgrades** than downgrades.
- **Winners rewarded**, but upside capped in a non-bullish market.
- Misses were punished sharply, especially where risk-reward was stretched.
- **Structural stories intact** → Short-term volatility = Long-term opportunity.

Sectoral Performance (Summary)



IT

Revenue muted, guidance weak;
AI transition ongoing → Bearish stance.



Auto/Auto Ancillaries

SUVs + 2Ws growing;
4Ws sluggish.



Financials

Retail loan spike, NIM pressure,
higher provisioning.



Telecom

Strongest sector,
growth + pricing power.



Cement/Infra/Power

Cement strong on realizations; infra
execution mixed; power tepid.



FMCG/Consumers

Rural resilient, urban demand tepid;
margins helped by easing inflation.

Portfolio Heatmap

StaG Q1 FY26 Portfolio (16 Stocks)

STAG Q1 FY26 PORTFOLIO (16 STOCKS)				
Company	Sector	Q1 Result	Our Take	Margin of Safety
ABB	Capital Goods	Weak	Temporary softness, structural play intact	High
Ambuja Cements	Cement	Superior	Volume & margin resilience	Decent
Axis Bank	Banking	Weak	Temporary slippage, structural positives	Decent
Bank of Baroda	Banking	Structurally Good	Liability strength, asset growth soft	High
Bharti Airtel	Telecom	Superior	Growth + digital leadership	Decent
Cholamandalam Finance	NBFC	Structurally Good	AUM growth, asset quality intact	Decent
Eternal (Zomato/Blinkit)	Consumer Tech	Superior	High growth, margin drag	Decent
HUL	FMCG	Superior	Portfolio strength, digital-first bets	Decent
ICICI Bank	Banking	Superior	Consistent growth, asset quality intact	High
IndiGo	Airlines	Structurally Good	Network leadership, cost discipline	Decent
Jio Financial Services	Financials	Structurally Good	Ecosystem advantage, early-stage traction	Moderate
Maruti Suzuki	Auto	Structurally Good	Exports & rural recovery	Decent
Reliance Industries	Conglomerate	Weak	Digital & Retail strong, O2C weak	High
SBI	Banking	Structurally Good	Loan growth visibility, margin rebound H2	High
Tata Motors	Auto	Weak	PV softness, CV & JLR cushion	High
Tata Power	Power & Renewables	Structurally Good	Clean energy scale-up, Odisha turnaround	High

Portfolio Snapshot

Results & Reflections

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ABB

Name	CMP	Mcap
ABB	5,022 INR	1.06 trillion INR

Conservative, Currency & Competition Drive Softness, but Confidence Remains High

ABB reported a softer quarter across both order book and margins. After reviewing the numbers and management commentary, our key takeaways are:



Competition & Pricing	- Chinese competition and aggressive discounting impacted order wins, leading to missed large contracts. - Importantly, ABB has chosen not to compromise on pricing simply to chase revenue.
Capex Environment	- Global uncertainty has delayed private capex, while government spending has picked up. - Management is confident that H2 will be better, suggesting the worst may be behind us. However, the market may wait for confirmation after the Q1 shock.
Margins	- Margin decline was largely due to forex movement and one-offs in a few segments. - Management clarified these were conservative accounting choices, specific to this quarter, and unlikely to spill over.
Management Confidence	- While acknowledging near-term growth challenges, management reiterated confidence in structural opportunities and long-term business visibility. - Current headwinds are considered temporary.
Market Reaction	- The stock corrected ~15% as multiple negatives converged in one quarter. - Our thesis remains unchanged, and the management commentary reassures us of the structural story.

SENORA’S ANALYSIS

- We do not play the “quarterly numbers game.” Our focus remains on structural ideas, where ABB fits strongly.
- We see this correction as an attractive accumulation opportunity, similar to Zomato two quarters ago and Indigo three quarters back.

OUTLOOK

- The market may take a quarter to see management’s confidence reflected in the numbers, implying the next 3 months could remain muted.
- Valuations, however, offer a solid support at current levels.

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Ambuja Cements

Name	CMP	Mcap
Ambuja Cements	572.80 INR	1.42 trillion INR

Strong Volume & Margin Momentum, Debt-Free Balance Sheet

Ambuja delivered another robust quarter, with strength across demand, volumes, and profitability. Key highlights are as follows:



Operational Performance	Performance remains strong, supported by healthy demand, volume growth, and effective channel execution.
Margins	- Margins improved through cost optimization, operational efficiency, and scale leverage. - Ongoing efficiency programs are expected to deliver additional benefits.
Market Share & Capacity	- Market share continues to strengthen, reflecting Ambuja’s competitive positioning and brand strength. - Capacity expansion remains on track to support medium- to long-term growth.
Inorganic Growth	- Acquisitions are being integrated successfully. - Pending approvals on additional transactions could provide further strategic optionality.
Balance Sheet Strength	- The company remains debt-free despite a committed ₹10,000 Cr FY26 capex, fully funded through internal accruals. - This provides ample flexibility for both expansion and strategic acquisitions without leverage risk.

SENORA’S ANALYSIS
Ambuja is a structurally strong cement player with a resilient business model, efficient operations, and a clear roadmap for growth. While near-term volatility may arise from pricing and acquisition timing, the long-term story of volume growth, rising market share, and operational efficiency continues to provide sustainable value.

PRICING ENVIRONMENT

- Near-term pricing trends are slightly softer.
- However, structural demand drivers, such as infrastructure spending, urbanization, and rural housing, remain supportive.

Axis Bank

Name	CMP	Mcap
Axis Bank	1,051 INR	3.26 trillion INR

Strong Franchise, Temporary Slippage Overshadows Positives

Axis Bank continues to demonstrate franchise strength despite near-term slippages. With transitions largely behind, the bank is well-positioned to benefit from the ongoing corporate credit revival. Key points are:



Bank Overview & Competitive Strengths	- Axis is India’s third-largest private sector bank. - Diversified income streams (~33% from non-banking activities such as Axis MF, broking, and Axis Capital vs ~25% for ICICI/HDFC) add resilience and stability. - Historically strong in SME and corporate credit, positioning the bank to benefit from the corporate capex revival.
Risk Management	- Asset Quality: Gross slippage ratio at 3.13%; Net slippage ratio at 2.33%; Net credit cost at 1.38%. - Liquidity: Healthy with average LCR at ~119%; cost of funds declined by 5 bps YoY.
Performance & Management Context	- Axis underperformed peers during Amitabh Chaudhry’s tenure, impacted by: - Pandemic-driven credit disruptions. - Acquisition of Citi’s wealth business. - Two rounds of capital raising, temporarily diluting ROEs/ROAs. - With these one-offs behind, the bank is now better placed to capitalize on a strengthening corporate credit cycle.
Strategic Focus	- Corporate Credit: Emphasis on Small Business Banking, SME, Mid-Corporate, Rural, Personal Loans, and Credit Cards. - Digital Transformation: Continued investment in digital banking platforms and AI-driven solutions.

SENORA’S ANALYSIS
Axis Bank remains a conviction holding within the StaG portfolio. With earnings normalization, ROE improvement, and a diversified business model, we expect Axis to outpace peers over the medium to long term.

INVESTMENT THESIS & KEY DRIVERS

- Growth from corporate credit cycle revival.
- Expansion of asset and wealth management businesses.
- Value stock potential with room for valuation re-rating.
- Upside drivers: stabilizing NPLs, favorable business mix, and faster credit growth.

Bank of Baroda

Name	CMP	Mcap
Bank of Baroda	235.51 INR	1.22 trillion INR

Strong Liability Franchise, Asset Growth Still Soft

Ambuja delivered another robust quarter, with strength across demand, volumes, and profitability. Key highlights are as follows:



Net Interest Income (NII)	- Credit growth was healthy at +12.6% YoY, led by retail and agriculture. - NII faced mild pressure as spreads compressed due to competitive pricing and muted corporate demand. - Corporates relied more on bonds and internal accruals, limiting loan book expansion.
Deposit Franchise	- Deposits grew 9.1% YoY with CASA at 39.3%. - Cost of liabilities at 5.05% remains among the lowest in the industry. - Highlights BoB's superior liability management and strong funding base.
Asset Quality	- Overall asset quality remains robust. - SMA-1 + SMA-2 stood at just 0.4%. - Collection efficiency (ex-agri) at 98.9%. - Slippages rose to ₹3,500 Cr (vs avg ₹2,900 Cr), largely from agriculture, while credit cost was contained at 0.55%.
Management Commentary	- Management guided for a softer Q2 due to margin pressures and seasonal agri stress. - Confident of H2 pick-up driven by stronger credit demand, treasury normalization, and disciplined cost control.

SENORA'S ANALYSIS

BoB is a story of liability strength, anchored by a low-cost funding base. Asset-side growth, particularly in corporate lending, remains soft, and near-term margin pressure may persist. However, robust asset quality, attractive valuations, and the likelihood of H2 recovery provide meaningful upside.

PROFITABILITY

- ROA at 1.03% and ROE at 15.05%.
- Profitability supported by treasury gains and strong non-interest income, offsetting NII weakness.

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Bharti Airtel

Name	CMP	Mcap
Bharti Airtel	11,42,387 INR	11.41 trillion INR

Strong Growth, Expanding Digital Leadership
Bharti Airtel delivered a strong quarter, combining consistent telecom leadership with growing digital momentum. The company’s diversified strategy continues to reinforce long-term structural growth.



Revenue and Profitability	- Revenue stood at ₹49,463 Cr (+28% YoY), while PAT grew to ₹5,948 Cr (+43% YoY). - EBITDA of ₹28,167 Cr (+41% YoY) with margin expansion to 56.9%, driven by operational efficiency and a premiumized tariff mix.
Mobile Services Leadership	- ARPU rose to ₹250, supported by premiumization and tariff improvements. - Subscriber base reached 436 Mn (+6.6% YoY), with 77% now smartphone/data users. - Mobile services remain a strong growth engine.
Home Broadband & Digital Services	- Record 939,000 net additions in home broadband; home-pass network expanded by ~1.6 Mn. - Growing footprint in fibre and digital services (cloud, payments, financial services) strengthens both consumer and enterprise segments.
5G & Network Expansion	- Rapid adoption of 5G, with increasing traffic on 5G-ready sites. - Continued tower and fibre rollout enhancing coverage, capacity, and long-term competitiveness.
Capex, Free Cash Flow & Deleveraging	- Capex reduced to ₹8,307 Cr (vs ~₹14,400 Cr in Q4 FY25). - Free cash flow robust at ~₹19,900 Cr. - Net debt/EBITDA at 1.70x, providing scope for deleveraging and dividend potential.
B2B & Digital Transformation	- Strategic investments in cloud, cybersecurity, IoT, and enterprise connectivity. - Launch of Airtel Cloud to deliver telco-grade SaaS globally, creating modular, high-margin revenue streams.
Innovation & Partnerships	- New bundled OTT packs and IPTV offerings enhance customer stickiness. - Partnerships with Google and Perplexity strengthen digital experience and product integration.
ESG & Diversity	- Majority of sites migrated to renewable energy; higher renewable power usage in data centers. - Diversity agenda advancing, with improved representation in technology roles.

SENORA’S ANALYSIS
Bharti Airtel continues to deliver strong performance across its core telecom and emerging digital businesses. Robust free cash flow, disciplined capex, aggressive 5G/fibre rollout, and digital diversification position the company as a long-term structural growth leader across consumer, enterprise, and digital services.

VALUE UNLOCKING & STRATEGIC PRIORITIES

- Focus on prudent capital allocation.
- Monetization opportunities across Nxtra (data centers), Airtel Payments Bank, and Airtel Money.
- Continuous evaluation of infrastructure assets for unlocking shareholder value.

Cholamandalam Finance

Name	CMP	Mcap
Chola Finance	1,477.70 INR	1.24 trillion INR

Diversified NBFC with Steady AUM Growth and Resilient Asset Quality

Cholamandalam delivered another strong quarter, maintaining industry outperformance in growth while keeping asset quality resilient. The company’s diversified product mix and conservative risk management provide structural strength.



Macro Tailwinds	- Cumulative 100 bps repo rate cuts since Q4 FY25 have lowered funding costs. - However, weak industrial production (-2.1% YoY) and erratic monsoons are weighing on near-term credit demand.
Growth Momentum	- AUM grew ~30% YoY to ₹2.8 Lakh Cr, sustaining outperformance versus peers. - Vehicle finance remains the backbone, while new segments (home loans, SME, and gold loans) scaled up strongly.
Resilient Asset Quality	- Gross Stage 3 assets stable at ~3%, with provision coverage >50%. - Conservative approach and calibrated fintech exposure have contained stress in unsecured lending and small CVs.
Margins & Funding	- NIMs held steady at ~8%, as declining funding costs offset competitive yield pressures. - AAA credit rating and diversified liability mix enable access to cheaper borrowings.
Operational Edge	~95% of disbursements are now digitally originated. - Data-driven underwriting and a wide rural presence (1,300+ branches) enhance efficiency and lower opex ratio.
Capital & Liquidity Strength	- Capital adequacy ~19% ensures sufficient growth runway without dilution. - Strong ALM discipline maintains liquidity coverage above regulatory thresholds.

SENORA’S ANALYSIS

Despite short-term headwinds from weak industrial sentiment and adverse weather, Chola is well-positioned for sustained double-digit AUM growth, supported by falling rates, the vehicle replacement cycle, and rural recovery.

STRATEGIC LEVERS

- Gold loan portfolio surpassed ₹10,000 Cr within 12 months of launch.
- Deeper OEM partnerships and rural financing provide resilience against cyclical downturns.

Eternal Ltd

Name	CMP	Mcap
Eternal Ltd	320.75 INR	2.88 trillion INR

Aggressive Scale-Up, Margin Pressure Temporary

Eternal continues to scale aggressively, with strong demand momentum across its platforms. While profitability remains under pressure due to heavy investments, structural drivers and balance sheet strength support long-term value creation.



Strong Demand Momentum	- Revenue growth remains robust, led by quick commerce and food delivery. - B2C net order value up ~55% YoY, underscoring sustained demand for convenience.
Profitability Under Pressure	- EBITDA declined ~42% YoY and net profit ~90% YoY, reflecting upfront investments. - Management expects steady-state margins of 5–6% of order value in the long term.
Quick Commerce Expansion	- Blinkit added 243 stores, taking the network to 1,544; target of 2,000 by Dec-25. - Transition to an inventory-led model is expected to structurally improve profitability.
Food Delivery Resilience	- Food delivery growth remains steady, with strong traction in smaller cities. - Margins attractive given lower delivery costs and near-parity in order values.
Newer Growth Engines	“Going-out” vertical has significant long-term potential, though near-term losses will continue. - Hyperpure (B2B) operations being rationalized to focus on high-growth, high-margin opportunities.
Governance & Strategy	- Rotational CEO model ensures accountability and sharper execution. - Strategic focus remains on scaling with profitable growth as the eventual objective.

SENORA’S ANALYSIS

Eternal is in a high-investment, growth-focused phase. Near-term profitability is subdued, but scale advantages, network expansion, and operational efficiencies are expected to drive significant long-term value creation.

INVESTMENT & BALANCE SHEET STRENGTH

- Capex of ₹370 Cr primarily directed to expand quick commerce network.
- Large cash reserves (~₹18,850 Cr) provide ample runway for sustained investment.

Hindustan Unilever

Name	CMP	Mcap
Hindustan Unilever	2,692.70 INR	6.32 trillion INR

Strong Portfolio Momentum Amid Strategic Transformation

HUL continues to demonstrate resilience and adaptability, balancing its core portfolio strength with digital-first expansion and portfolio transformation. Macro conditions and internal initiatives provide visibility for sustained growth.



Macro Tailwinds	- Supportive economic environment with easing retail inflation (2.1% in June) and ~100 bps RBI repo cuts since Jan’25. - Improved liquidity and consumer sentiment, with rural demand outpacing urban, aided by above-average monsoons.
Revenue and Profitability	- Consolidated PAT before exceptionals declined 5%, while reported PAT rose 6% due to prior tax provision adjustments. - EBITDA expected in the 22–23% range. - Sequential gross margin improvement likely from better mix, productivity gains, and reinvestments.
Volume and Market Share Gains	- Volume growth ahead of UVG, with turnover-weighted market share gains of ~250 bps over the last five years. - Core portfolio (Tea, Lux, Home Care) posted high single-digit growth. - Dove delivered double-digit growth.
Digital-First and Emerging Brands	- OZiva ARR tripled to ₹450 Cr; Minimalist (₹2,706 Cr acquisition) performing strongly. - Digital-first portfolio now exceeds ₹3,000 Cr, growing >25% with double-digit margins. - Ice cream volumes grew high single digits despite early monsoon headwinds.
Strategic Initiatives and Innovation	- Continued investments in “channels of the future” and market-making platforms. - Notable launches: Glow & Lovely (Glass Bright), Taj Mahal Deccan Rose, Dove Scalp Therapy, Surf Excel Matic Express, Vim Liquid, Closeup Zinc-Fresh, Boost Protein, and Nexxus in prestige beauty.
Portfolio Transformation	- Beauty PRO now contributes ~70% of premium beauty sales. - Horlicks’ decline moderating; relaunch planned. - Boost delivered mid-single-digit growth. - E-commerce and quick commerce channels showing double-digit growth.
Leadership and Governance	- Priya Nair to assume CEO role. “ASPIRE” strategy execution disciplined, with focus on portfolio transformation and future readiness.

SENORA’S ANALYSIS

HUL demonstrates structural growth driven by its core brands, digital-first bets, and rural penetration. With strong innovation, portfolio transformation, and disciplined execution, the company remains well-positioned to capture volume-led consumption recovery and deliver sustainable long-term value creation.

CAPEX AND FUTURE READINESS

- Capex directed towards strategic capabilities, R&D in microbiome and next-gen materials.
- Global brand introductions underway (Simple, Love Beauty & Planet).
- Ice cream demerger remains on track for FY26 completion.

ICICI Bank

Name	CMP	Mcap
ICICI Bank	1,415.00 INR	10.10 trillion INR

Balanced Growth, Margins Under Watch

ICICI Bank delivered a solid quarter, balancing growth across segments with continued best-in-class asset quality. Margin compression is emerging but remains manageable, with profitability supported by retail momentum and disciplined cost control.



Net Interest Income (NII)	- NII grew in line with expectations, supported by healthy loan growth across retail and SME. - Margins faced mild compression due to rising cost of funds. - Management reiterated focus on profitability through disciplined pricing.
Loan Book Expansion	- Loan book growth was broad-based. - Strong momentum in retail and SME segments. - Corporate lending also healthy, reflecting demand from high-rated borrowers and early signs of revival in the investment cycle.
Asset Quality	- Remains a standout among peers. - GNPA improved to 1.67% (vs 2.15% YoY) and NNPA to 0.41%. - Provision coverage ratio at 75.3%. - Credit cost contained at 54 bps; slippages seasonal, not structural.
Management Commentary	- Management expressed confidence, citing: - Stable spreads. - Contained unsecured lending exposure. - Strong liability base. - Guidance suggests margin pressures are manageable, with profitability supported by - retail-led growth and cost efficiency.

SENORA’S ANALYSIS

ICICI continues to deliver consistent performance, anchored by superior asset quality, a disciplined approach to unsecured lending, and steady profitability. While corporate lending lags, retail and SME segments provide strong momentum. The bank remains one of the most reliable compounding plays in the financial sector.

IDEPOSITS & LIABILITIES

- Deposits grew 11.2% YoY.
- CASA ratio steady at 38.7%.
- Liability franchise remains strong, with levers available to manage cost of funds.
- Branch network expanded to ~7,100 (+83 during the quarter).

Name	CMP	Mcap
IndiGo	6,031.00 INR	2.33 trillion INR

Strong Network Leadership Amid External Disruptions

IndiGo continues to reinforce its market leadership, combining network expansion, disciplined cost management, and strategic international partnerships. While external disruptions weighed on near-term yields, the airline remains well-positioned for structural growth.



Yield and Cost Metrics	• Yields fell 5% YoY to ₹4.98; PRASK declined 7% YoY. • Fuel CASK decreased 21.9% YoY, while non-fuel CASK rose slightly (+1.8% YoY). • Margin resilience supported by strong cost discipline and effective fuel hedging.
Network and Product Expansion	• Launched Mumbai–Amsterdam and Manchester routes. • Expanded “Stretch” seating internationally. • Domestic network now covers 93 destinations (reaching 90% of India’s population). • Loyalty program reached 3.8 Mn members; co-branded credit card introduced.
Fleet Strategy and Capex	• Converted 30 Airbus widebody purchase rights into firm orders (deliveries from 2032+). • Widebody fleet deliveries to commence in 2027. • Bridging the gap with six leased widebodies from Norse Atlantic. • A321XLR deliveries expected FY26. • Capacity growth guidance: early double-digit for FY26; Q2 mid-to-high single digits.
Strategic Initiatives	• Further international expansion with London and Copenhagen launches planned. • Expanded codeshare agreements with KLM, JAL, Delta, Jetstar, and Virgin Atlantic. • Launched ₹450 Cr IndiGo Ventures fund and partnered with BIAL for MRO development.
Industry Landscape	• Passenger traffic remains resilient despite geopolitical tensions, Pakistan airspace restrictions, NOTAMs, and Middle East conflicts. • India continues to be the world’s third-largest aviation market and the fastest-growing among majors, aided by government expansion of bilateral seat allocations.

SENORA’S ANALYSIS

IndiGo remains the clear market leader, backed by strong cost discipline, operational reliability, and thoughtful international expansion. Despite external headwinds, its robust fleet strategy, expanding global partnerships, and dominant domestic presence position the airline to capture long-term structural growth in Indian aviation.

OUTLOOK

- Near-term yield and disruption pressures expected to stabilize.
- H2 FY26 expected to benefit from festive/holiday demand rebound.
- Structural growth supported by domestic densification, international expansion, fleet upgrades, and operational efficiency initiatives.

Jio Financial Services

Name	CMP	Mcap
Jio Financial Services	315.75 INR	2.01 trillion INR

Ecosystem Advantage, Early Traction Across Lending & Payments

JFSL is rapidly emerging as a full-stack financial services platform, leveraging Reliance’s telecom and retail ecosystem. While still in build-out mode, the company’s strong balance sheet and early traction across multiple verticals provide a compelling long-term growth opportunity.



Full-Stack Financial Platform	- Positioned as an integrated financial ecosystem across Borrow, Transact, Protect, and Invest. - Backed by a strong capital base with net worth of ₹1.4 Lakh Cr, enabling simultaneous scaling across businesses.
Asset Management (BlackRock JV)	- BlackRock partnership off to a strong start, with 90+ institutional investors and 67k+ retail investors onboard. - Approvals secured for new index funds. - Integration with BlackRock’s Aladdin platform completed, boosting execution capabilities.
Lending Business (NBFC)	- Expansion cautious and focused on prime/near-prime borrowers and corporates. - Physical presence in 11 cities. - Partnerships with aggregators, builders, and banks are broadening distribution reach.
Payments & Transaction Banking	- Payments ecosystem scaling rapidly with merchant solutions, developer portals, APIs, and JioSoundPay. - Jio Payments Bank expanded sharply to 50k+ touchpoints vs 2.3k YoY. - Mandates at toll plazas, premium account rollouts, and 10x sequential growth in transaction banking reflect strong momentum.
Management & Strategy	- Management confident of profitable growth, with focus on execution, cost efficiency, and prudent capital allocation. - Early-stage businesses expected to scale meaningfully over time.

SENORA’S ANALYSIS
JFSL remains in its build-out phase but enjoys a unique ecosystem advantage through Reliance’s telecom + retail + payments backbone. Its deep financial resources provide the muscle to compete across lending, asset management, and payments. While near-term financial numbers may be modest, structural optionality is significant. Early weakness offers an attractive accumulation opportunity in this long-term compounding story.

DIGITAL & AI INTEGRATION

- Digital-first approach with AI/analytics stack and a “single customer view” platform.
- JioFinance app set to evolve into a hyper-personalized financial marketplace.

Maruti Suzuki

Name	CMP	Mcap
Maruti Suzuki	14,720.00 INR	4.63 trillion INR

Resilient Exports, Rural Recovery, Product Mix Drives Margins

Maruti Suzuki delivered a resilient performance in a challenging demand environment, supported by strong exports and favorable product mix. Rural recovery and a robust product pipeline provide medium-term growth visibility, even as structural headwinds persist.



Strong Demand Momentum	- PV wholesales declined 1.4% YoY, led by weakness in hatchbacks (21% share vs 46% in 2019). - SUVs now dominate with ~55% share of industry volumes. - Fuel mix shifting: CNG & diesel at 19%, hybrids at 3%, EVs at 4%. - Maruti strengthened its passenger vehicle export share to 47%.
Volumes and Demand	- Domestic sales fell 4.5%, while exports grew 37.5%. - Overall volumes rose 1.1% YoY. - First-time buyer demand remained weak, but rural demand outpaced urban. - Retail volumes fell 3%, with rural sales the bright spot.
Margins	- Profitability supported by favorable product mix, though higher depreciation from the new plant weighed on margins. - Hedging gains (~50 bps) booked below the operating line. - Discounts largely stable; dealer inventory at ~33 days.
Structural Challenges	Rising concerns over rare earth metal supply affecting both EV and ICE production.

SENORA’S ANALYSIS
Maruti continues to show resilience, balancing domestic softness with strong export momentum and a favorable product mix. Rural recovery and upcoming SUV/EV launches support medium-term growth, though risks remain from weak first-time buyer demand and supply-side constraints in rare earth materials.

CAPEX & PRODUCT PIPELINE

- Capex of ₹10,000 Cr for FY26 remains on track.
- Two new launches planned (one EV, one SUV), reinforcing Maruti’s positioning in the fast-growing SUV category.

Reliance Industries

Name	CMP	Mcap
Reliance Industries	1,383.80 INR	18.74 trillion INR

Digital and Retail Drive Growth, Petrochemicals Under Pressure

Reliance continues to deliver strong growth in its consumer-facing businesses, Digital and Retail, while its traditional petrochemical segment remains under pressure from global overcapacity. Strategic progress in New Energy and disciplined balance sheet management reinforce the company’s long-term growth trajectory.



Digital (Jio Platforms)	5G subscriber base at 200 Mn (+20 Mn QoQ), supported by proprietary stack enabling rapid scaling and cost efficiency. - Expansion into cloud, gaming, and AI provides multi-year growth visibility. - Monetization of free services remains gradual but improving.
Retail	- India’s largest retailer; FMCG revenues reached ₹4,400 Cr (~2x YoY). - Quick commerce grew +175% YoY, supported by omni-channel execution and subscription models.
Media (JioStar)	- Achieved 287 Mn paid digital subscribers during IPL. - Hybrid content strategy (sports + entertainment) strengthened customer loyalty.
Oil & Gas / Petrochemicals (O2C)	- O2C EBITDA improved on stronger fuel/polymer cracks; polypropylene volumes +13% YoY. - However, petrochemical margins remain under pressure due to Chinese overcapacity, with ethylene margins at historic lows.
New Energy	- Giga-factories for solar, batteries, and green hydrogen progressing as planned. - Full-scale ecosystem expected in 4–6 quarters. - Entire expansion self-funded, minimizing leverage risk.
Macro / Industry Highlights	- Retail/FMCG: Strong momentum led by online grocery (+40% YoY) and Reliance HPC. - Energy: India continues to drive global fuel demand, though downstream margins remain tight. - Digital: 5G adoption robust; fiber rollout remains capital intensive, with spectrum constraints limiting FWA scale-up.

SENORA’S ANALYSIS
Outperformers: Digital, Retail, and Media.

Under Pressure: Petrochemicals
(downstream margins, O2C headwinds).

Long-Term Outlook: Strongly supported by scale, diversification, and progress in New Energy investments.

FINANCIALS & BALANCE SHEET

- Consolidated revenue grew +6% YoY; EBITDA posted double-digit growth.
- Net debt/EBITDA remains comfortable despite ₹30,000 Cr capex in Q1.

Name	CMP	Mcap
SBI	808.40 INR	7.46 trillion INR

Loan Growth Visibility Intact, Margins to Rebound from Q3

State Bank of India continues to execute steadily, supported by strong corporate pipelines, resilient asset quality, and robust capital. While near-term margin pressure persists, management guidance implies recovery from Q3, sustaining long-term profitability metrics.



Loan Growth & Outlook	- Market share gains in deposits (22.2%) and advances (19.2%), led by retail mortgages and secured SME lending. - Sequential growth muted at 0.8% due to corporate prepayments, but FY26 credit growth guided at 12–13%. - Strong demand pipeline across infrastructure, renewables, real estate, and steel/cement consolidation.
Retail & SME Trends	- Xpress Credit growth improving after tightened underwriting; borrower quality enhanced with stable 2–3 year tenures. - SME book largely secured; micro loans minimal and low-risk.
Asset Quality Resilience	- Slippages at ₹79.5 Bn, primarily from SME, agri, and personal segments; pullbacks already underway. - Recovery guidance at ₹70–80 Bn in FY26; slippage ratio steady at 0.6%.
Margins & Costs	- Domestic NIM guidance maintained at 3.0%; near-term dip expected in Q2, but rebound guided from Q3. - Deposit costs at 5.21% (term-deposit heavy), with easing anticipated ahead.
Profitability & Efficiency	- Management reiterated guidance of RoE >15% and RoA >1%. - Cost-to-income ratio at 47.7%, guided to remain <50% in FY26. - Non-interest income softer QoQ, but core profitability remains healthy.

SENORA’S ANALYSIS

SBI demonstrates steady execution, with strong corporate credit demand, resilient asset quality, and ample capital to support growth. Near-term margin softness may weigh on Q2 earnings, but recovery from Q3FY26 should sustain RoE >15% and reinforce SBI’s position as the sector leader.

CAPITAL STRENGTH

- Completed ₹250 Bn QIP with strong FII participation.
- CET-1 ratio at 12.3%, leaving the balance sheet well-capitalized to fund growth.

Tata Motors

Name	CMP	Mcap
Tata Motors	680.55 INR	2.51 trillion INR

PV Growth Strong, JLR Margins Healthy; CV Weakness Near-Term Headwind

Tata Motors delivered a mixed quarter with resilience in JLR and CV margins offset by softness in domestic PVs. Strategic simplification and an expanding EV pipeline provide long-term tailwinds, though near-term risks from demand weakness and regulatory shocks persist.



Soft Quarter, External Headwinds	- Wholesales declined 9% YoY; revenue down 2.5% YoY. - Dragged by muted domestic PV demand, weak entry-level consumer sentiment, and tariff/tax pressures on JLR exports.
JLR - Premium Strength, Macro Pain	- JLR impacted by US tariffs, China’s luxury tax changes, and FX headwinds. - Despite pressures, record revenue per vehicle underscores resilient demand for premium models. - Free cash flow weighed by external factors but underlying profitability remains intact.
CVs - Margin Outperformance	- Commercial Vehicles outperformed industry volumes. - Delivered EBITDA/EBIT margin gains through cost efficiencies and richer product mix. - Market share strengthened, supported by launches like ACE Pro.
PVs - Weak Mass Market, EV Pipeline	- PV business lost share in sub-₹10 lakh segment due to weak demand and discounting. - Margins compressed, though upcoming launches (Harrier.ev and new EVs) provide medium-term recovery visibility.
Strategic Moves Underway	- Progressing on demerger and divestment of Tata Motors Finance. - Early-stage talks for strategic acquisitions (e.g., Iveco) highlight focus on simplification and long-term value unlocking.
Operational Push & EV Trust-Building	- Digital platforms in sales, service, and fleet management scaling strongly. - Initiatives like lifetime EV battery warranty reinforce consumer trust and support faster EV adoption.
Key Risks	- Tariff/tax shocks in export markets. - Currency volatility (GBP/USD, USD/EUR). - Weak entry-level PV demand, raw material inflation, and intensifying price wars in the sub-₹10 lakh PV segment

SENORA’S ANALYSIS

Tata Motors remains a medium-term margin recovery story, underpinned by strong CV performance and JLR’s premium strength. However, near-term challenges from entry PV weakness and regulatory/currency risks may keep earnings volatile before recovery trends take hold.

OUTLOOK - MARGIN RECOVERY AHEAD

- Management expects sequential margin recovery, targeting double-digit EBITDA.
- Drivers include festive demand, cost rationalization, and new launches across PV, CV, and EV portfolios

Tata Power

Name	CMP	Mcap
Tata Power	378.45 INR	1.21 trillion INR

Renewables & Distribution Turnaround Drive Long-Term Growth

Tata Power continues to strengthen its positioning as a leading clean energy and distribution play. Strong renewable momentum and operational turnaround in distribution businesses are offsetting near-term uncertainties around Mundra and regulatory issues, reinforcing its long-term compounding potential.



Financial Performance & Balance Sheet	• EBITDA and PAT growth remained solid. • Net debt rose by ₹3,700 Cr in Q1 with FY26 target of ₹25,000 Cr, though leverage continues to be among the best in the industry. • Capex is focused on high-return projects, supporting structural growth.
Renewables Momentum	• Renewables firing on all cylinders with record EPC commissioning. • Rooftop solar demand scaling rapidly (20k units already installed; pipeline at 40–50k/month). • Cell/module plant running at >94% utilization; transition to TOPCon technology underway. • Domestic Content Requirement (DCR) mandate from June 2026 is a structural tailwind.
Distribution Turnaround & EV Charging	• Odisha distribution business delivering significant improvements: AT&C losses near ~10%, stronger collections, and 2.5 Mn smart meters installed. • EV charging network showing healthy utilization, strengthened by OEM partnerships.
Mundra - The Overhang	• Section 11 mandate has expired; SPPA discussions with 5 states ongoing for a 13-year supply contract. • Resolution could lock in pricing, stabilize cash flows, and reduce coal volatility exposure. • Until finalized, Mundra remains a source of uncertainty.
Industry Trends Supportive	• Power demand expected to rebound after temporary 1.3% decline from early monsoons. • Softer coal prices keeping Mundra competitive. • Strong government push on rooftop solar through the PM Surya Ghar scheme.

SENORA’S ANALYSIS

Tata Power is structurally positioned as a long-term clean energy and infrastructure leader. While near-term noise (Mundra resolution, discom challenges) may cap upside, the structural drivers, renewables growth, EV charging expansion, and distribution turnaround, remain intact. Current corrections could present an attractive entry point ahead of the commissioning ramp-up in FY26–27.

NEAR-TERM HEADWINDS

- Weaker performance in Delhi discom, drag from Indonesia JV, tariff disputes, and pending legal cases.
- These are non-structural and manageable in the broader context.

Portfolio Positioning

StaG Themes Post Q1 FY26



Clean Energy & Infra

Tata Power, Ambuja, ABB → *Structural compounding plays.*



Digital & Financial Ecosystems

Jio Financial, Airtel, ICICI, Chola → *Secular growth optionality.*



Consumer Resilience

HUL, Maruti, IndiGo, Eternal → *Rural strength + discretionary recovery.*

The Q1 FY26 results season underscored the resilience of StaG's portfolio, even against a backdrop of muted excitement in the broader market. While near-term headwinds surfaced across certain holdings - be it margin pressures, regulatory overhangs, or global demand volatility, the structural strengths of our core companies remain intact. Common themes such as energy transition, digital adoption, resilient consumer demand, and strong financial franchises continue to underpin long-term value creation. At Senora, we remain guided by conviction in structural stories rather than reacting to quarterly noise. **We view short-term corrections as opportunities to strengthen positions, confident that the StaG portfolio is well-positioned to deliver compounding returns through cycles and capture India's evolving growth story.**

Thank You

StaG



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**Start your journey with us today and
invest in India's growth story.**

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