StaG TIMES

APRIL 2026 | SENORA ASSET MANAGEMENT | EDITION NO. XIX

An India focused Large Cap AIF CAT III

MONTHLY PERFORMANCE OF INDICES

Nifty 50: 22,331.40 (-11.309%)

Sensex: 71,947.55 (-11.489%)

Mridul Jalan
Co-Founder & CIO

Stock	Returns
GAINERS	
SBI	1.91%
Bharti Airtel	1.16%
Jubilant Food	0.50%
ABB	0.43%
Bank of Baroda	0.39%
Maruti	0.27%
KWIL	0.05%
Axis Bank	0.01%
LOSERS	
Chola Finance	-0.11%
United Spirits	-0.12%
ETERNAL	-0.30%
Hindustan Unilever	-0.41%
Tata Power	-0.56%
Reliance	-0.61%
ICICI Bank	-0.67%
Indigo	-0.69%
Jio Finance	-0.92%
Tata Motors	-2.27%
Ambuja Cement	-2.66%

CONTRIBUTION TABLE

From the CIO's Desk - April 2026

Hello Investors and Friends,

At the outset, I would like to sincerely apologise for the lack of communication and the pause in StaG Times over the past couple of months. There was a specific reason for this, and I would like to take this opportunity to share it with you.

Over the past few months, we have been navigating two important developments, a transition and a transaction.

Let me begin with the transition. My co-founder, Vivek Kedia, and I parted ways a few months ago. Since December 2025, he is no longer actively associated with the Senora Group. While we had communicated this informally to some of you earlier, I would like to formally confirm this update.

Coming to the transaction, we have recently raised private capital, and I am pleased to share that the process has been successfully completed. While the size of the deal, stake, and valuation remain confidential, this marks an important milestone for us. We are delighted to welcome a new set of shareholders, further strengthening both our shareholding and our board as we continue to build a best-in-class boutique asset management firm.

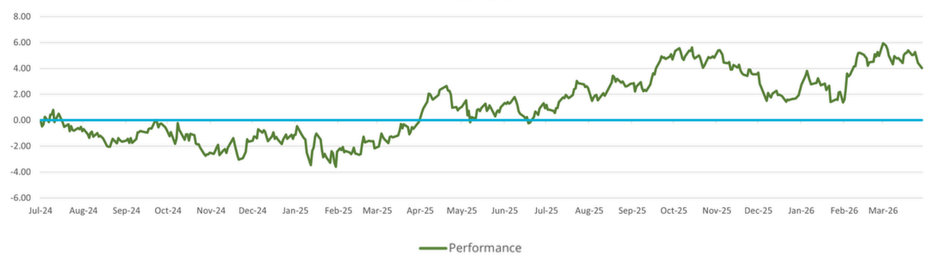
It is my pleasure to formally welcome the following esteemed shareholders:

- Mr. Ajinkya Rahane
- Mr. Ankit Kesarwani
- Mr. Deepak Chhabria
- Mr. Gautam Narayan
- Mr. Mahesh Kumar Jalan
- Mr. Prayagraj Hule
- Mr. Vinod Garg

In addition, we have strengthened our research team with the addition of new analysts, and we are in the process of onboarding senior professionals who will further enhance our capabilities.

With these developments now behind us, we are back with renewed focus, greater strength, and a sharper vision. We remain committed to building one of the finest boutique asset management firms in the country, backed by strong research, disciplined execution, and transparent communication.

Thank you, as always, for your continued trust and support.



NAV CHART

StaG SENORA ASSET MANAGEMENT

APRIL 2026
WHAT WE WROTE DURING THE MONTH

StaG Large Cap Performance Review

A tactical reallocation improved the portfolio’s risk reward, with performance rebounding strongly and outperforming the broader market. This reinforces a core belief that conviction and fundamentals matter far more than short-term volatility. Remaining patient during uncertainty while acting decisively on opportunities continues to guide our strategy.

Explore the full performance review [here]

Volatility Is Not Risk. Behaviour Is

Market corrections are inevitable, yet history consistently shows that periods of decline are followed by strong recoveries that reward patient investors. The real risk lies not in volatility, but in investor behaviour. Those who stay invested and follow a disciplined approach benefit from compounding, while reactive decisions tend to erode returns.

Read how behaviour shapes long-term outcomes [here]

Large Caps. The Understated Wealth Creators

While attention often shifts to small and mid-caps in search of higher returns, well-selected large caps can deliver strong performance with greater stability. The key lies in identifying quality businesses at the right price, where discipline and conviction drive consistent wealth creation over time.

Discover why large caps remain core to compounding [here]

Volatility Creates Opportunity, Not Fear

Recent market volatility, influenced by geopolitical developments and crude oil movements, reflects short-term uncertainty rather than structural change. Historical trends suggest that attempting to time markets is ineffective, while consistent investing during such phases often leads to better outcomes. Corrections tend to create opportunities to deploy capital rather than reasons to step aside.

Understand how volatility can be an entry point [here]

Volatility Tests You. Discipline Rewards You

TMarket corrections are a natural part of investing and often trigger recency bias, where short-term declines feel prolonged. However, markets move in cycles. A disciplined, research-driven approach and the ability to stay patient through volatility are what ultimately capture recoveries and enable long-term compounding.

See why discipline outperforms reaction [here]

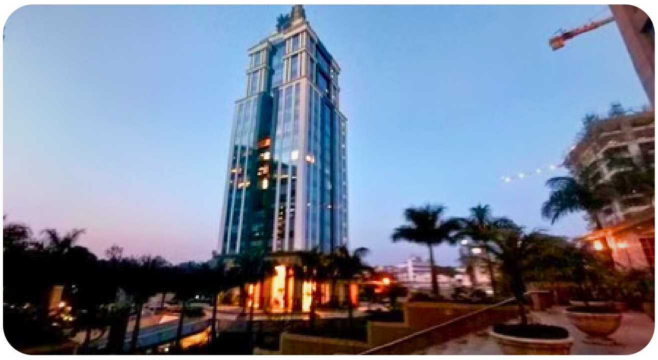
INVESTOR UPDATE.

Navigating Volatility, Staying Disciplined

The last three months have been particularly challenging for markets. In many ways, this phase has reinforced a timeless truth: markets are the ultimate leveller. Periods like these test conviction, expose excesses, and remind participants that narratives cannot run ahead of fundamentals indefinitely.

For our portfolio, the impact was meaningful. Over this period, the portfolio declined by approximately 13 percent, broadly in line with market movements. While we did manage to outperform marginally on a relative basis, the absolute drawdown did erode a portion of the gains built over the previous 18 months.

What made this phase more difficult was the broad-based nature of the correction. A combination of global risk aversion, tightening liquidity, and rising geopolitical tensions led to a sharp increase in volatility across asset classes. Concerns around critical trade and energy routes, particularly the Strait of Hormuz, drove a spike in crude oil prices and disrupted global cost structures. This, in turn, resulted in rising input costs, renewed inflationary pressures, and heightened uncertainty, culminating in a swift and unforgiving correction.



Portfolio Actions. Measured, Not Reactive

Despite the volatility, our portfolio approach remained disciplined. We did not undertake any broad-based changes and stayed committed to our core holdings.

The only action during this period was a tactical reallocation. We exited Bank of Baroda towards the end of March and reintroduced United Spirits into the portfolio.

As a reminder, we had exited United Spirits in mid-2025 at around ₹1,450. The recent correction provided an opportunity to re-enter the business at approximately 10 percent lower levels, despite continued earnings growth, thereby improving the overall risk reward.

In addition, the monetisation of a non-core asset, specifically its IPL franchise stake, is expected to enhance cash flows and support improved capital allocation. This reflects our broader philosophy of remaining patient during volatility while acting decisively when high-quality businesses become available at more reasonable valuations.

Current Positioning. Resilience Showing Through

At an aggregate level, the portfolio remains well positioned. Importantly, the impact of recent geopolitical developments on underlying earnings appears limited.

This resilience is already visible in performance. Despite the sharp drawdown in March, the portfolio has rebounded strongly in April and is currently outperforming the market by approximately 400 basis points at the time of writing.

This recovery reinforces a key principle: while external shocks can drive short-term price volatility, businesses with durable earnings tend to recover relatively quickly.

Earnings Trends and Outlook

Early earnings trends have been encouraging. Companies such as ICICI Bank continue to deliver strong performance, reflecting robust fundamentals and consistent execution.

Our decision to avoid the IT sector has also proved beneficial in the current environment, particularly given the ongoing uncertainties around global demand and deal cycles.

Overall, we see strong earnings visibility across our portfolio companies. This gives us confidence that the portfolio is well positioned to deliver healthy returns, not only as markets stabilise in the near term, but more importantly over the long term.

STOCK FOR THE MONTH

United Spirits

Investment Rationale

Previous Exit

Exited in April 2025 at ₹1,440 to ₹1,450, when the risk reward appeared unfavourable due to relatively slower earnings momentum.

Robust Financial Growth

Net Sales Value has grown at a CAGR of approximately 8 percent between FY21 and FY25, increasing from ₹8,131 crore to over ₹12,000 crore. EBITDA has doubled to around ₹2,243 crore, while PAT has grown approximately 4.5 times to ₹1,582 crore, driven by operating leverage and an improving product mix.

Premiumisation Tailwind

Prestige and Above categories now contribute close to 90 percent of NSV. The share of Luxury and Premium segments has increased from 27 percent in FY22 to 33 percent in FY25, while the Popular and NBR segments continue to decline. This mix shift has been a key driver of margin expansion to all-time highs.

Supply Chain Optimisation

Manufacturing facilities have been rationalised from 93 in FY15 to 36 in FY25, leading to improved capacity utilisation, better cost efficiencies, and stronger working capital management.

IPL Franchise Monetisation

A potential divestment of the RCB franchise could unlock an estimated 20 to 30 percent of current market capitalisation. The proceeds are likely to be returned to shareholders through dividends or buybacks, creating a near-term re-rating catalyst.

MARKET LEADERSHIP AND MOAT

United Spirits remains the leading spirits company in India with a portfolio of over 80 brands, including McDowell's, Royal Challenge, Signature, Black Dog, and Johnnie Walker. Its scale, distribution reach, and pricing power create a strong and durable competitive advantage.

INDIA UK FTA UPSIDE

The phased reduction in import duties on Scotch, from 150 percent to 75 percent and eventually to 40 percent over ten years, is expected to support high single-digit volume growth in the premium and luxury portfolio.

Income Statement

Y.E MARCH (RS. CR)	FY23A	FY24A	FY25A	FY26E
Sales*	**27,815**	**26,018**	**27,276**	**28,871**
% change	-10.5	-6.5	4.8	5.8
EBITDA	**1,417**	**2,001**	**2,243**	**2,528**
% change	-11.9	41.2	12.1	12.7
Depreciation	283	275	283	290
EBIT	**1,134**	**1,726**	**1,960**	**2,237**
Interest	104	76	89	94
Other Income	248	207	264	335
PBT	**1,279**	**1,857**	**2,135**	**2,478**
% change	17.7	45.2	15.0	16.1
Tax	153	449	553	620
Tax Rate (%)	12.0	24.2	25.9	25.0
Reported PAT	**1,136**	**1,408**	**1,582**	**1,859**
PAT att. to hold- ersn shareholders	**1,136**	**1,408**	**1,582**	**1,859**
Adj.*	-176	17	65	44
Adj. PAT	**960**	**1,425**	**1,647**	**1,903**
% change	-3.4	48.5	15.6	15.5
No. of shares (cr)	72.7	72.7	72.7	72.7
Adj EPS (Rs.)	**13.2**	**19.6**	**22.6**	**26.2**
% change	-3.5	48.5	15.6	15.5
DPS (Rs.)	4.0	5.0	12.0	10.5

**Sales Figures include exercise duty*

Ratio Analysis

VALUATION RATIO

Metric	FY21	FY22	FY23	FY24	FY25
NSV (₹ Cr)	8,131	9,712	10,612	11,321	12,069
EBITDA (₹ Cr)	1,051	1,595	1,417	2,001	2,243
Net Profit (₹ Cr)	362	811	1,126	1,408	**1,582**
EBITDA Margin (%)	~12.9%	~16.4%	~13.4%	~17.7%	**~18.6%**

Balance Sheet (Figures in Crore)

BALANCE SHEET	FY23A	FY24A	FY25A	FY26E
Y.E March (Rs. Cr)				
Cash	883	1,269	2,030	2,167
Accts. Receivable	2,434	3,056	3,410	3,349
Inventories	2,230	2,063	2,305	2,945
Other Cur. Assets	687	989	1,457	1,490
Investments	85	185	125	117
Gross Fixed Assets	1,988	1,869	1,939	2,218
Net Fixed Assets	1,151	1,071	1,307	1,686
CWIP	67	37	72	73
Intangible Assets	374	350	330	435
Def. Tax -Net	157	177	155	168
Other Assets	1,693	2,052	2,057	2,148
Total Assets	9,761	11,249	13,248	14,578
Current Liabilities	3,624	3,878	4,722	4,859
Provisions	12	15	16	9
Debt Funds	1	25	-	-
Other Liabilities	125	210	406	416
Equity Capital	145	145	145	145
Res. & Surplus	5,854	6,976	7,959	9,148
Shareholder Funds	5,999	7,121	8,104	9,293
Minority Interest	-	-	-	-
Total Liabilities	9,761	11,249	13,248	14,578
BVPS	82	98	111	128

United Spirits reflects a combination of steady revenue growth, strong margin expansion, and disciplined capital allocation. The shift towards premium and luxury segments continues to drive profitability, while operating efficiencies and supply chain optimisation have strengthened return ratios over time.

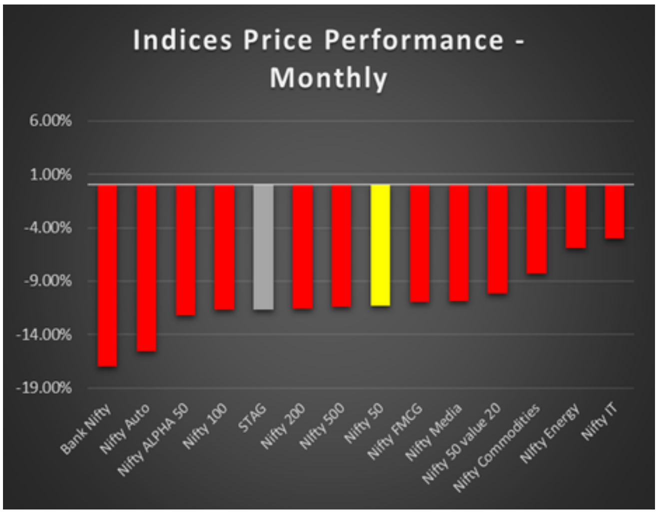
Overall, United Spirits fits well within our portfolio framework of investing in market leaders with strong brands, improving fundamentals, and long-term compounding potential.

OUR VIEW

Periods like the past few months are uncomfortable, but they are an inherent part of investing. They test discipline, reinforce process, and often create meaningful opportunities.

Our approach remains unchanged. We continue to focus on owning high-quality businesses with strong earnings visibility, avoiding unnecessary risks, and deploying capital selectively when valuations become more favourable.

While near-term volatility may persist, we remain constructive on the medium to long-term outlook for the portfolio, supported by underlying fundamentals and earnings strength.



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