StaG TIMES

NOVEMBER 2025 | SENORA ASSET MANAGEMENT | EDITION NO. XVI

An India focused Large Cap AIF CAT III

MONTHLY PERFORMANCE OF INDICES

Nifty: 25,722.1 (+4.51%)

Sensex : 83,938.71 (+4.57%)

Mridul Jalan
Co-Founder & CIO

Stock	Returns
GAINERS	
Maruti	3.16%
Bharti Airtel	2.88%
ETERNAL	1.86%
SBI	1.59%
Indigo	1.56%
Chola Finance	1.27%
Jubilant Food	0.57%
Bank of Baroda	0.47%
ICICI Bank	0.41%
Hindustan Unilever	0.37%
Axis Bank	0.35%
Reliance	0.22%
United Spirits	0.14%
LOSERS	
Jio Finance	-0.12%
Tata Power	-0.25%
ABB	-0.48%
Ambuja Cement	-0.70%
Tata Motors	-1.14%

CONTRIBUTION TABLE

From the CIO's Desk - November 2025

At the outset, let me apologize for the delay in writing to you this month. The results season and travel schedule completely took over my time. As the retired oracle of investing, Warren Buffett, often reminded us, *the right communication matters more than frequent communication.* I wanted to write only when there was something meaningful to share.

So, let's dive into what October looked like. Did you notice how the Nifty finally broke out of its long consolidation phase? We certainly did and we believe a few factors came together at the same time:

- GST 2.0 reforms quietly boosting demand
- Earnings coming in better than expected, backed by stronger management commentary
- Supportive global market sentiment
- And yes… a surprisingly silent Trump

Earlier this month, I spent six days on the road meeting nearly 30 investors, across sizes, risk profiles, and backgrounds. What stood out to me was this: **The fear is gone.**

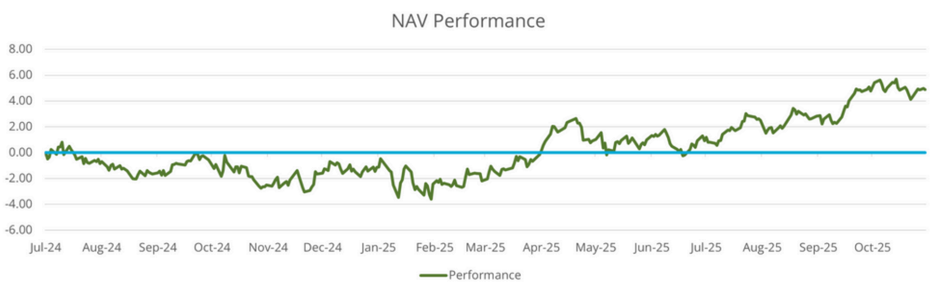
The anxiety that dominated conversations earlier this year has faded. In its place, I sensed calmness, composure, and a more realistic view of returns. Even the acceptance of a pure large-cap product was refreshing, perhaps aided by moderated market returns over the past year and the reality check on the unlisted side.

In many ways, the last year has reset expectations and reminded investors of the importance of the right advisors and the right strategy. Now, here's something interesting to observe together: **This rally feels different.**

This time, the market's strength is being driven by stocks that were earlier underperformers, companies that most investors were underweight on. On the other hand, names that had already rallied through the year aren't seeing the same follow-up buying.

What's even more telling is the market's behavior around earnings. Companies that delivered strong results were rewarded, in some cases, even before the results were officially announced. Those that disappointed corrected, but not as sharply as in previous quarters.

To us, this reflects one thing: **the underlying strength and maturity of this market cycle.**



NAV CHART

NOVEMBER 2025
WHAT WE WROTE DURING THE MONTH

Monthly Fund Performance Update

StaG AIF continued to deliver consistent, risk-managed returns through our focused large-cap strategy. Despite a muted market, the fund outperformed the benchmark and remains firmly on track to achieve the 2025 target of 20 percent XIRR.

Discipline continues to translate into steady compounding.

👉 *Read the detailed report [here]*

How We Learn From Our Experiences

Our strength lies in deep, conviction-led research that blends macro understanding with on-ground realities. This allows us to avoid risks like IndusInd and identify winners like ABB India early.

Research depth is what builds long-term conviction.

👉 *Explore the full note [here]*

Where the Next Earnings Risk Lies

Commercial real estate and REITs face structural pressure as AI-driven efficiencies reduce office demand and refinancing risks rise. Stability may mask underlying fragility in the coming quarters.

Selectivity is essential as hidden risks emerge.

👉 *See detailed analysis [here]*

Rationality versus Convention

While markets appear calm, our method focuses on real indicators like EBITDA growth rather than surface-level stability or crowd behaviour. This helps us navigate risks more effectively.

Rational decisions outperform conventional assumptions.

👉 *Learn how we think [here]*

Tata Motors Demerger: A Strategic Reset

Tata Motors' demerger separates PV, EV, and JLR from the CV business, unlocking value and improving strategic clarity. Our analysis suggests the PV business alone could be valued at 3.3 to 3.5 lakh crore.

A structural reset that creates asymmetric upside.

👉 *Read the valuation breakdown [here]*

Festivals Bringing Good News

Nifty's breakout above 25,500 signals a fresh rally, supported by earnings momentum and renewed investor participation. STAG continues to outperform within this trend.

Strength in fundamentals is finally reflecting in prices.

👉 *View our full perspective [here]*

Déjà vu Moment

The excitement around gold and silver resembles earlier phases in midcaps and small caps. We continue to prioritise consistency over hype, staying focused on quality large caps.

Fast rallies fade, disciplined compounding lasts.

👉 *Understand our stance [here]*

What Is Happening in the Unlisted Space and Why

Unlisted markets remain crowded with irrational pricing and limited liquidity. Our investment approach continues to value patience, transparency, and valuation discipline.

Avoid noise, follow clarity and valuation.

👉 *Read our insights [here]*

Follow-Up on the Unlisted Space

A deeper conversation reinforced that FOMO-led unlisted markets often misprice risk. At Senora, clarity and discipline remain our compass.

Sustainable investing requires thoughtful restraint.

👉 *See the follow-up note [here]*

My View on IPO Valuations

IPO numbers often look attractive due to short-term profit dressing. We look beyond valuation excitement to assess true quality, scalability, and sustainability.

Fundamentals matter more than listing-day noise.

👉 *Read the IPO view [here]*

To know more about us, visit: www.senora-stag.com x.com/SenoraAIF www.youtube.com/@StaGAIF

NOVEMBER 2025
STOCK REVIEW

COMPANY	OUR VIEW
ABB India	Muted Growth
Ambuja Cements	Strong Growth
Axis Bank	Mild Growth
Bank of Baroda	Muted Growth
Bharti Airtel	Strong Growth
Cholamandalam Investments	Mild Growth
Eternal Ltd	Strong Growth
Hindustan Unilever	Mild Growth
ICICI Bank	Strong Growth
IndiGo	Mild Growth
Jio Financial Services	Mild Growth
Maruti Suzuki	Muted Growth
Reliance Industries	Strong Growth
SBI	Strong Growth
Tata Motors Passenger Vehicles	Muted Growth
Tata Power	Strong Growth

Portfolio Snapshot

The portfolio remains balanced with a healthy mix of strong and mild growth names. Importantly, muted growth stocks are positioned for structural improvement over the coming quarters while strong growth names continue to drive performance.

SECTOR OUTLOOK

Banking Sector

Public sector banks have been the clear standouts, collectively reporting a record cumulative net profit of ₹49,456 crore in Q2 FY26 so far. Margin compression was a broad challenge but appears to be bottoming out. Loan growth and asset quality are improving, which bodes well for earnings stability through the rest of the year.

IT Sector

Growth remains muted as discretionary spending stays weak and large deal conversions continue to delay revenue recognition. A broad-based recovery still looks unlikely in the near term.

Cement Sector

The sector remains well positioned with cost efficiencies holding up and volumes steady despite seasonal headwinds. In H2 FY26, the focus shifts to improving pricing and executing capacity expansions already underway.

Auto Sector

The sector is in an upcycle, moving from volume-led to value-led growth. GST rationalisation and higher disposable incomes are expected to unlock further demand, particularly in the LCV category.

Consumer Sector

Sustained recovery hinges on a demand pickup in H2. GST-related channel disruptions should settle, pricing appears to be stabilising, and both rural demand and discretionary consumption are likely to support volume-led growth.

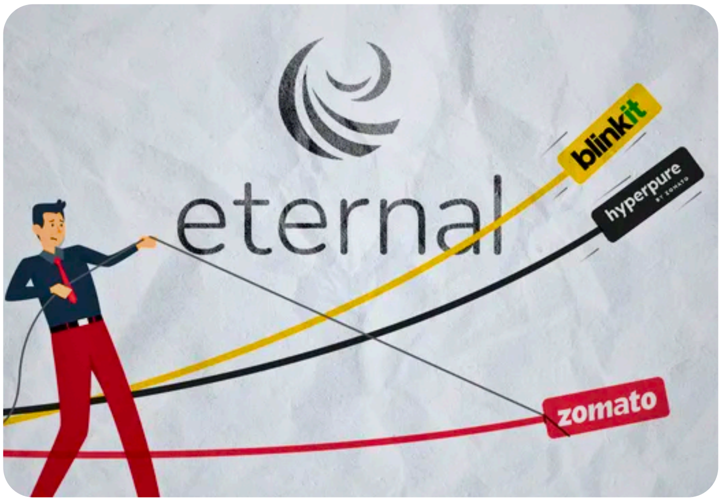
Capital Goods Sector

A phase of steady but selective growth. Corporate capex is finally showing momentum, and continued government spending should support order book expansion and healthy revenue growth.

Infrastructure & Telecom Sector

Companies with strong monetisation capabilities are well placed. ARPU improvement is expected as data consumption rises and service offerings deepen. Execution speed and disciplined working capital management will remain key differentiators.

PORTFOLIO SPOTLIGHT
ETERNAL LTD



Performance and Management Context
Eternal continues to be one of the strongest examples of our stock-picking ability, with visible wealth creation reflecting the market's confidence in its transition from hyper-growth to profitability.

Across verticals, performance remained robust.

- The food delivery business delivered record profitability.
- Blinkit posted its strongest growth in recent quarters.
- District continued to scale steadily.
- Hyperpure experienced a temporary setback due to Blinkit's model transition.

Management remains committed to scaling market share, which requires meaningful upfront investments and cash burn, particularly within quick commerce and the district business.

Our Investment Thesis
Eternal provides ***three strategic exposures*** within the portfolio:

1. Leadership in India's rapidly expanding online food services market.
2. Operating leverage through adjacencies such as quick commerce, B2B supply, and loyalty programs.
3. Structural upside from sustained improvements in unit economics and the potential for a valuation re-rating as profitability strengthens.

Key Drivers for Improved Valuation

- Continued improvement in contribution margins from food delivery orders.
- Faster scale-up of quick commerce with declining losses per order.
- Monetisation of the broader ecosystem through advertising, subscriptions, and B2B supply, improving overall ROE.
- Macroeconomic tailwinds driven by higher internet penetration, rising disposable incomes, and urbanisation.

OUR VIEW
We reiterate that Eternal is a once-in-a-generation company. We expect sustained high revenue growth supported by improving operating leverage and strong cash generation as profitability deepens across segments. With its first-mover advantage, disciplined execution, and ongoing margin expansion, Eternal remains a high-conviction long-term compounder in our portfolio.

Income Statement

INCOME STATEMENT (INR MILLION)	FY24A	FY25A	FY26E	FY27E	FY28E
Total Revenue	**12,11,150**	**20,24,300**	**55,66,049**	**11,08,237**	**15,37,166**
Cost of Goods Sold/Op. Exp					
Personnel Cost	28,820	55,650	2,97,590	7,32,714	10,34,743
Other Expenses	91,900	1,40,410	2,47,027	3,23,119	4,13,057
EBITDA	430	6,370	11,429	52,403	89,366
Dep. & Amort.	5,260	8,630	15,601	19,038	21,448
EBIT	-4,830	-2,260	-4,172	33,365	67,918
Other Income	7,750	9,230	11,076	9,805	7,847
PBT	2,920	6,900	6,904	43,170	75,765
Taxes	-600	1,700	2,430	3,450	7,576
Reported Net Profit	3,520	5,270	4,142	39,716	68,188
Adjusted Net Profit	**3,520**	**5,270**	**4,142**	**39,716**	**68,188**
Diluted Share Cap. (mn)	8705.8	9186.6	9650	9650	9650
Diluted EPS (INR)	0.4	0.6	0.4	4.12	7.1

BALANCE SHEET (INR MILLION)	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	2,04,130	3,03,170	3,14,814	3,61,656	4,36,971
Share Capital	8,680	9,070	9,070	9,070	9,070
Reserves & Surplus	1,95,450	2,94,100	3,05,744	3,52,586	4,27,901
Minority Interest	-70	-70	-70	-70	-70
Def. Tax Liab. / Assets (-)	-2,210	-1,290	-3,336	-6,649	-9,223
Total - Equity & Liab.	**2,01,850**	**3,01,810**	**3,11,407**	**3,54,937**	**4,27,678**
Net Fixed Assets	57,760	76,650	82,234	90,681	99,304
Investments	1,19,320	1,81,760	1,61,760	1,61,760	1,61,760
Current Assets	54,270	96,530	1,67,081	2,59,623	3,80,633
Inventories	880	1,760	30,869	58,521	82,799
Sundry Debtors	7,940	19,460	41,477	79,974	88,483
Cash & Bank Balances	3,090	6,660	9,824	10,994	67,801
Other Current Assets	42,360	68,650	84,910	1,10,135	1,41,550
Current Liab. & Prov.	29,500	53,130	99,668	1,57,127	2,14,019
Current Liabilities	18,260	37,940	83,022	1,23,951	1,68,022
Provisions & Others	11,240	15,190	16,646	33,176	46,017
Net Current Assets	24,770	43,400	67,413	1,02,495	1,66,614
Total – Assets	**2,01,850**	**3,01,810**	**3,11,407**	**3,54,937**	**4,27,678**

Key Financial Ratios

Y/E MARCH	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	23.4	33.4	32.6	37.5	45.3
ROIC	-7.3%	-1.7%	-1.9%	18.5%	30.9%
ROE	1.8%	2.1%	1.3%	11.7%	17.1%
Net Debt/Equity (x)	-0.6	-0.6	-0.5	-0.5	-0.5
P/E (x)	860.7	606.6	810.7	84.6	49.3
P/B (x)	14.8	10.4	10.7	9.3	7.7
EV/EBITDA (x)	7,524.9	497.6	278.8	60.8	35.0
EV/Sales (x)	26.7	15.7	5.7	2.9	2.0

Powering India's changing lifestyles

FROM THE CIO'S DESK - REFLECTION & MARKET VIEW

So, what should we expect from the market from here?
Our stance remains unchanged. We continue to stay bullish on the markets in both the medium and long term. In the short term, a few technical and liquidity factors require attention.

According to our technical desk, 25,200 is a key support level. With continued FII selling and a steady supply of paper through IPOs, liquidity remains tight for a one-way rally. What does this mean?

The market is likely to form higher highs and higher lows instead of a sharp vertical move. As the earnings tailwind continues into Q3, we expect the market to find further upside, supported by improving investor confidence and a potential shift in FII positioning.

What will drive the next leg of the market? Let us break down the biggest trigger very clearly.
FII flows.

If you are wondering what will bring FIIs back, here is what matters:

- **FIIs look at returns in dollar terms.** On a twelve-month basis, India's dollar returns are only marginally positive. Compare this with US bond yields at 4 to 5 percent and an average INR depreciation of 4 to 5 percent per year. This creates a high hurdle rate. Unless earnings grow above 14 to 15 percent, the equation does not tilt in India's favour.

- **In Q3, we believe this threshold is achievable.** If earnings deliver at this pace, FIIs will have a compelling reason to increase their exposure to India.

- **We also believe the rupee is due for appreciation.** Once this begins, dollar returns improve meaningfully and FII outflows should slow or even reverse.

- **A trade deal with the US would be another major catalyst.** If this materializes, the perceived political risk premium reduces significantly and opens the door for a stronger FII comeback.

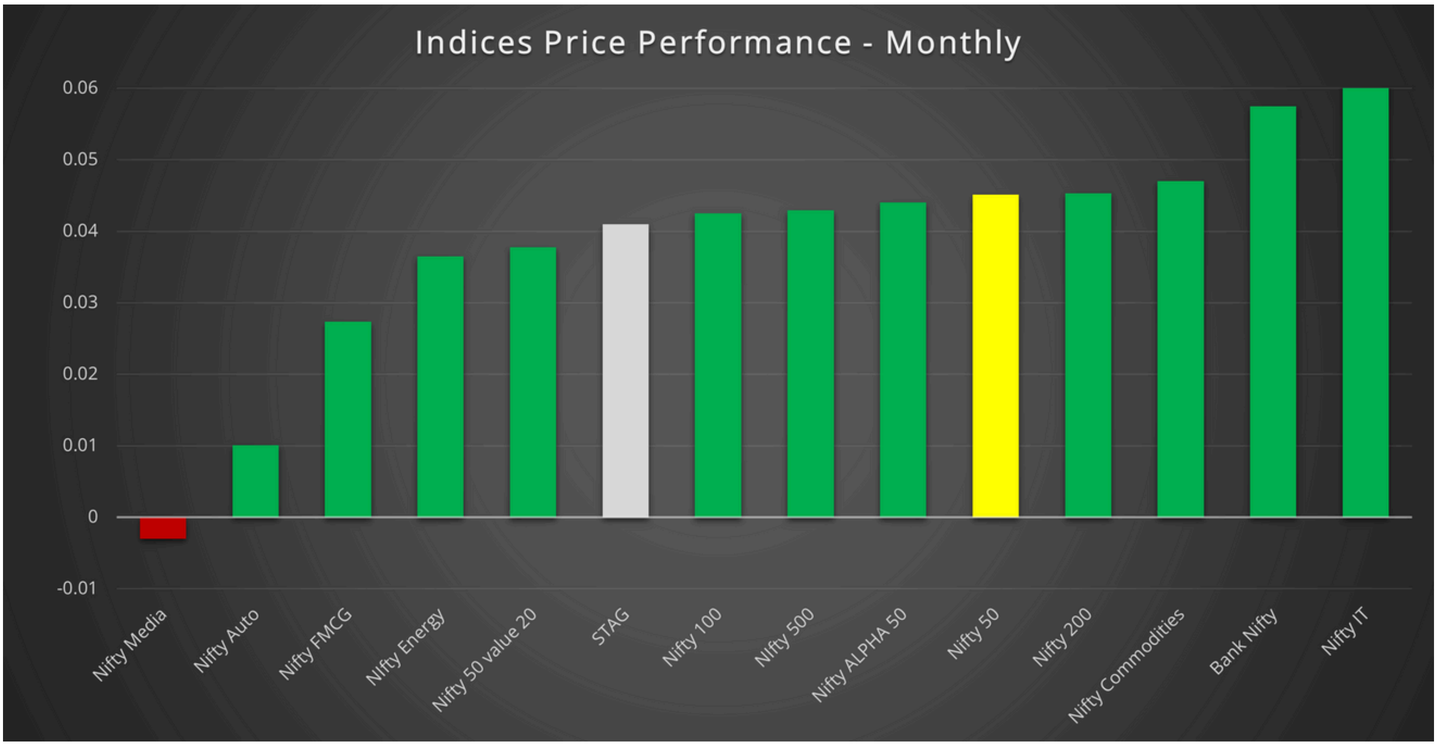
To summarise: Despite the noise, India's inherent market strength remains intact, supported by steady corporate earnings and robust domestic flows. We remain confident that new highs will be made this financial year.

Since Inception

Stock	Returns
GAINERS	
ETERNAL	61.09%
BHARTIARTL	40.77%
INDIGO	33.11%
MARUTI	32.69%
CHOLAFIN	18.64%
SBIN	10.84%
ICICIBANK	10.45%
HINDUNILVR	9.15%
LOSERS	
TATAMOTORS	-56.93%
AMBUJACEM	-13.95%
JIOFIN	-13.88%
ABB	-11.51%
TATAPOWER	-6.32%
AXISBANK	-4.09%
RELIANCE	-2.30%
BANKBARODA	-0.91%

Monthly

Stock	Returns
GAINERS	
BHARTIARTL	9.38%
RELIANCE	8.97%
AXISBANK	8.94%
BANKBARODA	7.68%
SBIN	7.40%
CHOLAFIN	5.34%
JIOFIN	4.64%
TATAPOWER	4.18%
MARUTI	0.98%
TATAMOTORS	0.71%
ABB	0.71%
INDIGO	0.55%
LOSERS	
ETERNAL	-2.38%
HINDUNILVR	-1.94%
AMBUJACEM	-0.80%
ICICIBANK	-0.20%



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

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