Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	81,774	-0.2	4.7
Nifty-50	25,046	-0.2	5.9
Nifty-M 100	57,867	-0.7	1.2
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	6,754	0.6	14.8
Nasdaq	23,043	1.1	19.3
FTSE 100	9,549	0.7	16.8
DAX	24,597	0.9	23.5
Hang Seng	9,524	-0.5	30.6
Nikkei 225	47,735	-0.5	19.7
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	68	1.9	-8.0
Gold ($/OZ)	4,042	1.4	54.0
Cu (US$/MT)	10,639	-0.8	23.0
Almn (US$/MT)	2,756	0.6	9.1
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	88.8	0.0	3.7
USD/EUR	1.2	-0.2	12.3
USD/JPY	152.7	0.5	-2.9
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.5	-0.01	-0.3
10 Yrs AAA Corp	7.1	0.00	-0.1
Flows (USD b)	**8-Oct**	**MTD**	**CYTD**
FIIs	0.01	-0.13	-17.6
DIIs	0.04	1.08	67.8
Volumes (INRb)	**8-Oct**	**MTD***	**YTD***
Cash	972	1074	1067
F&O	1,57,509	2,84,557	2,24,351

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

EcoScope: Consumption First; Private Capex Next?

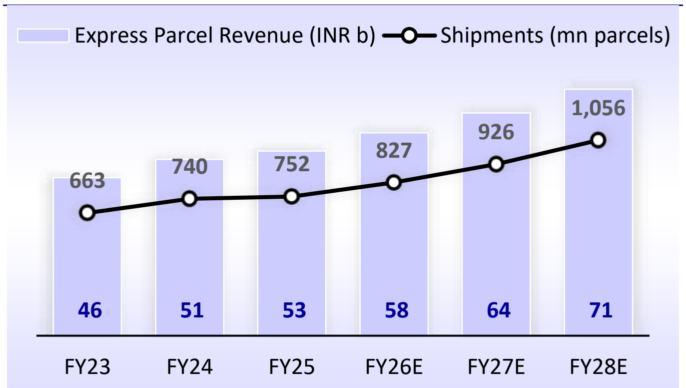
- India has faced multiple headwinds in recent months, driven by geopolitical tensions and global conflicts, leading to FII outflows of USD 9 billion between Jul–Sep'25. Domestically, urban consumption remained weak amid high interest rates, tight liquidity, and underperformance in IT and banking. To counter slowing demand, the RBI cut policy rates by 100 bps to 5.5%, reduced CRR by 150 bps, and infused nearly INR 9 trillion liquidity through FX swaps, OMOs, and VRR/VRRR operations.
- The government also frontloaded capex and reduced income and GST rates to spur activity. Early signs of recovery are visible—auto retail sales hit a record high in Sep'25, with vehicle registrations rising 34% YoY to 1.16 million units.
- We believe this marks the start of a domestic growth revival, with consumption expected to pick up sharply in 3QFY26, followed by a rebound in private capex led by power, telecom, oil & gas, ports, cement, defense, and electronics sectors.

Research covered

Cos/Sector	Key Highlights
EcoScope	Consumption First; Private Capex Next?
Delhivery	Strong start to the festive season!
Expert Speak | Consumer	Current dynamics and festive trends
PN Gadgil	Festive season boosts retail demand
Senco Gold	Muted revenue growth on high gold prices; store expansion on track

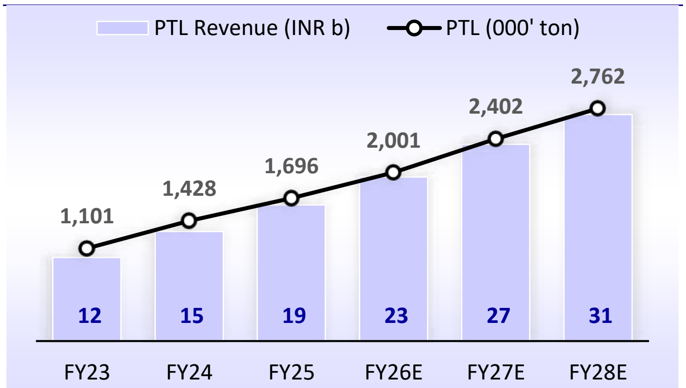
Chart of the Day: Delhivery (Strong start to the festive season!)

Express service revenue to record a 10% CAGR



Source: Company, MOFSL

PTL to report an 18% revenue CAGR over FY25-28E



Source: Company, MOFSL

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

ASG Eye Hospitals to merge with Sharp Sight in Rs 450 crore deal; PE-backed chain targets IPO

ASG Eye Hospitals, backed by General Atlantic and Kedaara Capital, has agreed to a ₹450 crore non-binding merger with Sharp Sight Eye Hospitals. This deal, valued at ₹7,000 crore for ASG, will see Sharp Sight's founder and management receive ASG shares…

2

Lupin to set up new facility in US with an investment of USD 250 mn

Drug firm Lupin will establish a new manufacturing plant in Coral Springs, Florida. The investment totals USD 250 million over five years. This facility will produce over 25 critical respiratory medicines, including albuterol inhalers.

3

JSW Cement commissions 1 MTPA grinding unit at Sambalpur, Odisha

JSW Cement has commissioned a 1 MTPA cement grinding unit in Sambalpur, Odisha, through its subsidiary Shiva Cement. This expansion increases JSW Cement's total installed capacity to 21.6 MTPA, aiming to meet the growing demand in the Eastern region and consolidate its market position

4

Mahindra Group weighs major restructuring; may spin off tractors, PVs, & trucks into separate entities

Mahindra Group is reportedly exploring a significant restructuring, potentially separating its core tractor, passenger vehicle, and truck businesses into independent entities. This move aims to unlock business potential, enhance scalability…

5

KYC a challenge, have to simplify norms: SBI chief

State Bank of India Chairman CS Setty has urged policymakers and tech developers to simplify the Know Your Customer (KYC) process, identifying it as a major hurdle for both banks and customers. SBI is also enhancing its YONO 2.

6

Senco Gold sees 6.5 per cent growth in revenue in Q2FY26

Senco Gold reported a 6.5% revenue growth in Q2 FY26 despite headwinds like a high base effect and adverse weather. The company expanded its retail presence with 5 new showrooms, including an international one in Dubai, and saw strong demand for diamond and silver jewellery.

7

Linen fibre imports to be cut, exports to begin: Textiles Minister Giriraj Singh

Textiles Minister Giriraj Singh announced India's plan to reduce linen fiber imports and begin exporting it, emphasizing the growing demand for blended fibers while asserting cotton's enduring relevance. He highlighted the potential of natural fibers like milkweed, ramie, and flax, urging closer…

Consumption First; Private Capex Next?

- Over the past few months, India has faced multiple headwinds, primarily driven by geopolitics and wars, resulting in FII outflows of USD9b between Jul and Sep'25. Domestically, urban consumption was relatively muted due to high interest rates, low liquidity, and underperformance in the IT and banking sectors. To counter the weakening demand, the RBI cut policy rates by 100bp to 5.5%, reduced the CRR rate by 150bp to accelerate rate transmission, and added systemic liquidity of nearly INR9t in the banking system through daily and permanent operations, including FX swaps, OMOs, CRR cut, VRR/VRRRs. Moreover, the government frontloaded capex spending and reduced income and GST tax rates. **While it is still early to assess the full impact of this monetary and fiscal push, early indicators appear to be positive**. Auto retail sales surged to a record high toward the end of Sep'25. Vehicle registrations rose 34% to 1.16m units, driven by significant growth across PVs, 2Ws, CVs, and tractors.
- **We believe this marks the beginning of a turnaround in India's domestic growth momentum,** despite ongoing external sector risks. We expect domestic consumption to pick up significantly in 3QFY26, paving the way for a robust revival in the private capex cycle.
- **Private capex complements consumption, albeit with a lag of two quarters. We observe that sectors like Power T&D, Coal, Telecom, Oil & Gas, Ports, Cement, Airlines, Defense, and Electronics are already expanding capacities, positioning themselves to seize opportunities in the next phase of growth. These core sectors, in our view, are driven not by cyclicality but by the structural changes unfolding in aspirational India.**
- **It is important to note that this leg of growth is NOT funded by banking credit. Instead, it is supported by external funding, IPOs, QIPs, and, more importantly, corporate debt.**
- With the RBI's October policy easing regulatory measures for banks and NBFCs, credit flow within the system is expected to accelerate, potentially driving further increases in planned capital spending.
- To identify a trackable indicator, monitor high-frequency auto registrations, sales figures, and dealer channel checks.

Power, Utilities, Oil & Gas, Ports, Airlines to lead capex growth

Delhivery

BSE SENSEX	S&P CNX
81,774	25,046

Stock Info

Bloomberg	DELHIVER IN
Equity Shares (m)	747
M.Cap.(INRb)/(USDb)	349.3 / 3.9
52-Week Range (INR)	489 / 237
1, 6, 12 Rel. Per (%)	-3/77/12
12M Avg Val (INR M)	1207
Free float (%)	100.0

Financials Snapshot (INR b)

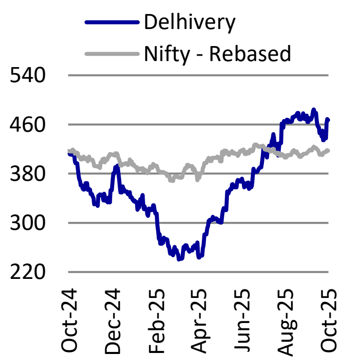
Y/E MARCH	2026E	2027E	2028E
Sales	102.1	116.9	133.5
EBITDA	6.7	8.0	9.8
Adj. PAT	3.6	4.5	6.0
EBITDA (%)	6.5	6.8	7.3
Adj. EPS (INR)	4.8	6.1	8.0
BV/Sh. (INR)	115.6	25.0	32.9
Ratios			
Net D:E	-0.4	-0.5	-0.5
RoE (%)	3.8	4.5	5.7
RoCE (%)	4.9	5.3	6.3
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	96.7	77.3	58.2
P/BV (x)	3.6	3.4	3.2
EV/EBITDA(x)	51.6	42.3	33.6
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	0.0	0.0	0.0
DII	29.6	30.0	22.0
FII	53.0	52.0	61.2
Others	17.5	18.0	16.8

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR467 TP:INR540 (+16%) Buy

Strong start to the festive season!

- According to the RBI, total electronic payments surged to INR11.3t on 22nd Sep'25, nearly ten times higher than the INR1.18t recorded the previous day. This sharp spike was primarily driven by the recent GST rate cut and a strong boost in festive season consumption, reflecting heightened transaction activity across retail and e-commerce channels.
- According to the players in the automotive industry, there has been a **surge in demand** for **cars and two-wheelers** following the **GST rate cut.** This sudden uptick in vehicle sales has led to **capacity constraints** across the logistics sector. Both transporters and service providers struggle to meet the heightened movement requirements of OEMs and dealers during the ongoing festive and post-GST revival phase.
- With the consolidation of express logistics players, particularly following Delhivery's acquisition of Ecom Express, the company is expected to capitalize on the surge in festive season volumes and strengthen its market position. Furthermore, consumption activity, which had moderated amid the anticipation of GST rate cuts, is now showing a sharp rebound post the rate reduction, supporting broad-based demand recovery across major product categories in the upcoming months.
- Management, through its press release, announced a strong start to the festive season with the company processing more than 104.4m shipments (including Express and Part Truck Load (PTL) segments) during Sep'25. Delhivery, with >20% volume market share, is the largest 3PL express parcel player in India and is strategically positioned to capture disproportionate benefits from this growth. The company's pan-India reach spans over 18,800 pin codes, supported by a modern integrated network of mega-gateways, automated sortation centers, and a high-capacity trucking fleet.
- Delhivery's ability to serve high-growth sub-segments such as D2C brands and SME shippers provides an additional growth lever beyond large marketplaces.

Strategic expansion through the Ecom Express acquisition

- The INR14b acquisition of Ecom Express (completed in Jul'25) consolidates Delhivery's leadership in express parcel logistics and adds a complementary rural network, strengthening its reach and customer base. This integration is likely to drive network density gains, footprint rationalization, and cost synergies.
- With rural and Tier 2-4 cities forming a substantial share of e-commerce volumes, the acquisition deepens Delhivery's competitive moat against key rivals like Blue Dart Express and XpressBees. The combined entity is positioned to gain share as 3PL players benefit from rising cost pressures on captive logistics arms and industry-wide pricing normalization.

PTL and supply chain services remain high-growth, underpenetrated segments

- The PTL segment remains a fragmented market with less than 25% of volumes handled by organized players. Following the Spoton integration, Delhivery has demonstrated consistent outperformance through wide geographic coverage, faster turnaround times, and tech-driven process optimization. We project an **18% CAGR in PTL revenue over FY25–28**, underpinned by SME and retail segment expansion, yield improvement, and adoption of value-added services.
- The Supply Chain Services (SCS) segment is scaling profitably, benefitting from the increasing formalization of warehousing, GST-led network redesign, and demand for integrated multi-location solutions like the "Prime" service. We expect SCS revenue to clock a 22% CAGR over FY25-28.

Margin expansion in the core business drives capital efficiency

- Delhivery's EBITDA margin is projected to improve **to 7.3% in FY28E** from **4.2% i**n FY25, supported by operating leverage, improved asset utilization, and technology integration across the value chain. Management expects PTL's EBITDA margin to reach 16–18% in the next 2-3 years (from ~11% in 1QFY26), while the express parcel service's EBITDA margin is likely to expand to 17–18% (~16% in 1QFY26) levels by Mar'26.
- Capital intensity is moderating, with major network buildout completed and steady-state capex expected to fall to ~4-5% of revenue by FY28. A strong balance sheet with negligible debt offers significant headroom for strategic capex and acquisitions.

Valuation and view

- Delhivery is well-positioned for future growth, supported by strong momentum in its core transportation businesses and a clear focus on profitability. With Express Parcel and PTL segments delivering consistent volume growth and healthy service EBITDA margins, the company expects to sustain 16-18% margins over the next two years.
- The integration of Ecom Express is set to enhance network efficiency and reduce capital intensity, while new services like Delhivery Direct and Rapid offer long-term growth potential in on-demand and time-sensitive logistics.
- **We expect the company to report a CAGR of 14%/38%/53% in sales/ EBITDA/ APAT over FY25-28. Reiterate BUY with a TP of INR540 (based on DCF valuation).**

Expert Speak

Current dynamics and festive trends

We hosted an expert session with Mr. Ankur Sachdeva, Co-Founder & CEO of Uppal Brewers & Distillers, to gain insights into the evolving dynamics of the alcoholic beverages industry. The discussion focused on current demand trends across IMFL, beer, and premium spirits segments, highlighting the impact of seasonality on volumes and the structural drivers supporting near-term growth. The interaction also covered state-level policy changes and government interventions shaping the operating environment, along with input cost movements, efficiency measures, and competitive intensity influencing the profitability of key industry players.

Mr. Ankur Sachdeva
Co-Founder & CEO – Uppal Brewers & Distillers

Mr. Sachdeva has over 25 years of leadership experience in the alcoholic beverages industry. A graduate of Delhi University, he has held key roles at Radico Khaitan, William Grant & Sons, and Allied Blenders & Distillers. He has been instrumental in launching global brands like Glenfiddich and Balvenie in India and driving growth across diverse markets, including India, Singapore, and Sri Lanka.

Consumption and channel trends

- Historically, traditional media and retail channels played a dominant role in brand building and consumer engagement. However, the industry is witnessing a rapid shift toward digital marketing, driven by social media and influencers.
- After Covid, alcohol consumption patterns have structurally evolved. In-home consumption has risen sharply, supported by an increase in at-home socialization, rising disposable incomes, and the emergence of smaller pack sizes and convenient ready-to-drink (RTD) options.
- RTD, low-alcohol, and no-alcohol beverages are gaining traction, particularly among younger and health-conscious consumers, as moderate and mindful drinking is becoming mainstream.
- Craft spirits and premium beer (including craft variants and fortified options like BroCode) are witnessing strong consumer acceptance, supported by aspirational consumption and exposure to global trends.
- The increasing number of urban microbreweries, experiential bars, and cocktail culture in metro cities has also supported category premiumization and experimentation.
- Gen Z and millennials are driving category shifts — they drink less frequently but prefer quality over quantity, opting for premium and niche products.
- Normally, 3Q of a financial year accounts for around 35% of annual industry volumes, aided by festive occasions, weddings, and favorable winter weather. Increasing social gatherings, corporate events, and destination weddings further amplify demand during this period.

Market growth outlook

- The IMFL (Indian Made Foreign Liquor) segment is poised for mid-to-high single-digit volume growth and double-digit value growth, driven by premiumization, favorable demographics, and rising disposable income.
- The Prestige & Above (P&A) segment continues to be the key growth driver, projected to deliver mid-teen volume growth and 30%+ value growth, reflecting the accelerating shift toward premium offerings.
- The total IMFL market currently stands at around 408 million cases, with a sustainable 5-6% annual growth rate expected over the medium term.
- India adds roughly 1 million new legal-age drinkers every month, providing a significant long-term consumption tailwind, particularly for mid- and premium-tier products.
- Vodka, gin, and single malts are among the fastest-growing categories, benefiting from rising experimentation, urban affluence, and international exposure.
- Beer consumption is recovering after the pandemic, supported by premiumization (craft beers, wheat beers) and growing acceptance in Tier 2 and Tier 3 markets.

Regional and policy developments

- Uttar Pradesh (UP) has emerged as a benchmark for progressive liquor policy. Supportive reforms and improved compliance have lifted excise revenues from INR80b to over INR500-550b annually.
- Karnataka has eased multiple liquor-related regulations over the past 12-18 months, supporting category growth and premiumization, particularly in urban centers like Bengaluru.
- Andhra Pradesh, with a market potential of 30-35 million cases, is expected to see accelerated growth with the introduction of a more industry-friendly excise policy.
- Delhi's revised excise framework is also expected to favor industry players through greater transparency, brand-level pricing flexibility, and higher consumer convenience.
- Maharashtra, however, remains a near-term challenge due to its recent excise duty hike. The state faces significant cross-border price arbitrage from Goa and Daman, which offer lower liquor prices, resulting in volume migration.
- Bihar's prohibition has redirected consumption to neighboring states such as UP, Odisha, and Chhattisgarh, where sales volumes have increased.
- Policy rationalization, simplification of taxation, and uniform regulation across states remain key long-term enablers for sustainable industry growth.

Cost and regulatory environment

- Prices of ENA (Extra Neutral Alcohol) and glass bottles, which are major cost components, have stabilized after a volatile FY23-24 period, providing margin relief for manufacturers.
- The proposed UK-India Free Trade Agreement (FTA) could reduce import duties on malt spirits, potentially lowering input costs for producers of premium whisky and Indian single malts using imported malt.
- The perception of quality is often influenced by branding and pricing dynamics. In Japan, when imported Scotch whisky became available at lower prices, it was initially perceived as premium. However, over time, Japanese homegrown whiskies—despite being priced higher—came to be regarded as superior in quality due to strong branding and craftsmanship. A similar trend could emerge in India. With the UK-India FTA expected to reduce import duties on malt Scotch, input costs for domestic manufacturers may decline. Instead of passing on the cost benefits to consumers, companies are likely to retain these gains, thereby supporting margin expansion.
- A reduction in income tax or GST rates on consumer goods could boost disposable incomes and support discretionary consumption, indirectly benefitting the alcobev sector.

Channel and demand dynamics

- The CSD (Canteen Stores Department) channel remains largely flat, as the armed forces' size has not changed significantly. However, it remains skewed to the premium category, with Radico and Diageo being key suppliers.
- The duty-free channel, comprising airport and seaport sales, contributes less than 1 million cases, mainly serving as a showcase platform for domestic brands.
- Home delivery of alcohol is an emerging opportunity, though still constrained by regulatory and commercial challenges. States like Kerala and Delhi are actively exploring frameworks to enable this channel.

Category insights

- Within IMFL, the P&A segment accounts for around 25% of volumes but contributes 35-37% of value, underscoring the strength of premiumization.
- Imperial Blue, one of the largest mass brands, is likely to lose some market share during the ongoing transition from Pernod Ricard to Tilaknagar Industries, creating an opportunity for competitors to capture incremental volume.
- The Indian single malt category continues to gain global recognition. Currently, its market size is around 600,000 cases annually, with about 150,000 cases sold via the CSD channel.
- Indian single malt brands like Rampur, Paul John, Amrut, and GianChand are establishing strong export footprints, with quality perception improving globally.

Industry structure and competitive landscape

- Among listed players, Radico Khaitan, Tilaknagar Industries, and Allied Blenders & Distillers (ABD) have outperformed United Spirits (UNSP) in recent quarters, reflecting better execution and sharper portfolio strategies.
- The unorganized and regional player ecosystem remains large and continues to gain share in local markets through value-for-money offerings and regional branding.
- Large global companies are actively acquiring niche or craft brands to strengthen their premium portfolios — for instance, Diageo's acquisition of Now Spirits.
- Indian companies are entering an innovation-driven phase, investing in new product development, packaging, and enhancing the brand differentiation.

Outlook

- The Indian alcobev industry is structurally positioned for steady value-led growth, supported by favorable demographics, rising premiumization, stable input costs, and evolving consumption patterns.
- Policy harmonization, FTA-led cost benefits, and digital channel liberalization could act as medium-term catalysts.

PN Gadgil

BSE SENSEX	S&P CNX
81,744	25,046

Financials Snapshot (INR b)

Y/E March	2026E	2027E	2028E
Sales	92.2	112.6	131.5
Sales growth (%)	19.9	22.2	16.7
EBITDA	5.3	6.4	7.7
EBITDA Margin (%)	5.7	5.6	5.8
Adj. PAT	3.2	3.9	4.8
Cons. Adj. EPS (INR)	23.8	29.0	35.4
EPS Gr. (%)	36.6	21.9	22.1
BV/Sh. (INR)	138.3	167.3	202.7
Ratios			
Debt/Equity	0.4	0.4	0.4
RoE (%)	18.8	19.0	19.1
RoIC (%)	18.5	19.1	19.4
Valuations			
P/E (x)	28.0	22.9	18.8
EV/EBITDA (x)	15.8	12.8	10.3

CMP: INR665 TP: INR825(+24%) Buy

Festive season boosts retail demand

PN Gadgil (PNG) released its pre-quarterly update for 2QFY26. Here are the key takeaways:

Revenue

- Total revenue (excluding refinery sales) grew 31% YoY to INR21.7b in 2QFY26 (est: INR21.5b, INR20b in 2QFY25).
- Retail segment (72% of revenue) grew 29% YoY, driven by healthy store-level performance and strong festive season sales.
- SSSG stood at 29% QoQ. The gold category registered a 24% increase in value and a 15% increase in volume. The silver category delivered a strong performance, with 92% growth in value and 59% growth in volume.
- Diamond sales also improved, with 31% QoQ growth in volume, resulting in the stud ratio reaching 9%.
- E-commerce revenue grew 113% YoY, now contributing 6.6% to total revenue.
- Franchisee operations saw 105% YoY growth, contributing 15.6% to total revenue.
- Other segments (B2B & corporate sales) contributed ~6% to total revenue.
- Refinery sales (INR3,435m in 2QFY25) were discontinued from Oct'24.
- During Navratri and Dussehra, PNG delivered 65% YoY growth in sales to INR6,180m.

Stores

- Similar to last year's Navratri campaign, 'Nine Days, Nine Stores,' the company further expanded its presence during this year's Navratri, opening six Exclusive PNG Jewellers showrooms and four LiteStyle shop-in-shop stores.
- During 2QFY26, the company entered into Indore in Madhya Pradesh and Kanpur and Lucknow in Uttar Pradesh, along with the launch of a flagship store in Dadar, Mumbai.
- During the quarter, the company launched eight exclusive showrooms — five company-owned outlets (COCO) and three franchise outlets (FOCO), taking the total store count to 63 as of Sep'25.
- PNG plans to open 13-15 new stores in 2HFY26 (COCO + FOCO) as it targets 76-78 stores for FY26.

Consol. Quarterly Performance **(INR m)**

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**16,682**	**20,013**	**24,358**	**15,882**	**17,146**	**21,483**	**31,962**	**21,630**	**76,935**	**92,220**
YoY change (%)	32.7	45.9	23.5	5.0	2.8	7.3	31.2	36.2	25.9	19.9
Gross Profit	**1,386**	**1,531**	**2,391**	**1,909**	**2,259**	**2,578**	**3,548**	**2,468**	**7,216**	**10,853**
Margins (%)	8.3	7.6	9.8	12.0	13.2	12.0	11.1	11.4	9.4	11.8
EBITDA	**643**	**721**	**1,228**	**941**	**1,100**	**1,241**	**1,740**	**1,175**	**3,538**	**5,255**
Margins (%)	3.9	3.6	5.0	5.9	6.4	5.8	5.4	5.4	4.6	5.7
YoY growth (%)	44.2	59.4	33.3	5.8	70.9	72.2	41.7	24.8	30.5	48.5
Depreciation	63	72	84	130	112	120	120	131	348	484
Finance Cost	123	129	63	115	189	190	190	195	430	764
Other Income	19	118	70	149	129	75	60	36	351	300
PBT	**477**	**638**	**1,150**	**846**	**927**	**1,006**	**1,490**	**884**	**3,111**	**4,308**
YoY growth (%)	57.3	110.2	48.6	15.2	94.4	57.7	29.5	4.6	48.6	38.5
APAT	**353**	**529**	**860**	**620**	**693**	**754**	**1,116**	**663**	**2,363**	**3,226**
Margins (%)	2.1	2.6	3.5	3.9	4.0	3.5	3.5	3.1	3.1	3.5
YoY change (%)	59.5	141.1	49.4	12.9	96.3	42.4	29.7	7.0	52.4	36.6

E: MOSL estimates

Senco Gold

BSE SENSEX	S&P CNX
81,774	25,046

Financials Snapshot (INR b)

Y/E March	2025	2026E	2027E
Sales	63.3	76.0	88.7
Sales growth (%)	20.7	20.2	16.6
EBITDA	4.3	5.7	6.2
EBITDA Margin (%)	6.7	7.5	7.0
Adj. PAT	2.0	2.8	3.0
EPS (INR)	12.4	17.2	18.4
EPS Gr. (%)	6.2	38.9	6.9
BV/Sh. (INR)	120.4	135.8	151.9
Ratios			
Debt/Equity	0.6	0.6	0.7
RoE (%)	12.1	13.4	12.8
RoIC (%)	10.2	11.5	10.7
Valuations			
P/E (x)	27.5	19.8	18.5
EV/EBITDA (x)	6.5	4.9	5.0

CMP: INR340 TP: INR385 (+13%) Neutral

Muted revenue growth on high gold prices; store expansion on track

Senco Gold (SENCO) released its pre-quarterly update for 2QFY26. Following are the key takeaways:

Gold price trends

- Gold prices rose sharply in 2QFY26—rising 8% QoQ and 43% YoY on average—reaching an all-time high of INR1,16,500 per 10g, compared to INR1,00,800 in 1QFY26 and INR75,300 in 2QFY25.
- The rally was driven by sustained central bank buying, strong investment demand through ETFs, and resilient consumer demand despite record-high prices.

Financial and operational performance

- For 1HFY26, total revenue grew 17.8% YoY. The retail business grew 16% YoY, supported by 7.5% Same-Store Sales Growth (SSSG).
- In 2QFY26, revenue rose 6.5% YoY (miss), despite:
- – a high base in 2QFY25 due to the custom duty cut,
  – a slowdown during the Shraddh period (September 7-21),
  – demand diversion toward capital goods following a sharp GST reduction, and
  – adverse weather conditions (heavy rains and floods) in Kolkata and West Bengal.

Store expansion and network growth

- Continued retail expansion, with **five new showrooms** opened in 2QFY26, bringing the total count to **184 stores** (excluding Sennes).
  – Includes one company-owned store in Kolkata and three franchise stores (one in Bihar, two in West Bengal)
  – Opened one international showroom in Dubai
- Expanded **Shop-in-Shop (SIS)** presence from 19 to 24 locations
- **Sennes brand** expanded with one new showroom in Hyderabad, reaching **eight exclusive stores** and **100+ SIS counters** within SENCO's COCO and FOFO showrooms

Category-wise performance

- **Diamond Jewellery** continued its strong momentum since 4QFY25, delivering 12% value growth in 2QFY26, as well as 31% value and 14% volume growth in 1HFY26.
- **Silver Jewellery** reported a sharp 54% value growth in 2QFY26.

Marketing and Brand Campaigns

- Launched multiple festive and seasonal campaigns:
  – Teej, Monsoon Edit for Diamond Jewellery, Rakhi promotions, Azadi Utsav (chain festival), and Varalaxmi
- Key brand initiatives:
  – **Elements of Nature** campaign celebrating artistry inspired by five natural elements – Constellation, Water, Fire, Forest, and Floral
  – **Aparupa 2.0** expanded the existing bridal collection in yellow gold, diamond, antique, and polki
  – **Everlite – Shakti Collection** launched for Durga Puja, symbolizing strength and devotion
  – **Gossip – Tattva Collection** introduced in silver and fashion jewellery, reflecting empowerment and self-expression

Customer engagement and sales initiatives

- Strengthened festive demand through initiatives such as:
  – **Flexi Advance Booking** and **Jewellery Purchase Schemes**, boosting 3Q momentum
  – Extensive **Old Gold Exchange** promotions to sustain footfalls despite elevated gold prices

Outlook

- 3Q is expected to be the **strongest quarter** of FY26, driven by Dhanteras, Diwali, and the peak wedding season.
- Inventory has been strategically built with a mix of festive and bridal collections, lightweight jewellery, and the introduction of **9K gold jewellery** to cater to evolving consumer preferences.
- The overall outlook remains **optimistic**, supported by:
  – favorable macroeconomic environment,
  – higher disposable incomes post-GST cut, and
  – robust festive and wedding-related demand
- Trailing Twelve Months (TTM) sales reached approximately **INR68b**, reflecting consistent YoY growth and strengthening brand positioning
- On track to achieve the **FY26 target of 20 new showrooms**, with 7-8 launches planned in 2HFY26 (3Q and 4Q)
- SENCO is confident of achieving **18-20% topline growth for FY26**

Consolidated Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Stores	**165**	**166**	**171**	**175**	**186**	**189**	**192**	**194**	**174**	**194**
Net Sales	**14,039**	**15,005**	**20,460**	**13,777**	**18,263**	**18,006**	**23,836**	**15,939**	**63,281**	**76,043**
Change (%)	7.5	30.9	23.8	21.1	30.1	20.0	16.5	15.7	20.7	20.2
Gross Profit	**2,428**	**1,976**	**2,373**	**2,313**	**3,489**	**2,827**	**3,051**	**2,669**	**9,090**	**12,036**
Gross Margin (%)	17.3	13.2	11.6	16.8	19.1	15.7	12.8	16.7	14.4	15.8
Operating Expenses	1,341	1,159	1,297	1,042	1,653	1,657	1,740	1,262	4,839	6,312
% of Sales	9.5	7.7	6.3	7.6	9.1	9.2	7.3	7.9	7.6	8.3
EBITDA	**1,087**	**818**	**1,076**	**1,270**	**1,836**	**1,170**	**1,311**	**1,407**	**4,251**	**5,725**
Margin (%)	7.7	5.4	5.3	9.2	10.1	6.5	5.5	8.8	6.7	7.5
Change (%)	61.8	107.1	-40.6	44.8	68.8	43.2	21.9	10.8	13.2	34.7
Interest	322	326	339	375	430	445	450	460	1,362	1,785
Depreciation	181	178	131	191	187	195	205	211	681	798
Other Income	123	149	127	147	186	150	140	140	546	617
PBT	**708**	**462**	**732**	**851**	**1,406**	**680**	**796**	**876**	**2,754**	**3,758**
Tax	195	117	190	226	359	171	201	216	729	947
Effective Tax Rate (%)	27.6	25.3	26.0	26.6	25.6	25.2	25.2	24.6	26.5	25.2
Adjusted PAT	**513**	**345**	**542**	**624**	**1,047**	**509**	**595**	**660**	**2,024**	**2,811**
Change (%)	85.3	188.7	-50.4	94.0	104.1	47.5	9.9	5.8	11.8	38.9
PAT	**513**	**121**	**335**	**624**	**1,047**	**509**	**595**	**660**	**1,593**	**2,811**

E: MOFSL Estimates

PVR INOX : Expect 40-45% occupancy with the launch of Dine in Experience; Aamer Bijli, Lead Specialist Innovation, Film Marketing

- Launches India's first luxury dine in cinema in Bengaluru
- Prices would be minimum of 250 for table of 2 and 400 for table of 4 - Ticket cost
- Capex 3crs per screen is maintained but only 70-72 seats
- Expect 40-45% occupancy with the launch of dine in experience
- Aim to expand other regions in next 5 months

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VMART : Impact Of Festive Season To Continue In Q2 & Q3; Anand Gupta, CFO

- Might Exceed Overall Guidance Of New Stores
- Sales growth of 17-23% is anticipated
- Impact of Festive season to comtinue in Q2 & Q3
- unlimited is going better now and more stores will be opened in South under unlimited

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HDFC Bank : I-T Slab Changes, GST Rationalisation & Falling Interest Rates Impact Consumption; Arvind Vohra, Group Retail Head

- Healthy Trends seen and Festives are expected to do Good
- Traction in all the major segements like personal, business, auto loans
- 2H is expected to be much better compare to 1H
- I-T Slab Changes, GST Rationalisation & Falling Interest Rates Impact Consumption

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Yes Bank : Want To Maintain Portfolio Mix Of 60% Retail & SME & 40% Corporate Book; Prashant Kumar, MD & CEO

- SMBC Has just closed the deal & Directors have joined the bank
- Will maintain portfolio mix of 60% retail and 40% corporate book
- Indicated opportunity in wealth management, but too early
- Aims to achieve 1% RoA target by FY27

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