RAI – INNOVITI QUARTERLY NARRATIVE

SANKET

Spends & Key Emerging Trends

Like-for-Like (LFL) Retail Performance

Q1 FY27 + Jul Update · April – July 2026

Abstract

SANKET Q1 FY27 + July Update · Spends & Key Emerging Trends

The RAI-Innoviti SANKET (Spends Analysis And Key Emerging Trends) for Q1 FY27 (April–June 2026) with an early Q2 update through July 2026 tracks same-store, like-for-like (LFL) retail spends across 50+ million data points spanning 2,800+ towns and 10,000+ PIN codes across India.

Overall same-store growth moved from +9.4% in April to +7.8% in May, softened to +4.7% in June, and recovered modestly to +6.8% in July. The six weeks between mid-April and end-May had multiple macro events — oil price spike, the Prime Minister's May 10 advisory on gold, a severe northern heat wave, and food inflation touching 4.8%.

Category paths diverged. Jewellery showed the widest monthly range, moving from +14.2% to +4.6% to +6.6% to +6.4%, shaped in part by an earlier Akshaya Tritiya. Grocery held steady at ~+7% for two months, softened to +4.3% in June, and recovered to +7.5% in July. Fashion moved from +4.7% to +7.2% to +3.0% to +3.7%, with metro premium formats notably weaker than Tier 2 / Tier 3. Consumer Electronics stayed in a narrow +4% to +7% band. Geographically, South remained the strongest zone across all four months; every zone recovered modestly in July. On tiers, Tier 3 outperformed metros through Q1 with the gap widening to 2.4 percentage points by June, before narrowing to 1.9 points in July as metros recovered. On payments, UPI decisively outpaced Cards throughout — both re-accelerated modestly in July.

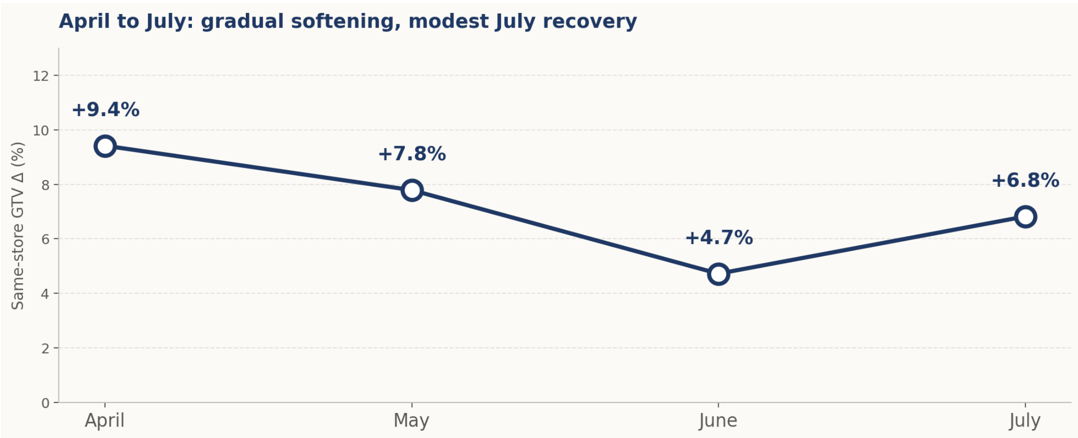
RAI – Innoviti Quarterly Narrative

SANKET – Spends & Key Emerging Trends * Q1 FY27 + Jul Update · April–July 2026

Introduction: RAI-Innoviti Spends & Key Emerging Trends Report is an initiative by RAI and Innoviti to bring together data from various sources to share insights on consumer spend trends by category, geography, and payment tender. Based on data including digitally paid retail spends from consenting businesses, publicly reported data, and primary data acquired from retail businesses through surveys, the report uses AI to correlate the trends with macro and micro-economic events to provide insights on why spend patterns look the way they do. The insights in this edition of SANKET are drawn from 50+ million purchases captured at 100,000+ check out points spanning 2,800+ towns and cities, and 10,000+ pin codes across India. This edition extends the Q1 FY27 quarterly view with an early July 2026 update — the first month of Q2 FY27.

All numbers are **Like-for-Like (LFL)** — same stores, current month vs. same month a year ago. Store openings and closures are out of scope. What is being measured is per-store demand strength.

The four-month growth path.



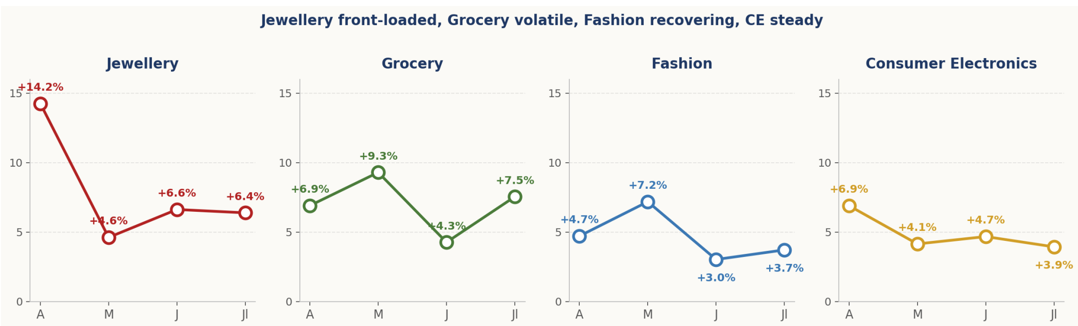
Same-store (LFL) GTV growth, all categories combined.

April registered +9.4% same-store growth. May moderated to +7.8%. June eased further to +4.7%. July recovered to +6.8% — the first month-on-month improvement since the quarter began. The six weeks between mid-April and end-May were an unusually eventful stretch — the rupee touched a record low, oil spiked, the Prime Minister issued an advisory on gold, a severe heat wave settled in across the north, and food inflation crossed 4.8%. July's environment was quieter: monsoon settled in across most of the country, inflation moderated, and the calendar was largely uneventful.

Headline movement

Category	April	May	June	July
Consumer Electronics	+6.9%	+4.1%	+4.7%	+3.9%
Fashion & Lifestyle	+4.7%	+7.2%	+3.0%	+3.7%
Jewellery & Accessories	+14.2%	+4.6%	+6.6%	+6.4%
Grocery & General Retail	+6.9%	+9.3%	+4.3%	+7.5%
Grand Total	**+9.4%**	**+7.8%**	**+4.7%**	**+6.8%**

Same-store (LFL) change, year-on-year.



Category paths, April to July.

Jewellery: a wide range through Q1, steady into July

Jewellery growth was +14.2% in April, +4.6% in May, +6.6% in June, and +6.4% in July — a wider month-to-month range than any other category, though the second half of the four-month window has stabilised in the mid-single-digit range.

Two developments in Q1 were of relevance to the category. Akshaya Tritiya — culturally the most significant single day for jewellery purchase in India — fell on April 20 in 2026, ten days earlier than April 30 in 2025. On May 10, the Prime Minister issued an advisory asking citizens to defer gold purchases for a year, citing the rupee's stretched position and a $72 billion FY26 gold import bill, 58% higher than two years earlier. July had no comparable event and delivered a delta consistent with the Q1 non-April average.

While there is no independent reporting on the seasonality of gold-savings schemes, most Indian jewellers run monthly savings schemes that mature into festival purchases like during Akshaya Tritiya or during wedding seasons — meaning April 2026's strong jewellery numbers could reflect purchases committed a year earlier, well before the PM advisory could touch their redemptions and purchases against them. The long-tail cost of the advisory will only surface in April 2027 if new enrollments were suppressed through the summer of 2026. July's reading of +6.4% is an early data point in that watch — it suggests underlying discretionary demand has stabilised, but the base-comparison signal will remain noisy until the next Akshaya Tritiya cycle.

Grocery: two months up, one soft, sharp rebound

Grocery ran +6.9%, +9.3%, +4.3%, +7.5%. Two months of strong growth followed by a June dip and a clean July recovery.

Quarter context

The quarter opened with income tax cuts and GST rate reductions flowing through the economy. Summer months traditionally see stronger consumption of beverages, packaged foods, water, and cooling essentials — categories with meaningful weight in the organized grocery basket. May was Grocery's strongest month at +9.3%, likely reflecting peak summer consumption before the monsoon transition.

Inflation, monsoon, and July recovery

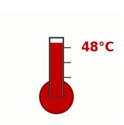
Food inflation reached 4.8% in May, a 16-month high, with fresh categories and edible oils leading the price movement. In parallel, rapid-delivery grocery formats continued to expand — a trend visible in metros over multiple quarters. Food inflation eased in July as monsoon rains settled the summer supply squeeze, and grocery volumes returned to the Q1-opening pace. The pattern — two strong months, a soft June, sharp July recovery — is consistent with a category responsive to short-term macro noise rather than showing any structural change.

Fashion & Consumer Electronics: contained month-to-month movement

Fashion & Lifestyle

Fashion ran +4.7%, +7.2%, +3.0%, +3.7%. Q1 overlapped with state elections in five states through April, wedding-season activity through May, and monsoon onset in June. May 2025, Metro premium fashion has remained the softest cell across the four months.

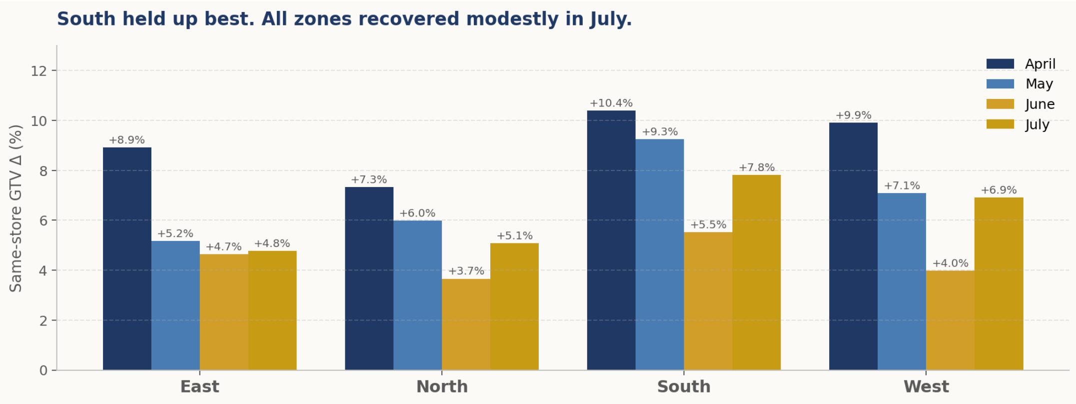
Consumer Electronics



Consumer Electronics stayed positive all four months: +6.9%, +4.1%, +4.7%, +3.9%. The category is heavily import-linked, and the Q1 environment featured both a weak rupee and a severe heat wave — the latter a period that traditionally lifts demand for cooling appliances. July settled at +3.9%, the softest of the four months, without a distinct triggering event.

The geography angle

The four zones softened together through Q1 and each recovered in July.



South ran strongest

South ran +10.4%, +9.3%, +5.5%, +7.8% — the strongest zone across all four months. The quarter saw Tamil Nadu, Kerala and Puducherry complete polling on April 23, and wedding-season activity across the region. July's recovery was in line with the aggregate pattern rather than being zone-specific.

West saw the widest Q1 range and a solid July bounce

West ran +9.9%, +7.1%, +4.0%, +6.9% — the widest Q1 range of any zone at 5.9 percentage points, with the strongest July bounce at +2.9 pp from June. The region is anchored by Mumbai and Ahmedabad, both weighted toward premium retail and jewellery. Konkan saw early monsoon rains in June that eased into July.

East

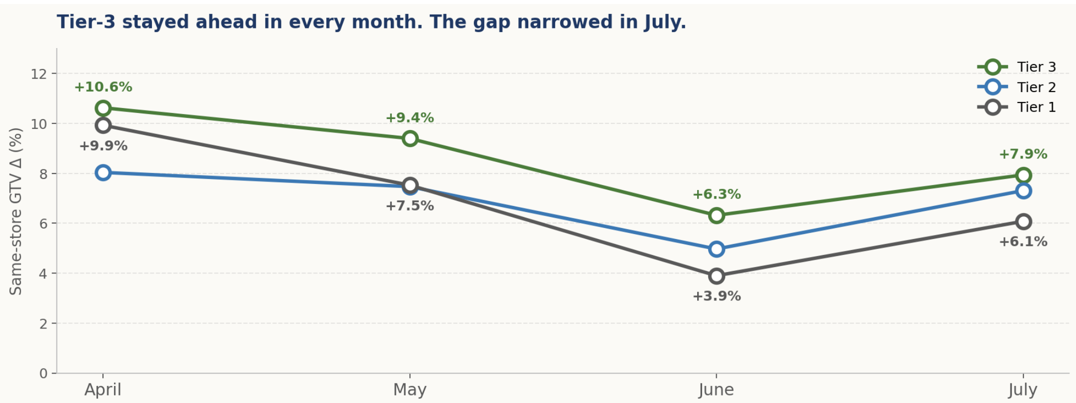
East ran +8.9%, +5.2%, +4.7%, +4.8%. Q1 overlapped with the later phases of West Bengal's polls on April 23 and 29, the peak of the heat wave in May, and monsoon-onset flooding in parts of West Bengal and Odisha in June. Recovery in July was the most modest of the four zones.

North

North ran +7.3%, +6.0%, +3.7%, +5.1% — the softest zone through Q1 and a moderate July recovery. The heat wave was most severe in the North (Sri Ganganagar recorded 48.2°C), and NCR historically carries greater exposure to imported premium consumption. North lags meaningfully behind the other three zones even after the July bounce.

The Tier 3 signal

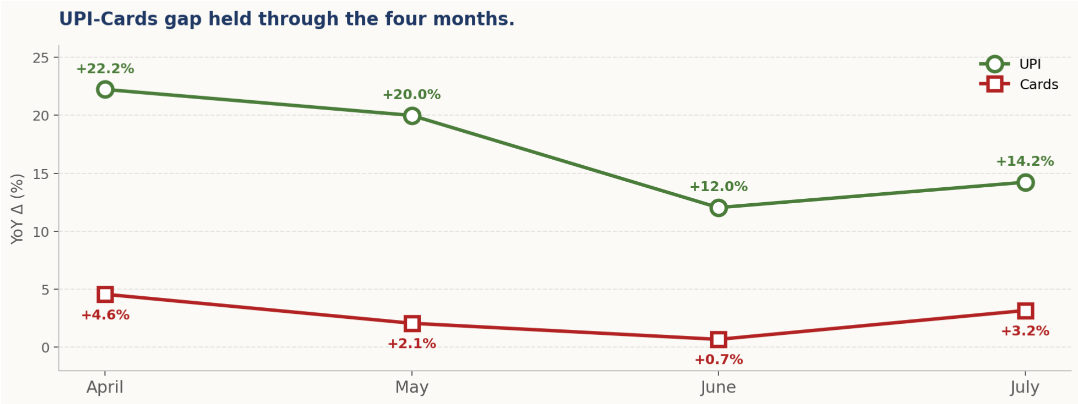
Tier 3 stayed ahead in every month. The gap narrowed in July as metros recovered.



Through Q1, small cities pulled steadily ahead of metros — the Tier 3 vs Tier 1 gap widened from 0.7 percentage points in April to 2.4 points in June. In July, the gap narrowed to 1.9 points as Tier 1 (+6.1%) recovered from June's low of +3.9% faster than Tier 3 (+7.9%) advanced. Same-store growth in smaller cities still ran meaningfully ahead of metros, but the widening trajectory of Q1 did not extend into July. The July recovery in metros suggests that Q1 metro weakness was more cyclical (event-driven) than structural.

How people paid

UPI grew much faster than Cards through all four months.



The UPI-Cards gap held through all four months. Small-ticket daily purchases are increasingly moving to UPI. Cards volumes are still growing, but at a much smaller pace — with Cards growth this period concentrated in Jewellery, where higher gold ticket sizes flow through card payments. Excluding Jewellery, Cards would sit closer to flat across the four months. Consumer Electronics is also excluded from this view as UPI usage there is minimal. UPI growth moderated through Q1 (from +22% in April to +12% in June) and re-accelerated modestly to +14% in July. Cards followed the same shape, easing from +4.6% in April to +0.7% in June and recovering to +3.2% in July. Base effects — as UPI matures on our footprint — are a natural part of this pattern.

What it all adds up to

Four months of numbers stayed above +4% every month, with softening through Q1 and a first sign of broad recovery in July. Four observations are worth carrying forward.

One — the June low may have been the trough

Overall moved from June's +4.7% to July's +6.8%. Every zone recovered from its June reading, every tier recovered, and three of four categories improved (Grocery from +4.3 to +7.5, Fashion from +3.0 to +3.7, Jewellery from +6.6 to +6.4 — essentially flat; only Consumer Electronics eased). July's across-the-board improvement suggests the Q1 modest LFL growth was more event-driven and signals a strong demand.

Two — Tier 3 leadership held but the gap narrowed

Small cities still ran ahead of metros in July, but the widening trend of Q1 stopped. If August and September show metros closing the gap further, Q1's Tier 3 outperformance may be interpreted as a temporary metro-specific weakness rather than a durable structural shift toward smaller-city demand strength.

Three — the UPI shift in grocery has consolidated

UPI now clearly dominates payment volumes in organized grocery. Cards volumes in grocery are close to flat across all four months. The economics that historically funded terminals, acquiring, and merchant discount rate revenues in this category need to be re-thought against this new normal, regardless of monthly demand direction.

Methodology

All figures are **Like-for-Like (LFL)**: current-month GTV compared to the same month a year earlier, at the exact same stores. Store openings and closures are excluded by design. The filter removes ghost-base stores, extreme outliers, and structural collapses. It is conservative by design. Directional signal is the intended output.