



# CARNELIAN CONTRA PORTFOLIO STRATEGY

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*Investing beyond consensus...*

## Company overview

- Founded in 2019 as a boutique investment management firm by three passionate capital market professionals with a strong track record of building leadership businesses in the capital market domain and enduring research platform
- *Purpose is to build a world class asset management platform known for its values, expertise and best practices*
- Currently managing ~USD 1.5bn in Indian equities for the country's leading HNI's, family offices, institutions & partners' own capital
- Offerings include PMS - domestic; AIF - domestic/offshore through GIFT IFSC
- 100% founder owned
- Supported by a team of 99 professionals across 10 locations and growing
- Technology, risk, compliance and process driven DNA
- *Known for our unique, differentiated and proprietary investment & risk (including forensic) framework*
- Won several accolades for best theme identification and absolute returns in 2021 and 2023



We believe in investing in “quality growth at a reasonable price” and “risk diversification through forensic analysis

## Founder's profiles



VIKAS KHEMANI  
(CA, CFA, CS)

- Vikas Khemani, with 28 years of extensive experience in capital markets, is the founder of Carnelian Asset Management & Advisors. Established in 2019, this boutique investment management and advisory firm, based in India, manages USD 1.5bn across various portfolios.
- Prior to founding Carnelian, Mr. Khemani served as the CEO of Edelweiss Securities Ltd. for 17 years. During his tenure, he successfully incubated and developed several businesses into market leaders, including institutional equities, investment banking, and equity research.
- Mr. Khemani is recognized for his strong business acumen and profound understanding of capital markets, earning him a distinguished reputation within Corporate India.
- In 2014, he was honored with the Young Professional Achievers Award for the service sector by the Institute of Chartered Accountants of India.



MANOJ BAHETY  
(CA, CFA)

- With ~28 years of financial services experience, Manoj Bahety currently serves as the fund manager of Carnelian Asset Management & Advisors. He is a distinguished financial professional known for his innovative approach to forensic research and portfolio management.
- Before co-founding Carnelian along with Vikas in 2019, Manoj held key roles at Edelweiss Securities, including Deputy Head of Institutional Equity Research, Head of Forensic Research, and Head of Thematic & Mid Cap Research. He is renowned for his non-consensus research approach and pioneering differentiated forensic research, famously known as "Analysis Beyond Consensus" (ABC Research).
- ABC Research has been instrumental in aiding global investors to make informed investment decisions based on accurate data rather than reported figures, thereby helping them "avoid pitfalls"—a core virtue of Carnelian
- In addition to his professional accomplishments, Manoj has actively contributed to the CFA Institute, serving on several committees, including as Chairperson of the India Advocacy Committee and as a member of the Global Capital Markets Policy Council (CDPC) based in the USA.



SWATI KHEMANI  
(CA)

- With 24 years of financial experience, Swati exemplifies the important role of the Indian modern professional and empowered woman. Her professional journey has taken her to leading roles in equity research, institutional sales, investment banking, client relationships and human capital management, all this, while raising a family and being an entrepreneur.
- Along with Vikas Khemani and Manoj Bahety, she founded Carnelian Asset Management where she currently holds the key position of managing the overall business and capital management. Her mentoring skills have been instrumental to lay the foundation of a strong, cohesive and winning investment management team. She enjoys a good relationship with the investor & corporate community



Founders have strong complementary skill sets & deep experience of capital markets & businesses

## Carnelian competitive advantage

- Independent, entrepreneurial boutique with a reputed board of advisors
- Long-term approach with high active share (differentiated portfolio)
- Concentrated **QGARP** portfolio - **Quality Growth companies (Business & Management) at a Reasonable Price**
- Offers a unique blend of companies with accelerated and sustainable growth
- Proprietary forensic analysis
- Known for identifying larger themes, trends /stocks early



### PEOPLE

- Founders are industry veterans with strong complementary skill sets
- Deep understanding of capital markets & businesses
- Strong relations with corporate India/industry
- Team of 99 passionate/driven professionals
- 100% founder owned - skin in the game



### PROCESS

- Unique forensic framework - **"CLEAR"**
- Focus on quality
- Screen for red flags
- Disciplined investment process
- Differentiated approach to risk management
- Processes driven by core values...

Unique approach,  
unique insights.

## Current market environment seems like 2022...

### Launched YNG Strategy

#### 2022

- Escalation of Russia-Ukraine war, energy crisis, 40-yr high inflation hits the West
- Elevated market conditions - stretched valuations, low yields, rising interest rates, inflationary pressures persist
- **Launched - "Carnelian Yield n Growth Strategy" (CYnG) - contrary to consensus!**
- Focused on undervalued, yield generating assets likely to benefit from inflationary environment - **expected annualized ~12-15%**

### Closed for subscription

- **Mid-2023** : stopped accepting new flows - significant price appreciation coupled with fewer lucrative dividend/FCF yield opportunities.
- **Delivered ~34.2% annualized with alpha of 20%** - *amongst best performing strategies in 2024*

### Re-opening as Contra Portfolio Strategy

#### 2025

- *Geopolitical uncertainty* marked by Trump administration - tariff wars, currency devaluations & changing global interest rate environment
- Temporary dislocation in valuation as investors react emotionally to uncertainty



**We believe this vintage will create wealth just like 2022-2024 as we see interesting/favorable risk-reward opportunities**

## Reopening - Carnelian Contra Portfolio Strategy...

- **Objective** - generate superior risk adjusted return by following a **contrarian absolute return approach**
- **Strategy** - multi-cap with 60% large cap bias, sector agnostic portfolio designed to capture

**Structural growth story with temporary dislocation**



e.g. Infosys post Vishal Sikka exit, Divis Labs during US FDA issues in 2016-17

**Businesses facing unfavourable cycle**



e.g. ER&D during Covid, Pharma companies in US pharma down cycle

**Deep value stocks with good dividends**



e.g. Coal India, PFC(2019-20), ITC available at single digit valuations due to ESG concerns

**Special situations like demerger, open offer, acquisitions etc**



e.g. KPIT, Nuvama, LTI+Mindtree, Crompton Greaves Consumer Electricals, CG Power

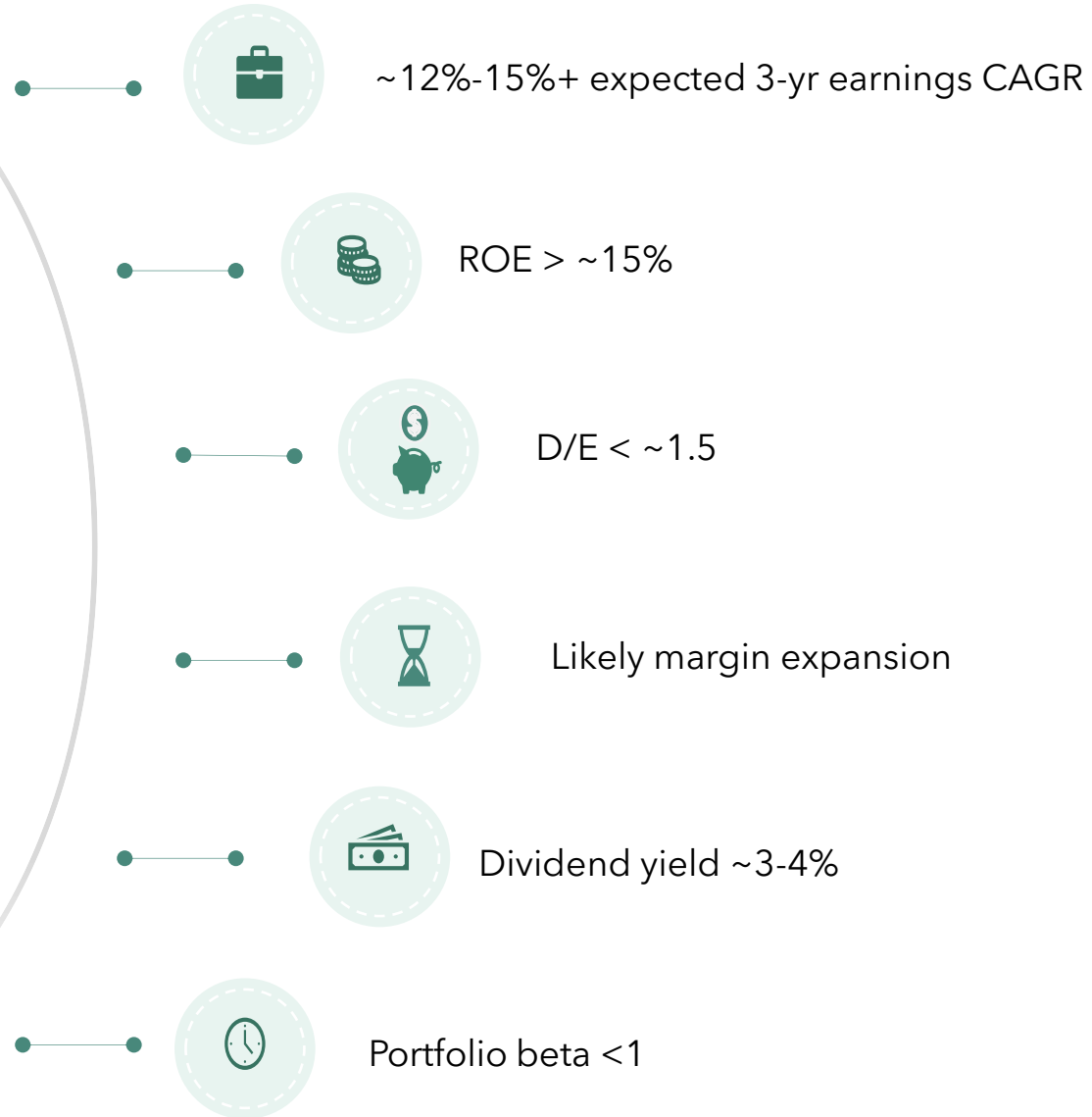
- Portfolio of 20-25 stocks filtered through carnelian forensic lens; benchmarked against BSE 500 TRI
- Actively managed portfolio with long term approach



A well diversified portfolio of ideas beyond consensus comprising best of businesses facing temporary dislocation

## A curated portfolio which offers ...

### CARNELIAN CONTRA PORTFOLIO STRATEGY

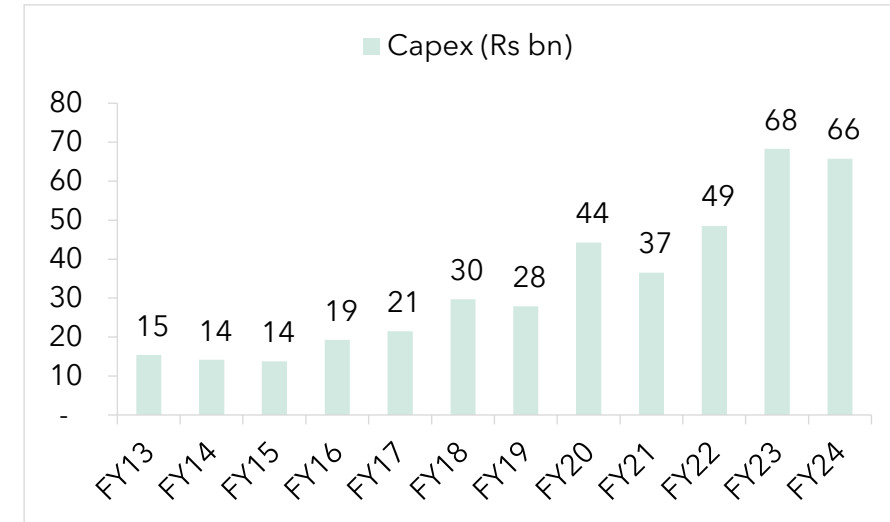


Combination of top down &  
bottom-up approach

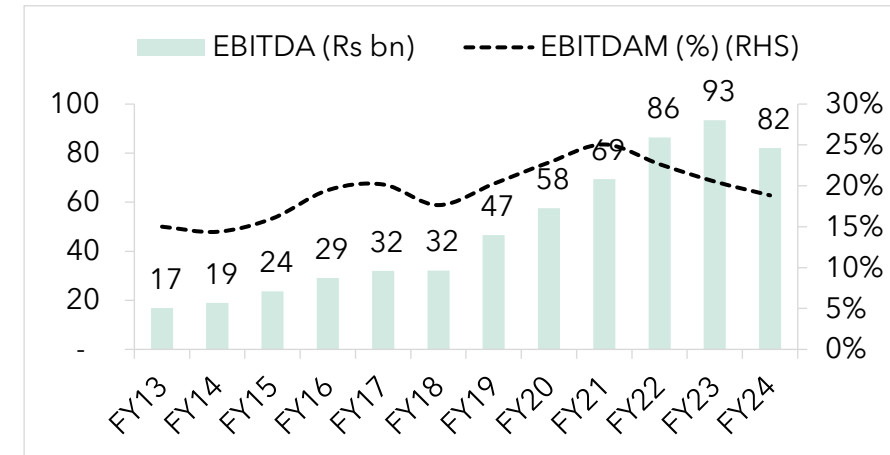
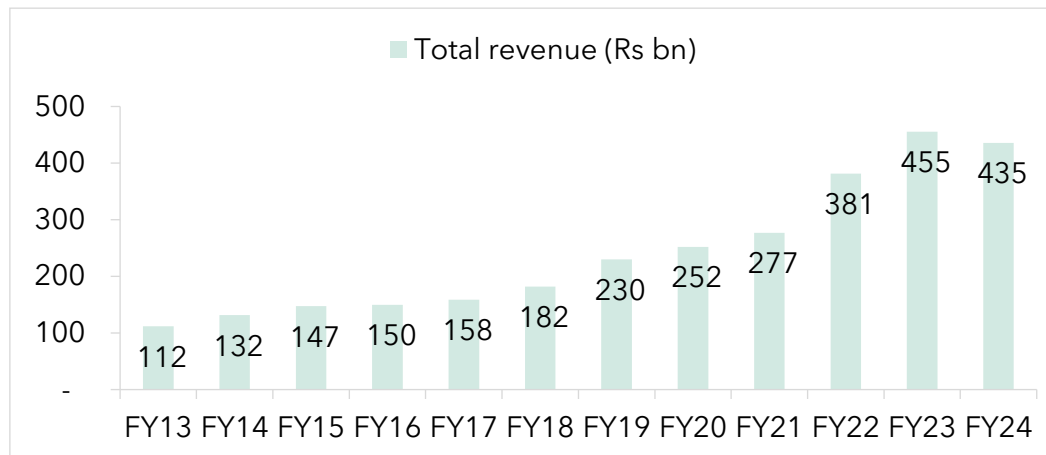
## Interesting opportunities we see...

### Chemicals - capex to come onstream

- Revenue remain muted for last 3 years & margins have gone down
- Raw material price remained volatile, global slowdown in demand - weakness in key export markets (Europe, US), dumping from China & Inventory destocking cycle hurting the sector
- Domestic capex cycle in play - capex numbers will come onstream & operating leverage will play out.
- Sector has already seen a deep correction, and valuations pricing in the worst.



Continued capex in the sector



Source - Carnelian research



Volume growth & uptick in margins to coincide, leading to significant operating leverage

## Interesting opportunities we see...

### Banks - well capitalised facing temporary liquidity challenges

- RBI announced liquidity injection into the market, totalling INR 600bn and covering ~20% of the total liquidity shortage of INR 2.9tn.
- FY25 a year of temporary halt - FY26 will see good credit growth and NIM inching upwards

Year	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	9MFY25
<b>Credit growth</b>	6.9%	2.8%	7.8%	10.6%	6.5%	4.9%	13.0%	17.3%	19.7%	11.3%
<b>Deposit growth</b>	7.0%	10.1%	6.1%	9.3%	8.4%	11.5%	10.3%	11.0%	14.0%	11.4%
<b>NII</b>	6.9%	5.6%	7.5%	16.6%	13.2%	12.6%	10.0%	22.9%	15.8%	0.2%
<b>PPOP growth</b>	5.5%	17.2%	1.7%	4.3%	21.9%	11.9%	3.6%	18.2%	16.0%	5.3%
<b>PAT growth</b>	-61.7%	28.6%	-173.9%	-27.6%	-146.5%	1018.1%	49.2%	44.6%	32.8%	6.5%
<b>CAR</b>	13.3%	13.7%	13.8%	14.3%	14.7%	16.3%	16.8%	16.3%	16.8%	16.7%
<b>ROA</b>	0.3%	0.3%	-0.2%	-0.1%	0.1%	0.6%	0.9%	1.1%	1.3%	1.4%
<b>ROE</b>	3.6%	4.2%	-2.8%	-1.9%	0.8%	7.7%	10.1%	12.9%	14.6%	14.1%
<b>NIM</b>	2.7%	2.7%	2.7%	2.9%	3.0%	3.2%	3.1%	3.4%	3.5%	3.5%
<b>GNPA</b>	7.5%	9.3%	11.2%	9.1%	8.2%	7.3%	5.8%	3.9%	2.7%	2.6%

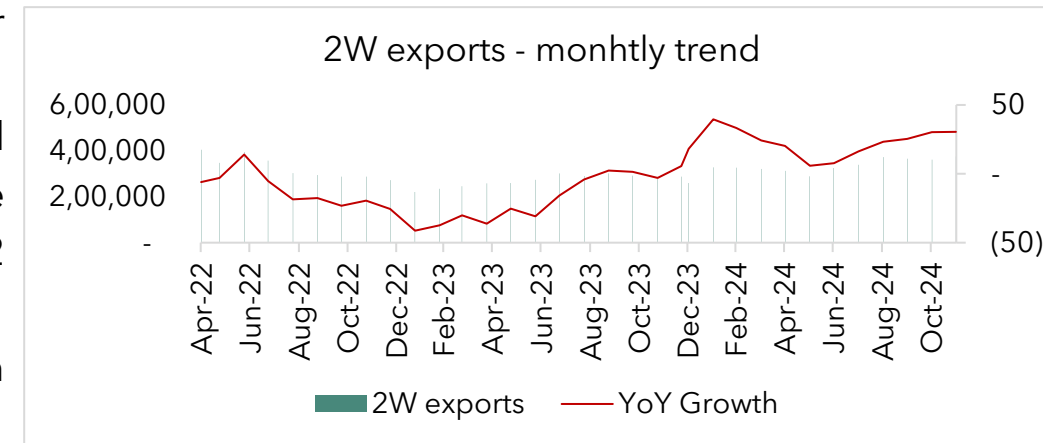
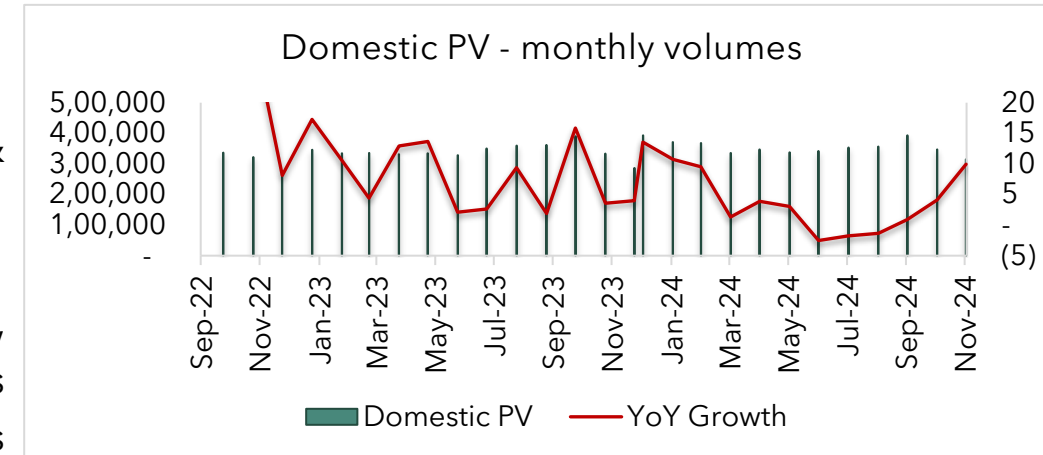


Liquidity improvement → credit growth + NIM improvement → Operating profit growth

# Interesting opportunities we see...

## Autos - at the cusp of reversal

- PV - Industry is going through a mild downturn & there are initial signs of recovery.
- 2Ws - domestic recovery will continue.
- Exports - post a tepid period of ~1.5 years, exports has started recovering from CY24. This will lead to dual engine of growth for 2W players and export focused players will experience faster growth for next 1-2 years.
- Tractors - With good monsoon, low base, and rural economy recovery, tractor volumes are reviving and well placed for a upcycle for next 1-2 years.
- Valuations are appealing and market perception of stress for auto sector is not as bad as feared.



Year	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
<b>2W exports</b>	23,36,234	28,14,934	32,80,399	35,20,055	32,82,786	44,43,131	36,52,122	34,58,416
YoY Growth		20.5	16.5	7.3	(6.7)	35.3	(17.8)	(5.3)



Beginning to see early indications of a cyclical reversal

# Investment framework

**Quality**  
Good business with temporary dislocation,  
Good Management

**QUALITY**

**FORENSIC  
ANALYSIS**

**VALUATION**

**Valuation**  
Deep value relative to  
growth

**Forensic Analysis - CLEAR**

- Cash flow analysis
- Liability analysis
- Earnings quality analysis
- Asset quality analysis
- Related party & governance issues



Deep value relative to  
growth

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## Risk factors

- Reversal of business cycle taking longer than expected
- Re-rating of deep value stocks taking longer
- Temporary dislocation in business may later become permanent dislocation
- Periods of underperformance:
  - Absolute return-oriented approach may lead to under performance with benchmark



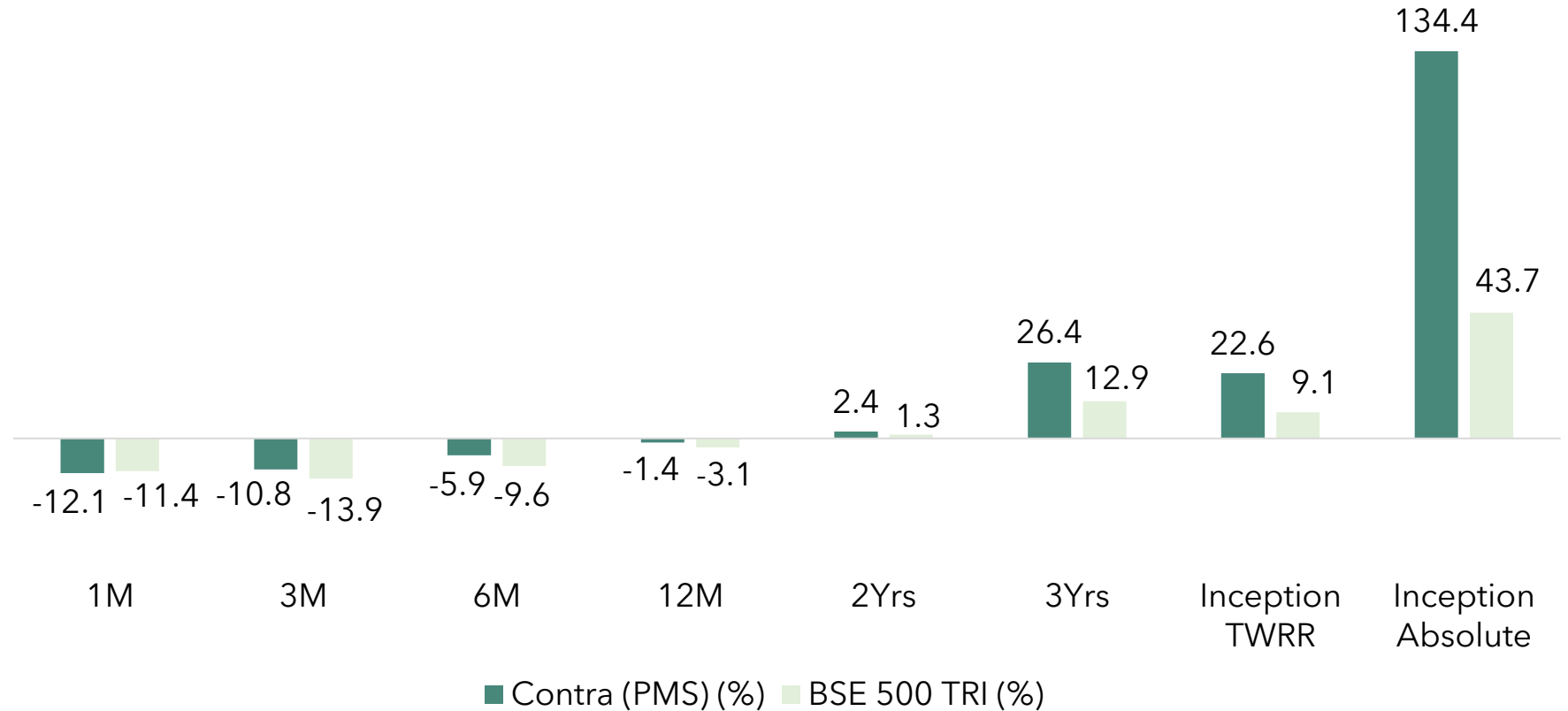
Markets are subject to risk

## Carnelian Contra Portfolio Strategy

Strategy details	
Strategy Name	Carnelian Contra Portfolio Strategy
Objective	Generate superior risk adjusted return by following a contrarian absolute return approach
Strategy	Multi-cap with 60% large cap bias
Stock universe	~25 stocks
Benchmark	BSE 500 TRI
Min. investment amount	INR 50 Lakhs
Exit load	1% if redeemed within 1 year

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Features of Carnelian  
Contra Portfolio Strategy

# Carnelian Contra Portfolio Strategy



Note - Inception Date - 27<sup>th</sup> January 2022. Performance is calculated on TWRR basis, at strategy level & net of all expenses. Above 1year returns are annualized.

*\*Changed from 'Carnelian YnG Strategy' w.e.f. Feb 5, 2025 to reflect evolved investment objective to include contra plays such as businesses facing temporary headwinds, deep value plays, special situation etc.*

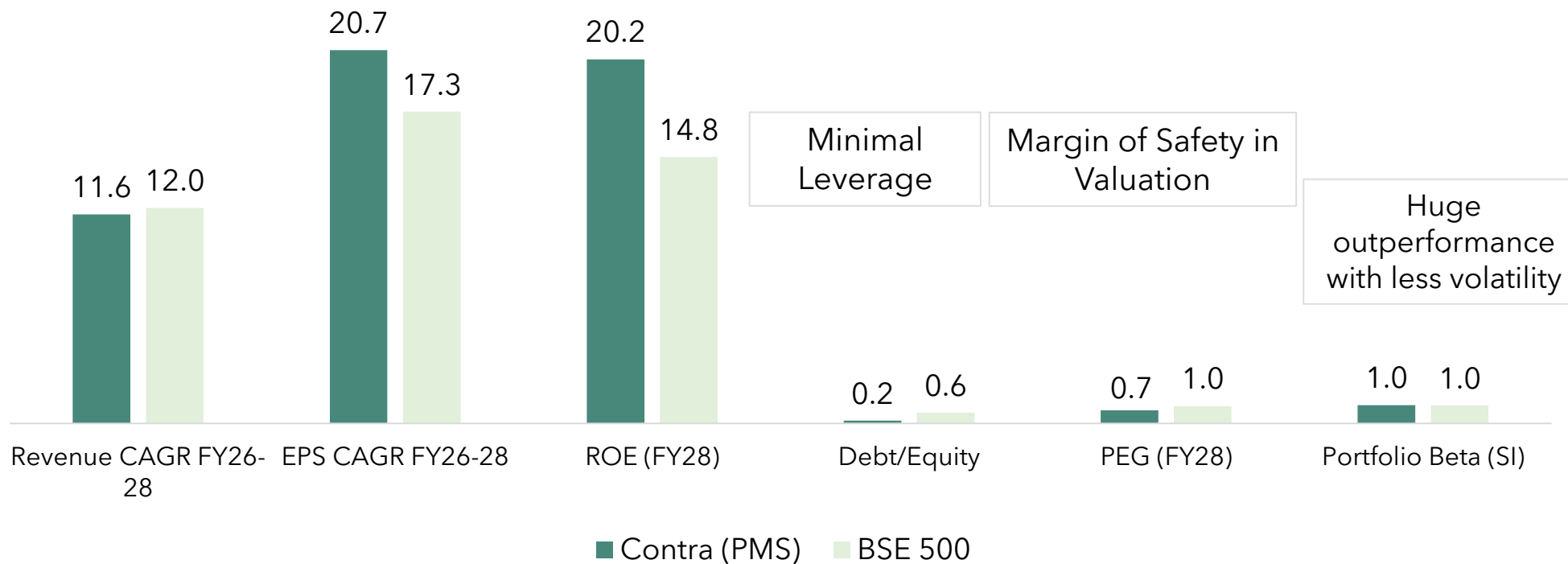
Disclaimer: Investments are subject to market risk. Past performance figures is not verified by SEBI. Past performances are not indicative of future performance. Please refer risk associated with investment as published on our website. Above information should not be regarded as an official opinion or recommendation of any kind.

Performance as on  
31<sup>st</sup> March 2026

# Carnelian Contra Portfolio Strategy

Faster revenue & earnings growth

Stronger return on equity



Minimal Leverage

Margin of Safety in Valuation

Huge outperformance with less volatility



FASTER, STRONGER,  
CHEAPER

Note - Inception Date - 27<sup>th</sup> January 2022

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# Carnelian Funds

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# Awards and recognition

## Awards in Mar-2026



## Earlier awards



Recognition by independent industry platforms



# Client Testimonials

## What our investors say...



### **Farah Malik Bhanji, MD - Metro Brands**

Vikas, Swati and the Carnelian team have done an excellent job managing our money. They have been one of the top performing funds in our portfolio for the year. Having been invested with them since inception, we have seen their strategy play out through the Covid period with great success. Carnelian's clarity and fidelity to their thesis and process inspires a lot of confidence and the results speak for themselves.



### **Gopal Srinivasan, Chairman & Managing Director - TVS Capital Funds**

Find a great manager like Vikas. I have invested in his funds and I think give people like him money because this requires a very strong navigation, break, clutch, acceleration and steering system to manage so that would be my advise to most people that there is alpha in the market and alpha can be best sought out in the hands of professionals like Vikas.



### **Abhishek Dalmia, Chairman - Renaissance Group**

In investing, big money is made by being a contrarian. It is rare to find someone who has the conviction to stand apart from the crowd and is willing to bet money on his conviction. Vikas is that sort of guy. He bet on revival of Indian manufacturing at the peak of the first covid lockdown when he launched the Shift Strategy. The performance of the fund demonstrates that he got it right.



### **Chaitanya Desai, MD - Apar Industries**

Carnelian tries to achieve an absolute long term consistent return with substantial alpha keeping in mind the risk reward ratio. They are pretty much modern in their investments but also traditional when it comes to capital protection utilising their expertise in Forensic Accounts.



### **Vikas Poddar, Founder Ashirwad Pipes**

As a family office, we were looking for a new age fund manager who is in sync with India's growth story. And this is how we discovered that Carnelian, led by Mr. Vikas Khemani, will be a great choice. We have had several interactions with him and his team, which has given us immense comfort and reiterated our confidence in the Indian economy. Their performance has been a stellar.



Our real success is our investors' trust and opinion

## What our investors say...



### **Apurva Parekh, Executive Director - Pidilite Industries**

I am impressed by the fund's vision, investment philosophy, diligence process and So, approach. He has deep domain knowledge and sound understanding of Indian businesses and economy. This has allowed Vikas to consistently identify superior businesses and trends ahead of the market.



### **Russell Mehta, MD - Rosy Blue India**

Have known Vikas for many years now and I love/admire his enthusiasm, passion and aggression to invest which is very well and equally balanced with deep and meaningful research, level headedness and receptiveness. He has canny ability to foresee trends!



### **Yogesh Agrawal, MD - Ajanta Pharma**

I was confident of Vikas' s ground up experience in investing which earned him sharp acumen in spotting the businesses that have potential to provide above index returns. Today, I can confidently say that Carnelian has lived up to the promise and delivered me sound and much above index returns so far.



### **Pankaj Keswani, Founder - Alufit (India)**

Ever since we got introduced, I have this feeling that here's a guy I can trust. He's like a first-generation entrepreneur. So, he knows the value of money and what it takes to build it, to create it, and save it. And if someone might say, he is who under-promises and over delivers.



### **Yogesh Mahansaria, MD - Mahansaria Tyres India**

Vikas and his team have a great passion for investing, clarity of thinking, and deep research capabilities - all of this gave us lot of confidence to be an early investor in Carnelian Funds. Their performance over time has validated our confidence, leading us to enhance our investments with them over time; one of the best performing funds in our portfolio.



### **Sohil Chand, Senior Advisor, NVP India**

I have known Vikas for a while & been an investor since early days. It has been the best performing PMS in my portfolio over 20 PMSes!



Our real success is our investors' trust and opinion



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## Contact us

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Always at your service



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