



CARNELIAN BESPOKE STRATEGY

Carnelian - India's boutique investment management firm



Founded by industry leaders with a single aspiration: to build the best-in-class asset management platform defined by **values, expertise, and best practices**

~INR 21k

Crore AUM

11k+

Client accounts

25%

3-year TWRR

2019

Inception year

11+

Locations present

160+

Strong team

920+

Partners (September 2026)

100%

Founder owned

Accolades for
theme identification
(2021) &
absolute returns
(2021, 2023 & 2025)

Performance as on 30th September 2026. Returns are calculated on a TWRR basis, net of applicable fees and expenses. Returns more than 1 year are annualised. Performance represents the aggregate of all portfolios managed by the Portfolio Manager. Performance figures are not verified by SEBI. Investments are subject to market risks. Past performance is not indicative of future results. Please refer to the risk disclosures available on our website. This material is for information purposes only and does not constitute investment advice or a recommendation.

Founding team



Vikas Khemani

CA, CFA, CS

Experience - 28 years

Prior - Edelweiss Securities

Known for - incubating & developing several businesses into market leaders, identifying structural themes ahead of consensus, combining entrepreneurial execution with disciplined, long-term investing



Manoj Bahety

CA, CFA

Experience - 28 years

Prior - Edelweiss Securities

Known for - non-consensus research approach & pioneering differentiated forensic research, known as "Analysis Beyond Consensus" (ABC Research).



Swati Khemani

CA

Experience - 24 years

Prior - Edelweiss Securities

Known for - scaling Carnelian into one of the fastest-growing asset managers; responsible for the overall business, building strong client relationships, and shaping a cohesive, high-performing team through her leadership.

Founders with strong complementary skill sets

Competitive advantage



- Concentrated **QGARP** portfolio - **quality growth companies (business & management) at a reasonable price**
- Differentiated market insights backed by rigorous fundamental research
 - **Disciplined, first-principles investment approach**
 - **Early identification of structural themes and emerging market leaders** (Manufacturing & IT – 2020, PSU Banks – 2022, CDMOs – 2023) – won several accolades
 - Ability to **identify exceptional management** and differentiated business models early
 - Rigorous **forensic due diligence through the proprietary CLEAR framework**
- Demonstrated investment discipline during periods of market euphoria, avoiding common investment pitfalls
- Long-term approach with high active share (differentiated portfolio)

Our edge lies in capability built over time – and the discipline to deploy it consistently

Bespoke Strategy (PMS)



- Customized long only portfolio for HNI's/Institutions tailored to suit client specific risk reward profile
 - Min. investment amount: INR 25cr
 - 50% of commitment amount to be paid upfront; balance commitment to be paid in 3 months
 - Min. tenure: 3 years
- Portfolio of 5 - 10 stocks
- Illustration of customized portfolios -
 - High Conviction Magic portfolio (accelerated growth),
 - High Conviction Thematic portfolio (theme/sector portfolio),
 - High Conviction Concentrated portfolio (5 / 10 stocks portfolio),
- Quarterly portfolio review
- Fully aligned performance-based fee structure

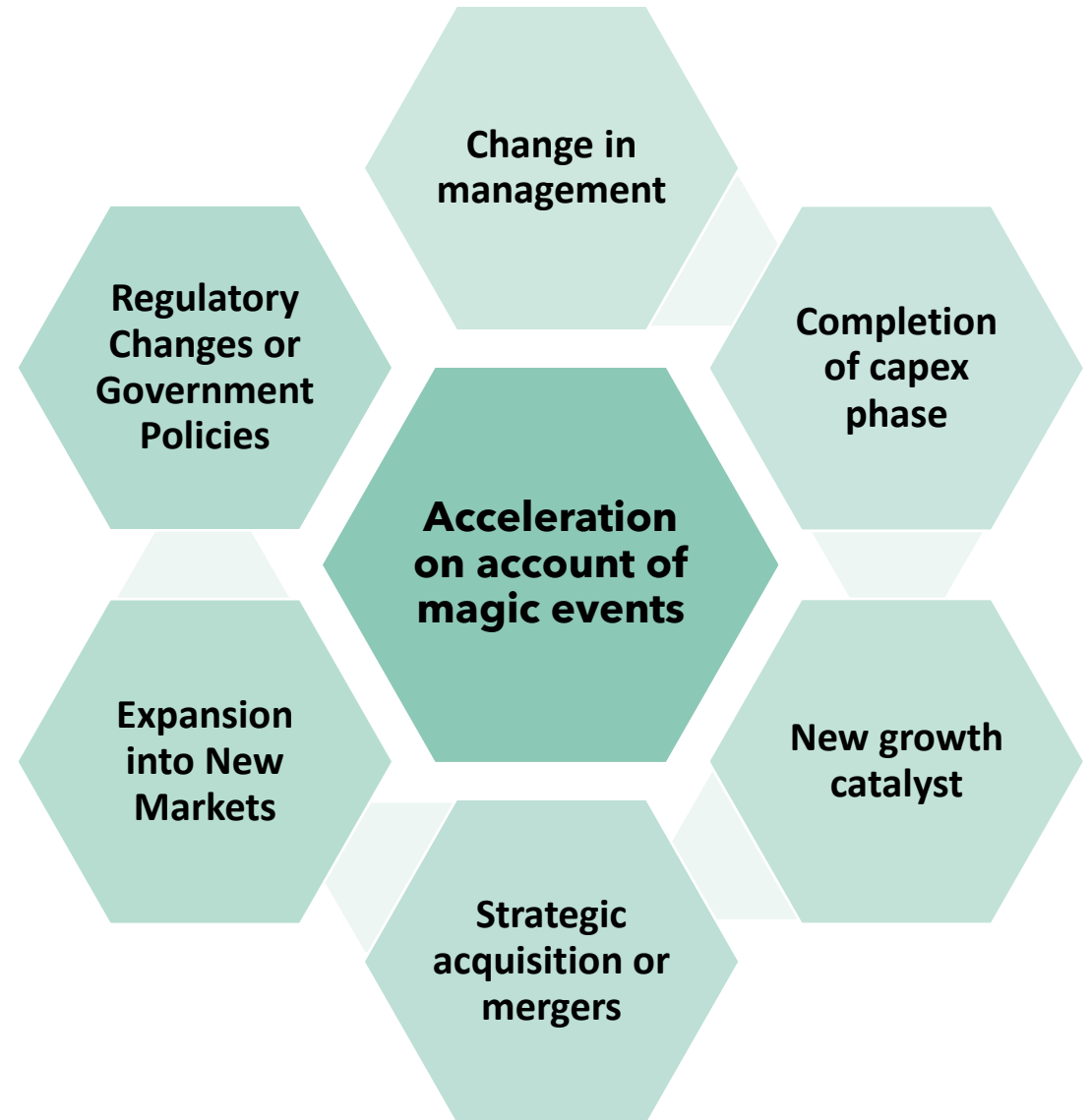


Illustration of portfolios

High Conviction Magic portfolio



- We aim to capture the pivotal moments in a company's lifecycle that lead to **substantial growth** and **valuation re-rating**.
- Our **focus spans across market caps and sectors**, seeking opportunities where fundamental changes drive long-term value creation.
- Identifying high-growth sectors and themes driven by strong **sectoral tailwinds**, unlocking substantial wealth creation opportunities yet to be fully recognized by the market.



Change in CEO's



Company	PAT at the time bought (in cr.)	TTM PAT (in cr.)	Valuation when bought PE/PB (times)	Current valuation PE/PB (times)	Months held	Scrip Return (times)	IRR (%)
ICICI Bank Change in CEO - Focus on risk calibrated growth	1,08,368	2,60,000	2.3	3.2	36	3.0x	44%
Tube Investment Of India Change in leadership, focus on growth / adding new businesses, improving efficiencies/margins.	178	1,000	64.0	67.0	23	6.0x	155%
Praj Industries Change in leadership coupled with change in industry	80	280	25.0	40.0	36	5.5x	77%
Cipla Change in CEO with focus on core competencies and return on capital employed	1,667	4,481	24.0	27.0	54	3.2x	30%
Aditya Birla Capital Change in CEO with focus on growth across businesses	15,492	28,000	1.9	2.0	34	1.9x	25%
Glaxosmithkline Pharmaceuticals Change in CEO & Increased focus of parent company on pharma business in India	600	675	45.0	65.0	12	1.6x	60%

Sectoral Tailwinds



Company	Sector	PAT at the time bought (in cr.)	TTM PAT (in cr.)	Valuation when bought PE/PB (times)	Current valuation PE/PB (times)	Months held	Scrip Return (times)	IRR (%)
Neuland Laboratories CDMO business tailwinds	Pharmaceutical	65	300	26.0	60.0	30	10.0x	151%
KPR Mills China+1 & labor cost advantage	Textiles	348	809	15.0	39.5	48	6.1x	57%
Kirloskar Pneumatic Expanding addressable market opportunity operating in the compressor segment	Capital Goods	85	190	35.0	55.0	26	3.5x	78%
Ratnamani Metals Beneficiary of Capex in City Gas Distribution & Water projects	Manufacturing	320	600	34.0	42.0	30	2.3x	39%
Bank of Baroda Improved governance, efficient leadership & improvement in asset quality	PSU	85,910	1,20,180	0.7	1.1	26	2.2x	44%

Business Structure/Strategy

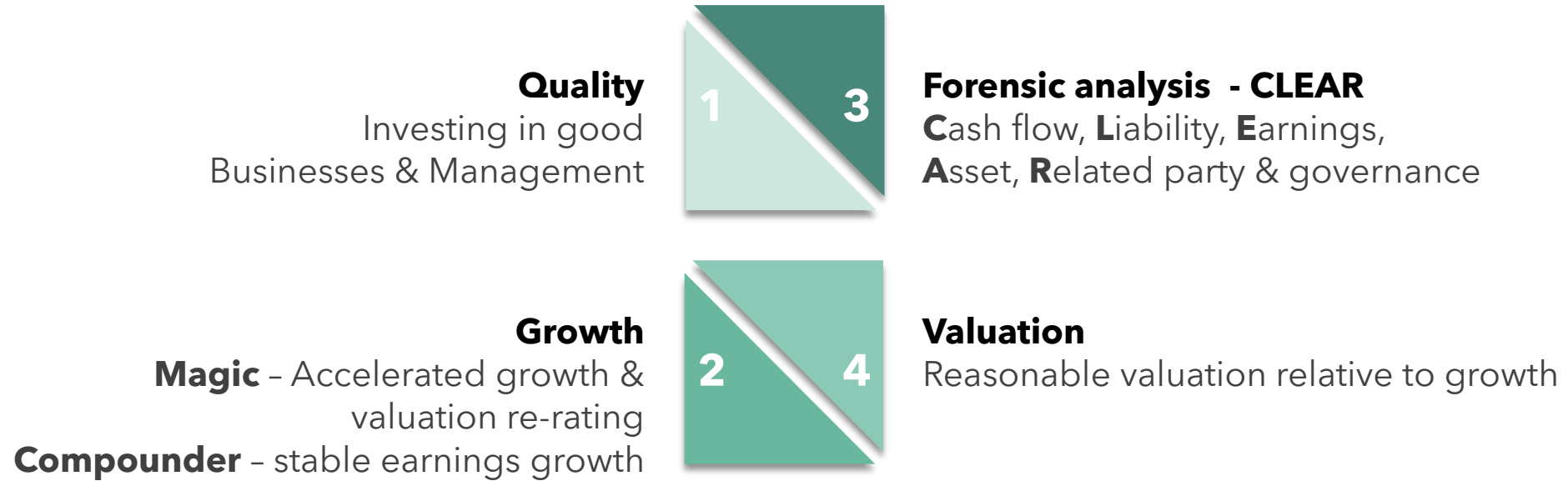


Company	PAT at the time bought (in cr.)	TTM PAT (in cr.)	Valuation when bought PE/PB (times)	Current valuation PE/PB (times)	Months held	Scrip Return (times)	IRR (%)
PCBL Shifted focus towards specialty chemicals + capex coming on stream	430	550	8.0	30.0	30	4.7x	86%
Newgen Software Partnership with global system integrators & new products	46	119	55	62	34	4.4x	69%
Dynamatic Technologies Focus on scaling up better margins Aerospace business	90	110	45.0	90.0	18	2.4x	79%
Tata Motors DVR Focus shifted towards JLR and generation of cash flow	-3798	31807	NA	12.5	14	2.5x	119%
Senco Gold Focus on core markets coupled with expansion in newer geographies	158	214	15.5	41.2	16	3.6x	161%
Bharti Airtel Advantage of duopoly structure	8964	13815	48.0	68.0	33	2.2x	33%



Carnelian Investment Framework

Investment framework



Quality Growth at a Reasonable Price



RISK

We classify risk into 3 types based on the source of risk.

Type A - Capital Loss risk

- Inferior quality of management
- Disruption prone businesses

Type B - Volatility risk

- Temporary market dislocation
- Macro factors
- Geo-political/political issues
- Liquidity

Type C - Opportunity cost risk

- Lack of knowledge
- Human biases

Knowing the source of risk is the key to risk management.

Investment framework - Quality



QUALITY

Strong focus on
sustainability & governance

Quality Business

- Profitable
- Free cash flow generation
- Incremental return on capital
- Opportunity & market size
- Sustainable moat
- Environment & socially conscious

Quality Management

- Integrity
- Passionate & driven
- Efficient capital allocator
- Skin in the game
- Strong risk management culture
- Strong governance

Margin of safety lies not only in the price, but also in the quality of management



GROWTH

This framework works across
market cycles

Magic (Accelerated Growth)

Aims at capturing earnings growth & valuation re-rating

- Management/CEO change
- Industry structure change
- New growth catalyst
- Product innovation
- Completion of capex phase

Compounder (Stable Growth)

Aims at capturing stable earnings growth

- Large & growing opportunity size
- Sustainable moat
- Robust free cash flow generation

Investing in growth acceleration that has yet to be priced in by the market leads to superior returns

Investment framework – Forensics



Portfolio designed to eliminate the risk of permanent capital loss from governance or accounting failures before capital is ever committed through CLEAR forensics

C	Cash Flow	Earnings conversion; reported vs stable cash flows
L	Liability	True debt vs reported debt, contingent liability & likely impact on future earnings; payables vs acceptances
E	Earnings quality	True economic profit vs reported profit, discretionary vs non-discretionary profit, expense capitalisation policy
A	Asset quality	Core vs non-core assets; intangible creation policy
R	Related Party & Governance	Related party transactions, complex structures (JVs/subs), off-balance-sheet arrangements – connecting the dots

Regardless of your investing style, forensic analysis helps navigate the pitfalls of human error

Investment framework - Valuation



VALUATION

“Value of an asset cannot, over the long term, grow faster than its earnings”

Multi-Faceted Valuation Approach

- P/E multiple
- P/B
- EV/EBITDA
- DCF

Identify companies with reasonable valuations in relation to growth prospects

Pay a reasonable price, avoid overvalued companies

Valuation discipline ensures we don't overpay for growth.

Disciplined entry



- Discipline is as much about what we refuse as what we pursue.
- Our guardrails are non-negotiable and protect the integrity of the portfolio.

Aggressive accounting practices

Avoid businesses where reported earnings materially diverge from underlying cash flows

High financial leverage

Avoid businesses with excessive leverage or where debt servicing depends on optimistic growth assumptions

Low tax incidence

Avoid businesses with persistently low tax rates inconsistent with profitability

Management misalignment

Avoid promoters with low skin in the game, poor governance track record, questionable capital allocation

Unproven business models

Avoid businesses where economics lack a demonstrated track record of sustainable profitability.

"Invert, always invert" - Carl Jacobi

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. I wish them all the best for their future endeavours and look forward to being a part of their journey.



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. Humans derive comfort from being part of a crowd (group think). 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.

Their culture is such that fiduciary duty to the clients is at the heart of all their actions and processes. We are definitely IMPRESS'ed by their approach to their investments.



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.

What our investors say..



Apurva Parekh, Executive Director - Pidilite Industries

I am impressed by the fund's vision, investment philosophy, diligence process and long term approach. I have known Vikas Khemani for many years. 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. I am fully assured about the long term performance of Carnelian fund and would strongly recommend them to others. I wish team Carnelian all the best and healthy growth in future.



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!

Contact Us



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