

CARNELIAN PRIVATE
GROWTH & INNOVATION FUND

Wealth, from first principles & discipline

Strictly private & confidential

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 20k Crore AUM	**9k+** Client accounts	**25%** 3-year TWRR
2019 Inception year	**11+** Locations present	**116+** Strong team
735+ Partners (June 2026)	**100%** Founder owned	Won awards for **theme identification** (2021) & **absolute returns** (2021, 2023 & 2025)

Performance as on 30 June 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.

Investment team - building companies to backing them

Led by a team that has -

(a) identified opportunities ahead of consensus, (b) built and scaled businesses, (c) delivered consistent returns, and (d) successfully taken companies to IPO.



Vikas Khemani

CA, CFA, CS

Experience – 28 years

Prior – CEO at 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



Umesh Agrawal

CA

Experience – 28 years

Prior – President & Fund Manager at 360 One Asset

Known for – Managed multiple funds across 30 portfolio companies & delivered industry-leading exits, IRRs, and DPI; brings a rare dual perspective as both investment banker (90+ deals) and investor, making him a trusted partner to Founders through their growth journey.

Further strengthen the team with 2 senior partners, expected to join shortly

Carnelian competitive advantage

- **Industry-leading track record** of delivering listed equity returns
- 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)
  - Ability to **identify exceptional entrepreneurs** 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
- **Strong relationships** across Corporate India, enabling proprietary deal sourcing
- **Meaningful Sponsor capital commitment, ensuring strong alignment with investors**
- Proven experience in building, scaling, transforming, and listing business

In investing, returns follow capability. We are not building it – we are deploying it

Why PE, why now?

- **Access to high-growth sectors** that remain underrepresented in public markets
- **Less exposed to emotion-driven market volatility**, enabling long-term compounding.
- **Timing matters**
  - Historically, funds launched after market corrections or during consolidation phases have outperformed those launched at the peak of bull markets
  - Attractive opportunities are emerging across Growth and PIPE stages at reasonable valuations.

Tomorrow's market leaders are built in today's private markets

India is creating the next wave of listed companies...

INR 7 Lakh Crore+
Investable growth pipeline

3,000+ PE/VC-backed companies have attracted over INR 7 lakh crore of capital, creating a deep pool of Growth to Pre-IPO opportunities

225+
Record IPO momentum

225+ companies have filed DRHPs with SEBI. FY22–FY26 listings account for ~15% of NSE's market capitalization.

1,900+
Future IPO candidates

Unlisted companies growing at 25%+ with positive EBITDA – require institutional capital, governance, and strategic support before listing.

Identifying and partnering with 15–20 future market leaders before IPO

A structural whitespace & Carnelian sweet spot

CARNELIAN'S SWEET SPOT

Family offices & syndicates

Fragmented capital

1000s small cheques

< INR 100 cr ticket size

No institutional diligence,
No IPO pathway

Mid sized PE funds

Least competitive segment

10–12 funds competing

INR 100–500 cr ticket size

Negotiated entry, better valuations,
IPO partnership capability

Global & large domestic funds

Control & large ticket

25+ funds competing

INR 1,000 cr+ ticket size

Control oriented approach, lower valuation re-rating opportunities

What this whitespace delivers

1. **Better valuation**
   Larger share from re-rating
2. **Smart capital**
   Beyond capital capabilities
3. **Diligence**
   Preserving capital with sharp filters
4. **Right-sized conviction**
   15–20 quality positions

Targeting structurally underserved markets to drive superior returns

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Fund strategy – a unique Growth to PIPE construct

- A differentiated **Growth-to-PIPE approach** that thoughtfully aligns investments with the appropriate stage, maximising returns, minimising risk, and enhancing liquidity.
- Sharp focus on investor goals: **maximising IRR, preserving capital, and generating earlier DPI** than a traditional single-stage fund.

Growth stage

Driving IRR & MOIC*

- Accelerated earnings growth
- High ownership & board access
- Indicative allocation – 50-60%

4-5 years

Late stage (Pre IPO)

PE returns

- Accelerated earnings growth
- High ownership & board access
- Indicative allocation – 20-25%

6m–2 years

PIPE* (Listed)

DPI engine

- Alpha via market dislocation
- Discounted entry
- Indicative allocation – 20-25%

2–3 years

*MOIC - Multiple on invested capital; PIPE - Private investment in public equity

The endeavour is to return invested capital from 5th year onwards

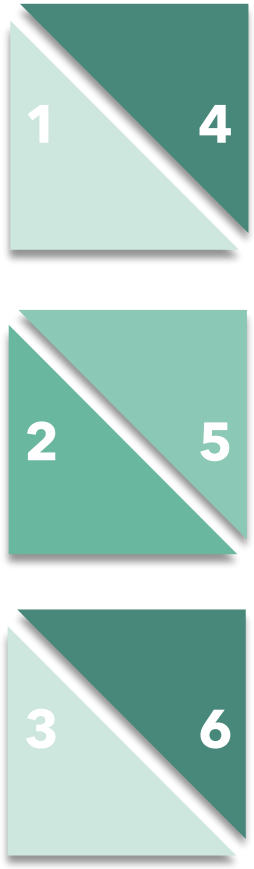
Private Equity Investment Framework

Investment framework

Quality
Investing in good entrepreneurs

Growth
Magic – Accelerated growth & valuation re-rating

Disciplined entry
Avoiding fads,
Reasonable valuation



Forensic analysis - CLEAR
Cash flow, **L**iability, **E**arnings,
Asset, **R**elated party & governance

Disciplined exit
Value realization through disciplined exits, supported by multiple liquidity pathways.

Risk approach
Disciplined underwriting, governance, portfolio construction, and continuous monitoring

Investing with discipline at every stage of the investment lifecycle

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Investing in entrepreneurs - the first filter

Passionate & driven
Entrepreneurs obsessed with the problem, not just the valuation – conviction that survives a down cycle

Competency & scale
Ability to operate, not just envision – capacity to build organisations, not only products.

Strong governance
Independent boards, professional management

Integrity
Promoters who treat minority shareholders and capital providers as partners, not as a funding source

Strong risk management
Awareness of balance-sheet, customer-concentration & key-person risk – and a plan to reduce each over time.

Skin in the game
Promoters with meaningful personal capital in the business – alignment with the investors.

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

Carnelian's MAGIC framework applied to PE

- Focus on companies at the "magic moment": a catalytic inflection where earnings are about to accelerate, but the market has not yet discovered it.
- We invest with a disciplined, first-principles investment approach.

Earnings growth

20-25%

from business performance

Accelerated growth

- Structural shifts, macro tailwind
- New product to scale
- Capex completion
- R&D-backed differentiation across products, processes & technology

+

Re-rating triggers

5-10%

from multiple expansion

Unique Business model
Early identification of theme / companies

Scarcity premium
Limited comparable in public markets

Strengthening governance
Family-owned companies institutionalizing board & professional management

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

Focus on India's high growth & innovative businesses

- As India grows into a USD 10 tn economy by 2035 (2.5x growth), many new, high-growth opportunities will emerge in private markets.
- Invest in innovation-led businesses building differentiated products and technologies across these structural growth sectors, while retaining the flexibility to invest opportunistically across other sectors, including financials.

Manufacturing

SUB-THEME

Precision engineering, defense, aerospace

STRUCTURAL DRIVER

China+1, Make in India (PLI)

Pharma & Healthcare

SUB-THEME

CDMO, APIs, domestic pharma, services

STRUCTURAL DRIVER

Growing domestic market & global supply chain diversification

Consumption

SUB-THEME

Rising consumerism across categories

STRUCTURAL DRIVER

Rising incomes & demographics drive aspirational demand

Technology

SUB-THEME

AI beneficiaries, energy transition, recycling

STRUCTURAL DRIVER

Critical tech for self reliant India, tech to solve problems at scale

Investing in the businesses driving India's next decade of growth

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Beyond capital – value enhancement approach

Capital markets DNA

- **Narrative**
  Listing story, positioning, investor pitch
- **KPIs**
  Earnings, capital efficiency, peer benchmarks
- **Exits**
  Private market pathways when IPO timing isn't right
- **Post listing**
  IR, business strategy, market communication

Strategic muscle

- **Growth**
  M&A, capital raise, expansion plays
- **Incentives**
  Promoters, management, minorities
- **Leaders**
  CXO talent at key inflection points
- **Governance**
  Board architecture, controls, transparency

Constructive partnership without interference in management

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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.

No auctions or hyped deals
We will not chase competitive processes where price has been bid up and margin of safety is absent.

No pre-revenue or loss-making businesses
We invest only in profitable companies with proven unit economics & sustained growth.

No governance compromised promoters
CLEAR forensic analysis is applied before any capital is committed.

No overbought sector companies
Companies / sector which has a massive supply of paper

No passive capital deployment
Constructive partners – every investment is backed by a clear value creation roadmap.

Discipline is our edge. What we avoid defines our returns

CLEAR forensic research capability

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

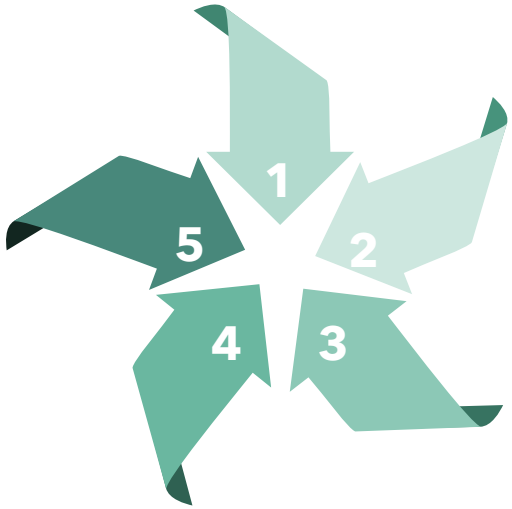
C	**Cash Flow**	Earnings conversion; reported vs stable cash flows
L	**Liability**	True debt vs reported debt, contingent liability & likely impact on future earnings; payables vs acceptances
E	**Earnings quality**	True economic profit vs reported profit, discretionary vs non-discretionary profit, expense 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

Risk management

Governance
Institutional-quality underwriting, professionally managed companies, & broad-based Boards

Active business monitoring
Periodical reviews portfolio companies



Liquidity
Invests across sectors and investment stages with multiple exit pathways

IPO
Our deep network of advisors provides access to multiple alternative exit routes..

Fund tenor
Portfolio designed to generate early DPI and return capital from 5th year onwards.

Risk management is driven by disciplined underwriting, rigorous governance, and multiple paths to value realization

Portfolio construction - every parameter is deliberate

Parameter	Design	Rationale
Portfolio companies	15–20 companies	Focused yet diversified enough to manage all risks
Indicative deal size	INR 100–250 crores	Large enough to be meaningful partner, small enough to maintain discipline
Preferred sectors	Well diversified across 4+ sectors	Manage unsystematic risk of the portfolio
Co-investment	Available to select investor classes	Allows larger positions in high-conviction deals

Designed to maximise return and minimise risks

Our track record

Company name	Deal stage	Month & year of buying	Entry market cap (in crores)	Current market cap (in crores)	Entry valuation	Current valuation	IRR	MOIC (x times)	Comments
Course5 Intelligence	Growth	Jun-23	1,500	3,450	18x PE	-	30%	2.3	DRHP filed; IPO expected at INR 4,500 cr market cap
Hughes Precision Manufacturing*	Growth	Sep-23	850	1,600	8x	-	24%	1.9	Fresh PE round underway
Sabine Hospital & Research Centre*	Growth	Jun-24	650	1,600	11x	16x	43%	2.2	
Aeroflex Industries	Late Stage (Pre IPO)	Jun-23	1,100	5,500	20x PE	97x PE	67%	5.0	Exited in 2026
Yatharth Hospital & Trauma Care Services*	Late stage (Pre IPO)	Aug-23	2,900	8,200	23x	28x	42%	2.8	Got listed
Park Medi World*	Late Stage (Pre IPO)	Oct-25	7,500	12,200	19x	25x	87%	1.6	Got listed
Man Industries	PIPE	Jul-25	2,500	3,900	16x PE	22x PE	56%	1.6	Preferential issue

*valuation multiples for these companies are based on EV/EBITDA. Data as on 30.06.2026.
MOIC – Multiple on invested capital

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Key terms

Target fund size	INR 2,000 crores including INR 800 crores green-shoe option		
Tenure	6 years 9 months (after first close), extendable 2 years		
Sponsor & team commitment	INR 100 Crore+		
Drawdown schedule	10% upfront + subsequent drawdowns as per the approval of deals *(Indicative 12-18 months)*		
Commitment period	36 month from first close extendable by 1 year		
Management fees & additional return	**Commitment amount**	**Fixed Fees**	**Additional Return**
	INR 1 – 4.99 Crore	2.00% p.a.	20.00%
	INR 5 – 14.99 Crore	1.75% p.a.	17.50%
	> INR 15 Crore	1.50% p.a.	15.00%
Management fees	Chargeable on the aggregate capital commitment + taxes & statutory levies		
Hurdle rate	12% p.a. (pre-tax)		
Catchup	Not applicable		
Reinvestment	Applicable at the investment manager's discretion		

Note - Penal interest & default penalty is applicable for defaulting investors.

Read PPM for more details

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