

Carnelian Private Growth & Innovation Fund



FUND HOUSE OVERVIEW

Established in 2019, a leading alternative asset management company, with **AUM of INR ~20k crore**, focused on generating superior risk-adjusted returns. Our vision is to build a world class asset management platform respected for its *Excellence, Scale, and Culture*. Our mission is to invest capital in the best risk-reward opportunities.

OBJECTIVE

To partner with entrepreneurs building high-growth, differentiated, & innovative businesses that seek strategic value beyond capital. The Fund's multi-stage investment strategy - spanning Growth to PIPE* opportunities - is designed to maximise IRR, preserve capital, and return capital to investors earlier than a traditional single-stage fund.

INVESTMENT TEAM: FROM BUILDING COMPANIES TO BACKING THEM

Led by a team that has identified opportunities ahead of consensus, built and scaled businesses, delivered consistent returns, and taken companies successfully to IPO. **The Sponsor is committing INR 100 crore of capital to the Fund**, ensuring strong alignment of interests with investors.

- **Vikas Khemani – Founder & CIO**

Vikas brings a unique blend of business acumen, market insight, and leadership expertise to the table. He brings a founder's instinct for what it takes to build, and an investor's rigour for what drives returns. His ability to identify structural themes ahead of the market is a key differentiator of Carnelian's investment process.

- **Umesh Agrawal – Managing Partner, Private Equity**

Umesh brings 28 years of experience in Growth PE, Pre-IPO investing, investment banking, & institutional fund management. Previously at 360 ONE Asset, he managed multiple funds across 30 portfolio companies, delivering industry-leading exits, IRRs, and DPI*. He has also advised on and executed over 90 investment banking transactions throughout his career.

Further strengthening the team with two 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

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.

*PIPE - Private investment in public equity

*DPI - Distributed to paid-in capital

*CLEAR - Cash flow, Liability, Earnings, Asset, Related party & governance analysis

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Carnelian Asset Management & Advisors Pvt Ltd

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INDIA IS CREATING THE NEXT WAVE OF LISTED COMPANIES

INR 7 lakh Cr+

Investable growth pipeline

~3,000 PE/VC-backed companies have attracted over INR 7 lakh crores 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 candidate

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

Source – privatecircle.com. Data as on FY25 end.

We only need to identify 15-20 high-conviction companies - to maximize long-term, risk-adjusted returns.

A STRUCTURAL WHITESPACE & CARNELIAN SWEET SPOT

Ticket size	< INR100 Cr	INR 100-500 Cr#	> INR 1,000 Cr
Market position	Too small	Carnelian's sweet spot	Too large
Typical investor	Family offices & syndicates	Mid-sized PE fund	Large domestic & global PE
Capital availability	Fragmented	Limited	Abundant
Competition	Hundreds of small investors	10-12 active funds only	25+ large PE funds
Entry valuation	Varies widely	Negotiated & reasonable	Competitive auctions
Ability to add value	Mentoring	Constructive participation on board, governance, strategic initiatives & IPO preparation	Control oriented approach
Quality business	Emerging	Established & high growth	Mature
Return potential	High risk	High growth + valuation re-rating	Lower valuation re-rating
Sweet spot	Smaller cheque sizes	Institutional edge with less competition	Crowded market

#with co-investment

FUND STRATEGY

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

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

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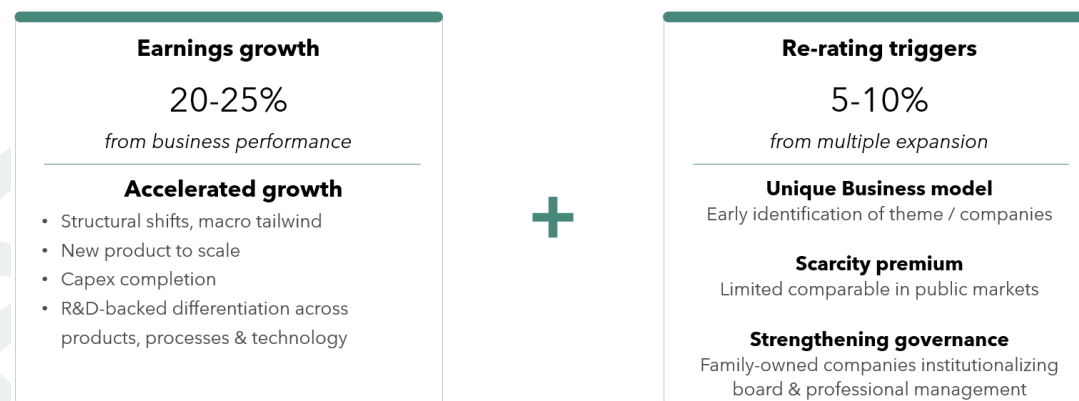
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INVESTMENT APPROACH - disciplined, first-principles investment approach

Carnelian's MAGIC framework – proven across 7 years in public markets – **identifies companies with outstanding entrepreneurs to capture accelerated earnings growth and valuation re-rating.**



FOCUS ON INDIA'S HIGH GROWTH & INNOVATIVE DIFFERENTIATED 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, processes & technologies across these structural growth sectors, while retaining the flexibility to invest opportunistically across other sectors, including financials.

Manufacturing	Pharma & Healthcare	Consumption	Technology
SUB-THEME	SUB-THEME	SUB-THEME	SUB-THEME
Precision engineering, defense, aerospace	CDMO, APIs, domestic pharma, services	Rising consumerism across categories	AI beneficiaries, energy transition, recycling
STRUCTURAL DRIVER	STRUCTURAL DRIVER	STRUCTURAL DRIVER	STRUCTURAL DRIVER
China+1, Make in India (PLI)	Growing domestic market & global supply chain diversification	Rising incomes & demographics drive aspirational demand	Critical tech for self reliant India, tech to solve problems at scale

PORTFOLIO CONSTRUCTION

A high-conviction, focused portfolio—concentrated enough to drive meaningful returns, yet diversified across stages, sectors, and liquidity profiles to manage risk.

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 a meaningful partner, small enough to maintain discipline
Preferred sectors	Well diversified across sectors	Manage unsystematic risk of the portfolio
Co-investment	Available to select investor classes	Allows larger positions in high-conviction deals

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OUR EXISTING DEAL CAPABILITIES



RISK

Risk	Minimizing through
Governance	Institutional-quality underwriting, professionally managed companies, & broad-based Boards
Liquidity	Investments in the right sectors & stages, with multiple exit pathways & strong equity rights
Fund tenor	Endeavour is to return invested capital from the 5 th year onwards
Active monitoring	Periodical reviews portfolio companies

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	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

FEE SCHEDULE

Class	Capital commitment	Fixed fee	Hurdle	Sharing
A1	INR 1 - INR 4.99 Crore	2.00%	12.00%	20.00%
A2	INR 5 - INR 14.99 Crore	1.75%	12.00%	17.50%
A3	> INR 15 Crore	1.50%	12.00%	15.00%

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