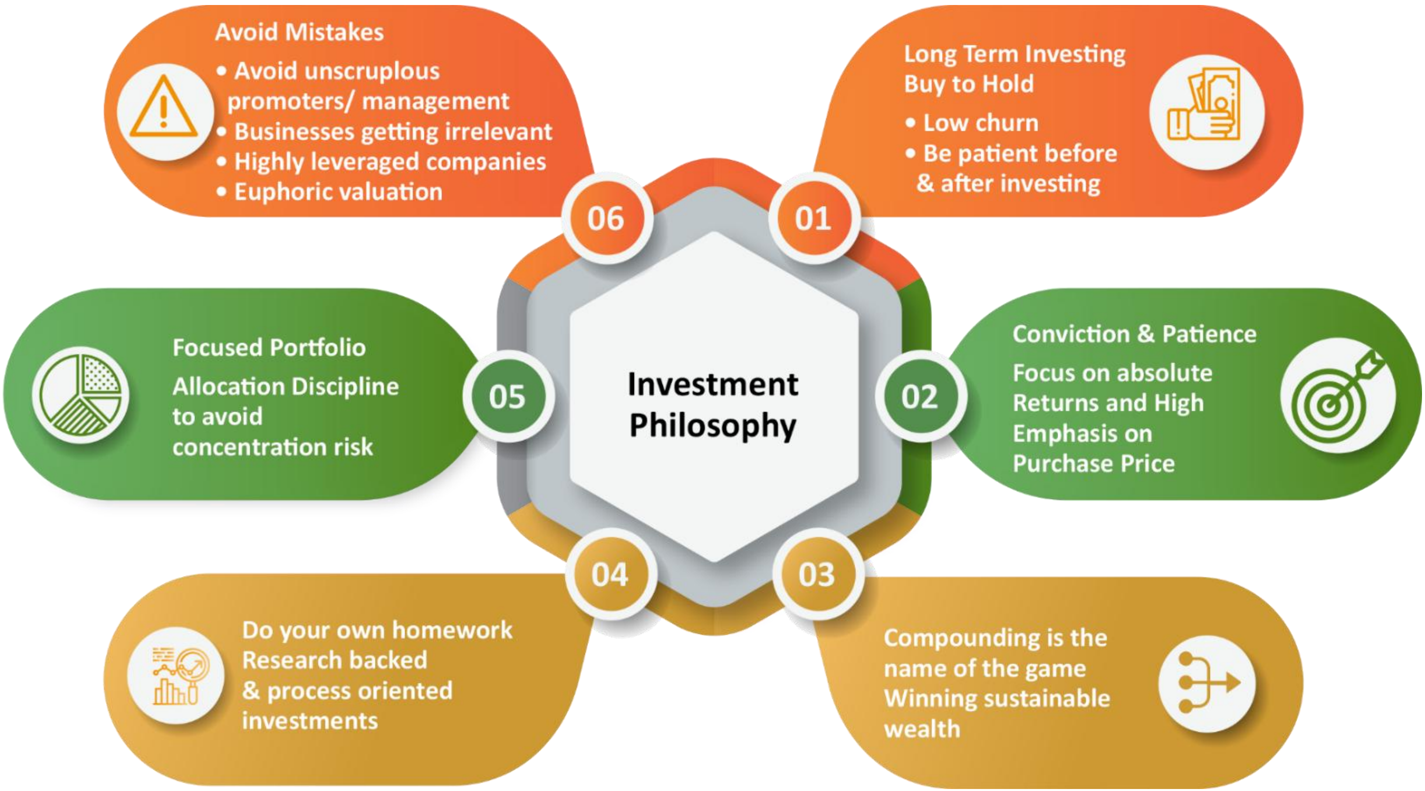
Your success is our success

Emkay Emerging Stars Fund - VII (CAT III)

Blending Listed & Pre-IPO India Opportunity

Investment Philosophy & Framework

Investment Philosophy

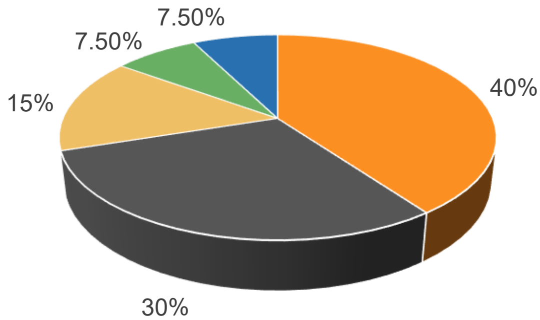


E-Qual Framework : Scoring Governance from an ESG perspective

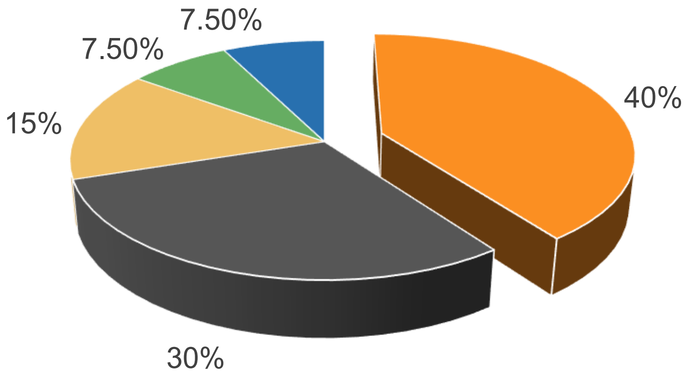
- Arguably, the only framework of its kind in India
- E-Qual Framework book was launched by Mr Gurcharan Das. Link to download- https://www.emkayim.com/resources/
- Framework under active implementation for the last 10 years
- Zero exposure to managements with low corporate governance across portfolios

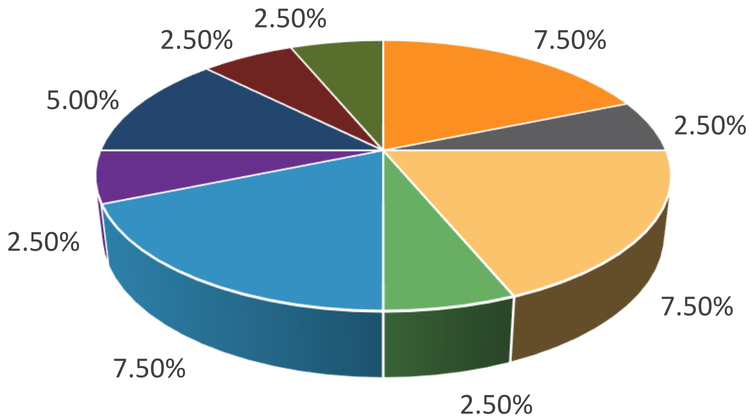
Management Integrity	40%
Management Capability	30%
Wealth Distribution	15%
Investor Communication	7.50%
Liquidity	7.50%

- **What does the E-Qual framework constitute?**
  - » Calculate Qualitative Parameters – Objectively
  - » Capture publicly available data points and weigh them to create a ranking
  - » Sorting of Companies on Relative Ranking of Market Capitalization



E-Qual Model: Management Integrity





Promoter Holding	7.50%
Promoter Holding - Inc / (Dec)	2.50%
Equity History	7.50%
FCCB - Proposed Dilution	2.50%
Promoter Holding Pledged	7.50%
Promoter Group Salary	2.50%
Auditors	5.00%
Inter-Party Related Transactions	2.50%
Royalty (Technical Fees)	2.50%

Red Flags

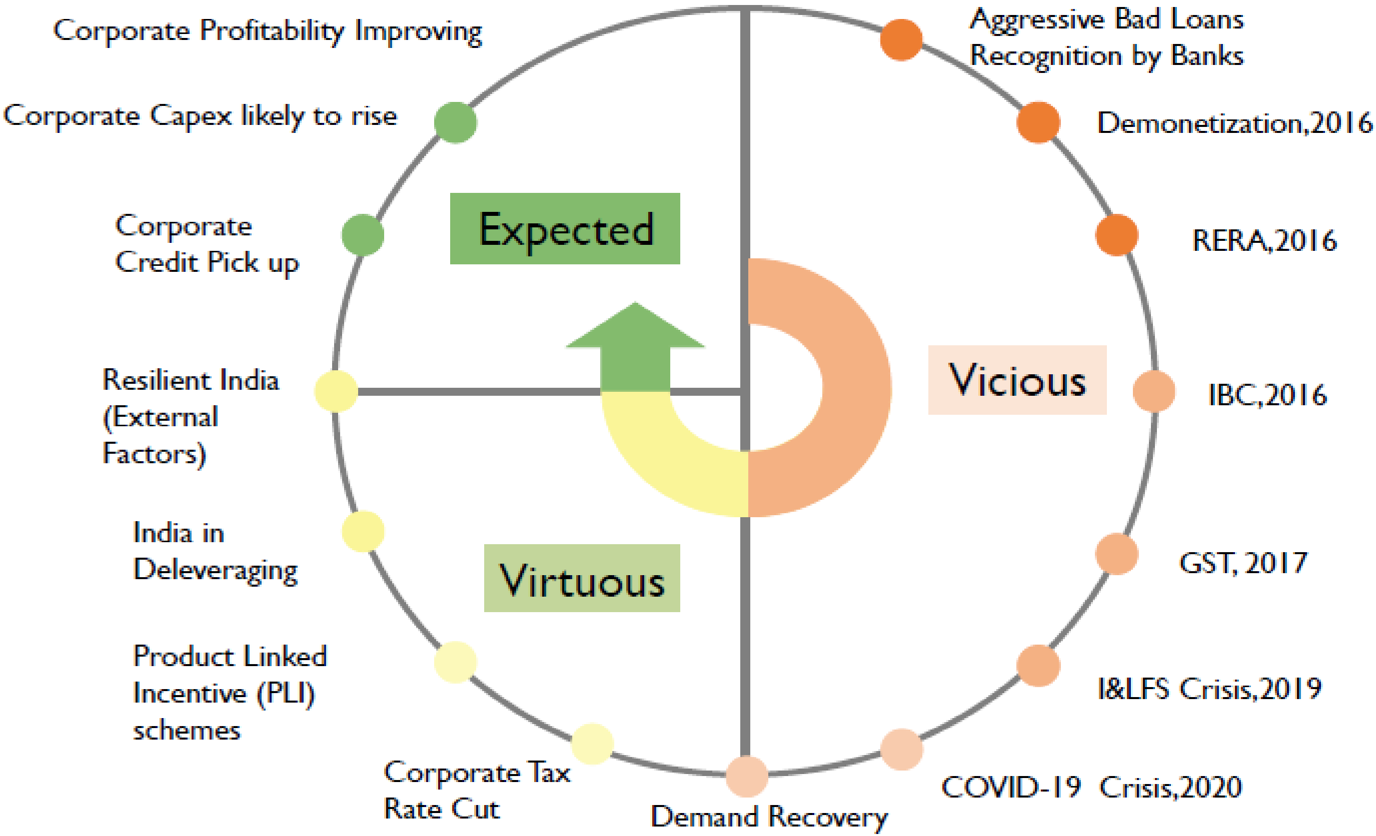
FORTIFIED WITH E-QUAL

Risk-Reward Matrix based on the E-Qual module

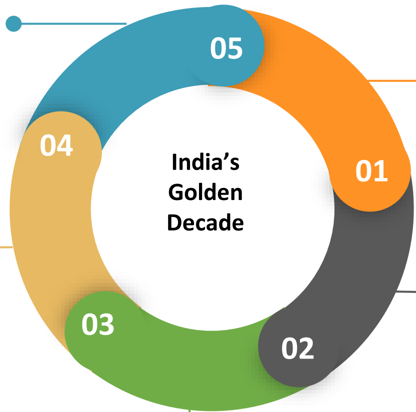
FORTIFIED WITH E-QUAL

RISK REWARD MATRIX						
		Large Cap I	**Large Cap II**	**Mid Cap**	**Small Cap I**	**Small Cap II**
E-QUAL SCORE	**85%+**	BASE I - Quality Discount	BASE II – Quality Discount	BASE III – Quality Discount	BASE IV – Quality Discount	BASE V – Quality Discount
	Base 70%-85%	BASE I	BASE II	BASE III	BASE IV	BASE V
	50% - 70%	BASE I + Quality Risk Premium	BASE II + Quality Risk Premium	BASE III + Quality Risk Premium	BASE IV + Quality Risk Premium	BASE V + Quality Risk Premium
	Below 50%	**DO NOT INVEST**	**DO NOT INVEST**	**DO NOT INVEST**	**DO NOT INVEST**	**DO NOT INVEST**
		BASE I = Risk Free Rate + Equity Risk Premium	**BASE II =** Base I + Smaller Size Premium	**BASE III =** Base II + Smaller Size Premium	**BASE IV =** Base III + Smaller Size Premium	**BASE V =** Base IV + Smaller Size Premium

India's Growth: The Vicious Cycle & The Turnaround



India’s golden decade – themes for the next 10 years



Consumption
From subsistence to indulgence

Digitisation / AI
TECHvantage India?

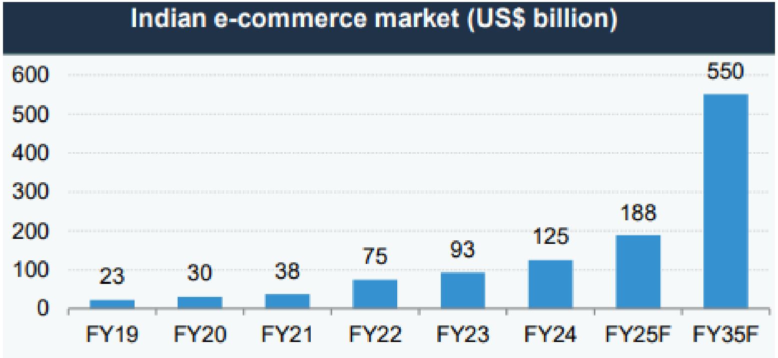
Energy transition
Growing in a sustainable way

Financialisation of savings
Rising share of growth assets

Manufacturing prowess
Roaring manufacturing sector

Key Investment Themes

Key Investment Themes



Consumption

Category	Auto	Outbound Trips	Air Conditioners	Refrigerators	Smartphone Users	Internet Users
India	**4%**	**6%**	**8%**	**18%**	**37%**	**58%**
China	15%	9%	60%	94%	54%	60%
USA	81%	42%	90%	100%	83%	95%

Expanding wallets of households is set to benefit the underpenetrated demand

Demand factors

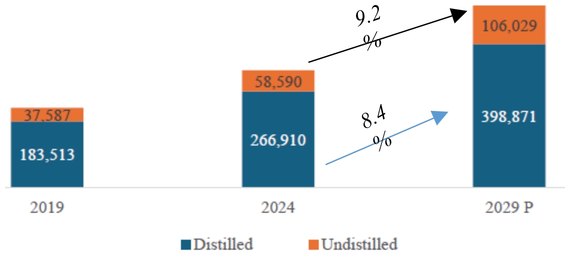
- Higher brand consciousness
- Rising incomes and purchasing power
- Growing aspiration levels and appetite to experiment
- Credit availability
- Growing young population and working women
- Changing consumer preferences and growing urbanisation

Sources: Zerodha, IBEF

The securities quoted are for illustration only and are not recommendatory

Allied Blenders & Distillers

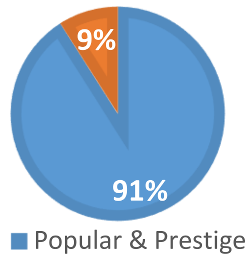
India Alco-beverage Market by Value (in INR Crores.)



Country	Per Capita Consumption of Alcohol in terms of Pure Alcohol (Litres)	Total Market Size (Billion Litres)	Spirits Market Size (Billion Litres)
China	3.8	4.5	2.6
India	3.2	3.2	2.91
USA	9.2	2.5	0.9
Germany	10	0.7	0.1
France	10.9	0.6	0.1
United Kingdom	9.9	0.6	0.1
World	5	30	13.5

Source: Technopak Analysis

INDIAN ALCO-BEVERAGE MARKET CATEGORY – TOTAL SALES



- India's alco-beverage market is **3.2 billion litres** , making it one of the largest globally.
- Compare: USA is 2.5, Germany only 0.7, France/UK only 0.6.
- India is **second only to China** in total market size — highlighting sheer scale.
- Out of 3.2 bn litres, **2.91 bn litres is spirits** (~90% share).
- India is predominantly a **spirits market** (whisky, rum, brandy) vs. Western countries where beer/wine dominate.
- Perfect fit for Allied Blenders which is a **spirits-focused company** (Officer's Choice whisky etc.).

Low Per Capita Consumption = Headroom for Growth

- India's per capita = **3.2 litres** vs. World avg **5 litres**.
- USA: 9.2 | Germany: 10 | France: 10.9.
- This gap indicates **huge future growth potential** as incomes rise, urbanisation accelerates, and social acceptance broadens.

The **super-premium & luxury spirits segment** accounts for only **7% of market volumes** but contributes a disproportionate **21% of industry profits** – showing a **profit-rich growth runway**.
ABDL is **strategically tapping this premiumisation trend** to move up the value chain and unlock faster growth.
Despite the premiumisation push, ABDL derives its **core revenues from the mass-premium segment**.

ABD combines the *scale of a mass brand* with *the trajectory of a premium player*

A Turnaround Story Gaining Momentum

- **Successful IPO in July 2024 raised ₹10 bn**, cleaned up the balance sheet and reduced debt.
- **Net profits bounced back to ₹2 bn in FY25 (vs near-zero earlier)**

Riding the Premiumisation Wave

- Once known mainly for Officer's Choice in the mass segment, ABD is now building strong presence inhigher-value tiers.
- ***ICONiQ White - one of the fastest-growing whisky brands globally,*** targeting McDowell's / Imperial Blue consumers trading up.
- *ABD Maestro subsidiary launched to drive super-premium & luxury portfolio, backed by celebrity partnership (Ranveer Singh, 20% stake).*

Margin Expansion Through Integration & Efficiency

- Backward integration capex (~₹5 bn till FY27) to set up captive ENA and malt distillation - **66% in- house sourcing by FY28.**
- **Cost savings expected to expand EBITDA margins by 300+ bps over FY25-FY28.**

ICONiQ White Whisky has experienced explosive growth, being crowned the World's Fastest-Growing Millionaire Spirits Brand by <u>Drinks International</u> in 2024 and retaining the title in 2025

FY2023
3.2 Lakh Cases sold

→

FY2024
22.7 Lakh Cases sold

→

FY2025
50 Lakh Cases sold

~300%
FY23-25

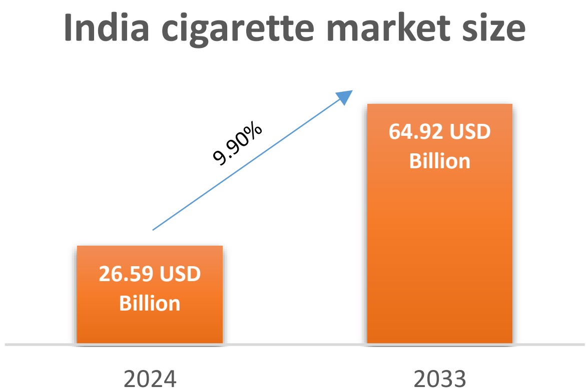
Sources: Company

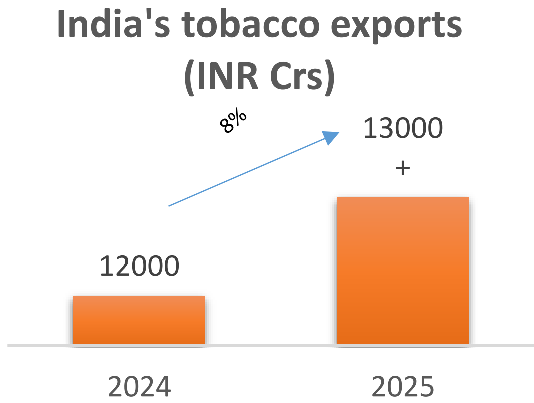
The securities quoted are for illustration only and are not recommendatory

GODFREY PHILLIPS

CMP: 3423   Mcap: 53k Cr

*India has one of the world's **largest tobacco-consuming populations**, but cigarettes are still a **small share** of total tobacco consumption compared to global peers. As incomes rise, consumers are shifting from bidis and loose tobacco to branded cigarettes.*





Source: IMARC

- Cigarettes remain a strong, high-margin revenue base for the Company, while the strategic expansion into unmanufactured tobacco and international markets provides a significantly larger growth opportunity.
- In FY 2024–25, India exported around 300 million kilograms of tobacco products, generating nearly ₹12,000 crores in export revenues
- Unmanufactured tobacco exports have continued to grow, with the Company achieving its highest-ever export revenue of ₹2,010.19 crores in FY 2024–25, a robust increase of 66.6% over the previous year.

Sources: PIB, company

Godfrey Phillips – A high-quality compounder with global brand leverage

Marlboro Partnership – Structural Growth Engine

- **Exclusive license to manufacture & distribute Marlboro, the fastest-growing cigarette brand in India**
- **Marlboro contributes 40-45% of GPI volumes and dominates Western India markets (Mumbai, Pune, Gujarat, Rajasthan)**
- **Premium variants like Marlboro Compact & Marlboro Vista driving strong volume and margin expansion.**

Volume Upside + Export Leverage

- **Cigarette volumes expected to grow 10-12% CAGR over next 2-3 years**
- **Leaf tobacco exports up 56% YoY (FY24); expected to double within 3 years due to Philip Morris sourcing**

Distribution Moat & Execution Edge

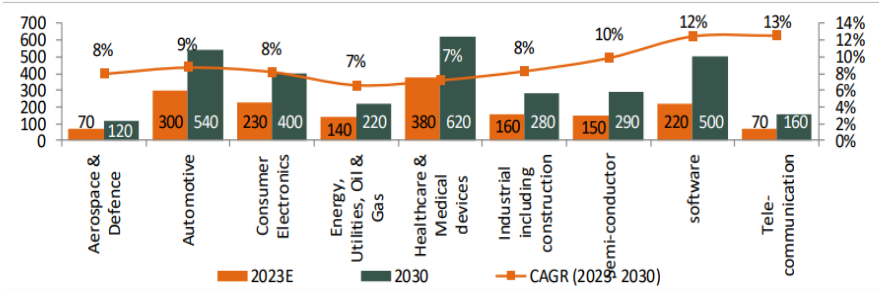
- Aggressive **South India expansion** via 20–25% dealer incentives.
- **Quick Commerce dominance:** 40% market share vs national 15%.
- Leveraging Marlboro network to push **own brands like Stellar Shift** (youth-focused, ₹10/stick).

Sources: Company

The securities quoted are for illustration only and are not recommendatory

Key Investment Themes

Spend on Digital Engineering and ER&D across sectors ($bn) 2023-2030



Source: company IDBI Capital; Nasscom_BCG report

IT

Current statistics highlight India's leading role in the global ER&D landscape, with projections indicating that **it will contribute around 22% to the global ER&D sourcing market by FY30** (according to Hindu Business line)'

The Indian ER&D services market is projected to grow from US$ 121.27 billion in 2024 to US$ 197.66 billion by 2029, reflecting a (CAGR) of 10.26% during this period.

Demand Factors

- Shift to cloud and AI adoption
- Global digital transformation
- Skilled talent base
- Government support & digital push
- Recurring global demand
- Emerging technologies - cybersecurity, automation, IoT, and GenAI-driven

Sources: Company, Nasscom, IDBI capital

The securities quoted are for illustration only and are not recommendatory

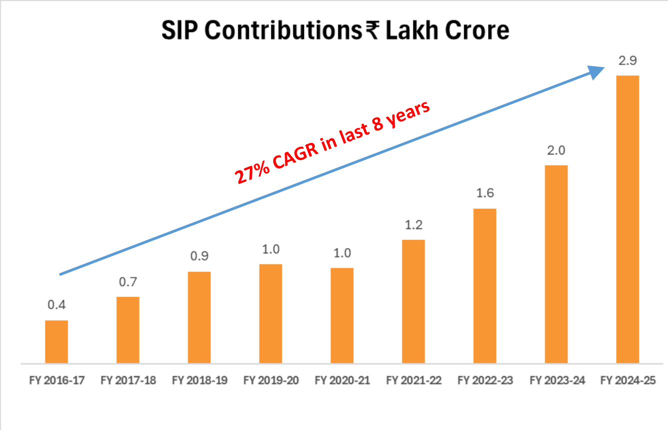
Diversified Tech Bets: Growth, Stability & Innovation

	LTIMindtree	HCL TECHNOLOGIES	L&T Technology Services
Type of Work	Digital projects, app building, cloud	IT maintenance, infrastructure, data management	Engineering + product design
Nature of Business	Fast-growing, project-based	Steady, contract-based	Niche, high-end
Client Base	Banks, retailers, manufacturers	Global enterprises, telecom, healthcare	Auto, aerospace, industrials
Risk Profile	Higher growth, more cyclical	Low risk, recurring income	Smaller base, faster growth
	"They modernize how companies run — like turning old systems into smart digital platforms."	They keep the lights on for global companies — maintaining and running their IT systems 24/7."	"They build the tech brains that go inside cars, planes, and machines."

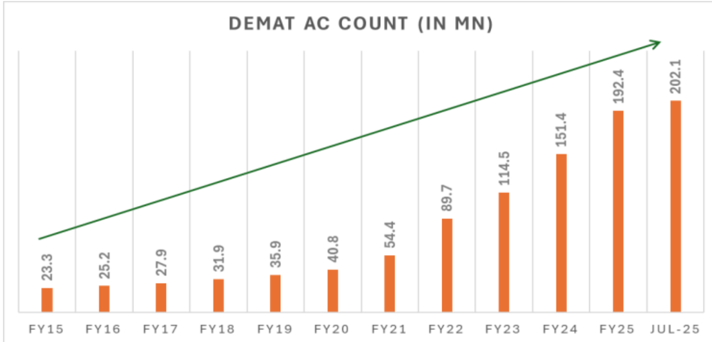
Sources: Company

The securities quoted are for illustration only and are not recommendatory

Key Investment Themes



Financialisation



Demand Factors

- Shift from physical to financial assets
- Expanding middle class and millennial investors
- Low penetration across insurance, mutual funds, and credit
- Increased digital access (UPI, fintech apps, online broking)
- Rising disposable incomes and formal employment
- Growing awareness of financial planning and protection

Sources: SEBI, AMFI

Nippon Life India AMC – Retail Powerhouse with Multi-Engine Growth

Fastest-Growing AMC in India

Fastest QAAUM growth with a 27% YoY increase, reaching INR6.1 trillion (t) as of June 2025

Its market share rose to 8.5%, the highest since 2019.

Strong Retail Moat

Huge retail investor base - 21.2 million investors **(1 in every 3 mutual fund investors in India).**

SIP AUM is ₹1.5 trillion with 52% retention over 5 years (industry average is ~30%).

ETF Market Leader

one of India's largest ETF managers, with ₹1.7 trillion in ETF AUM and about **20% market share**

NIPPON Gold ETF is among the world's Top 10 by size.

Diversified Growth Platforms

NAM isn't relying only on mutual funds - it's expanding into:

AIFs - ₹81 bn commitments (25% YoY growth)

Offshore AUM - ₹166 bn, helped by Japanese parent Nippon Life

GIFT City funds - for global investors (USD 13m already raised)

Superior Fund Performance

61% of NAM's AUM is now in top-quartile performing funds (top 25% of all schemes based on 3-year

returns). This was only 39% two years ago.

Good performance creates a virtuous cycle

performance - inflows - scale – profit -

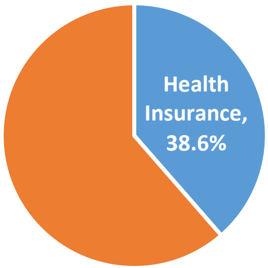
stronger brand - more inflows.

Sources: Company

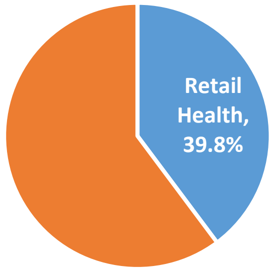
The securities quoted are for illustration only and are not recommendatory

Star Health – The Undisputed Leader in India's Retail Health Insurance Boom

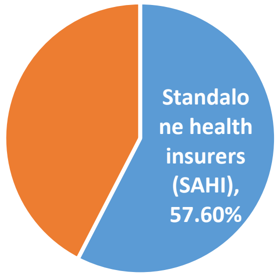
Health % of General Insurance



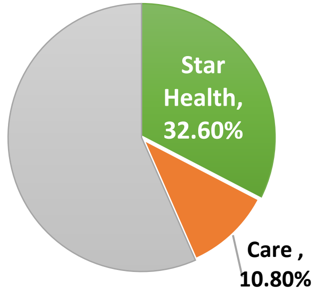
Retail % of Health Insurance



Standalone Health Insurers



Market Share of Star Health and Care



Retail health Champion

- **#1 player in India's retail health insurance** with 32.6% market share, nearly 3x its nearest competitor (Care: 10.8%)
- **13.9% share of the total health insurance market (FY25).**
- ***18.8 million retail lives insured,*** the largest in India.

Sustained Growth Momentum

- **Overall GWP up 15% YoY** (FY25), with fresh retail GWP up 25%.
- **Retail health now forms 94% of total portfolio** (vs 90% last year) - proof of focused execution.

Strategic Shift to Profitability

- **Pivoting away from low-margin group health to retail**, where claims and underwriting are more predictable..
- Management focused on reducing expense ratio and improving claim efficiency – a margin recovery story in motion.

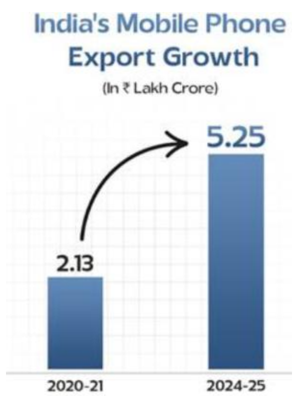
Sources: IBEF, Company, MOSL

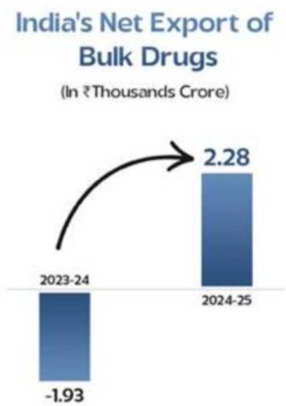
The securities quoted are for illustration only and are not recommendatory

Emkay Investment Managers

Your success is our success

Key Investment Themes





Manufacturing : Make in India

Key Takeaways

- PLI Scheme has attracted investments worth **₹1.76 lakh crore** across **14 key sectors**.
- **Total Sales** by PLI beneficiaries has crossed **₹16.5 lakh crore** as of mid-2025.
- Over **12 lakh direct and indirect jobs** created under the scheme since its launch.
- Mobile exports, pharma output, and electronics manufacturing have seen **record growth.**

Demand Factors

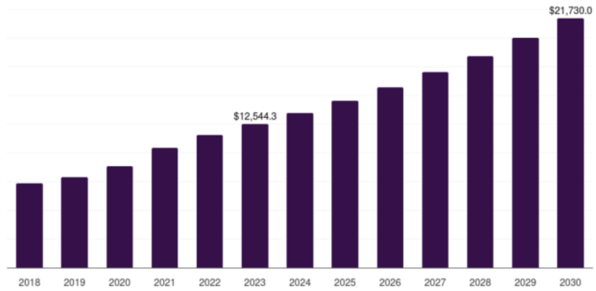
- Government push for self-reliance (Make in India, PLI schemes)
- Improving logistics and digital infrastructure
- Shift of global supply chains away from China("China + 1" strategy)
- Stable macro environment and policy reforms
- Expanding export opportunities in electronics, pharma, and auto
- Corporate capex revival led by balance sheet strength

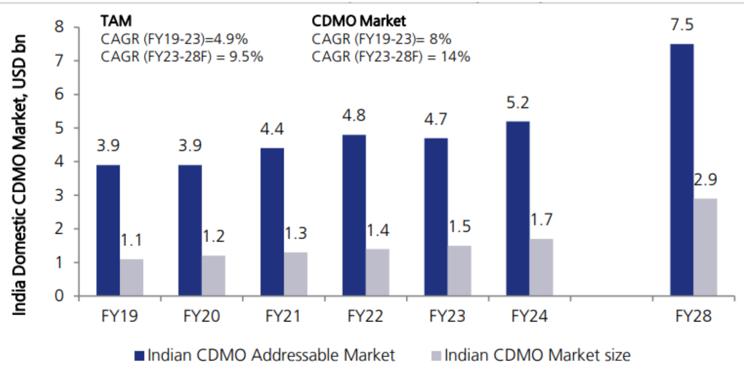
Sources: pib, IBEF

The securities quoted are for illustration only and are not recommendatory

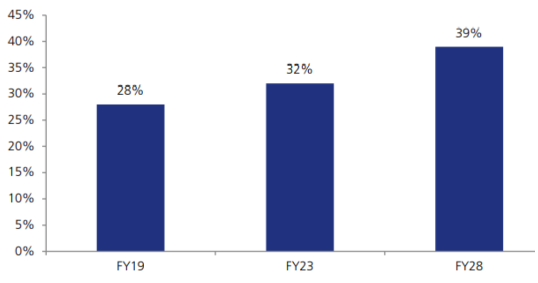
India Emerging as a key player in CDMO segment – Innova Captab, Akums Drugs

India pharmaceutical CDMO market, 2018-2030 (US$M)





Outsourcing penetration in the Indian CDMO Market



ource: Akums DRHP, JM Financial

- CDMOs have seen significant acceptance in the pharmaceutical industry in India and international markets over the last few years due to focus on reducing time to market, capital-intensive nature of the pharmaceutical business, growing demand for generic medicines, and large-scale/high-volume manufacturing requirements for pharmaceutical production
- **The rise in outsourcing** means more pharmaceutical companies are looking for reliable CDMOs like Innova Captab, Akums Drugs and Pharmaceutical to handle their manufacturing and development needs.

Source – IBEF, Geojit

The securities quoted are for illustration only and are not recommendatory

Innova Captab: A Fast-Growing CDMO Powerhouse

🏭	**Top 3 CDMO Player in India**	Serving 200 clients incl. 14/15 top pharma cos
💰	**FY24 Revenue:** ₹10.8 bn	**Target FY27:** ₹22.4 bn
📈	**Revenue/EBITDA/PAT CAGR (FY24–27):**	28% / 32% / 37%
🔁	**ROIC (FY27E):**	20%
🌍	**Exports Contribution:**	23% (via Sharon Bio)

- ✅ **Among India's fastest-growing CDMO plays**
- ✅ **Revenue potential set to double by FY27**
- ✅ **Expanding margin profile (EBITDA 14.3% → 15.8%)**
- ✅ **High return efficiency (ROIC 20%)**

Three Major Growth Catalysts

1 **Jammu Greenfield Plant (Doubling Capacity)**

₹4.5 bn capex | Starts Q3 FY25 | Adds ₹15–18 bn revenue potential | 12% GST rebate

2 **Sharon Bio Acquisition (Regulated Markets Access)**

Through the acquisition of Sharon Bio, Innova gains access to regulated international markets such as the UK, Canada, Europe, and Australia | **Higher margins** | 24% CAGR – Fast Growing regulated CDMO segment

3 **Regulatory Tailwinds (Schedule M)**

Stricter GMP → **consolidation** → benefits organized CDMOs like Innova

The enforcement of Schedule M will require pharma manufacturers to upgrade to higher GMP standards. While this may pressure smaller players, it favors compliant firms like Innova, which already meet global norms. As unorganized players exit, Innova stands to gain market share, pricing power, and a stronger reputation for quality.

Sources: Company

The securities quoted are for illustration only and are not recommendatory

Laurus Labs – From Generics to Innovation: The CDMO Transformation Story

Phase 1: The Foundation – Generics Workhorse (2010–2020)

- Laurus Labs established deep chemistry capabilities through large-scale API manufacturing, primarily in antiretrovirals (ARVs)
- The ARV engine gave Laurus scale, compliance credibility, and cash flows — but also exposed it to pricing pressure and low margins.

🧪 APIs (Legacy)

- ➢ Volume-led
- ➢ ARV heavy
- ➢ Margin ~16%

◆ ***46% of sales (FY25)***

Phase 2: The Pivot – Science over Scale (2021–2025)

- Management consciously reoriented Laurus into a **(CDMO)** — building capacity, R&D, and client partnerships.
- Investments are now flowing toward **custom synthesis, animal health, crop science, and biologics (Laurus Bio)**.

💊 Formulations (Bridge)

- ➢ Steady earnings base
- ➢ ARV combos + JV with KrKa
- ➢ Margin ~20%

◆ ***26% of sales (FY25)***

Phase 3: The Payoff – Margin Expansion & Visibility (2025–2028E)

- With CDMO scaling 40%+ CAGR and ARV mix shrinking to ~30%, Laurus' growth profile becomes more predictable, margin-rich, and innovation-led.
- Operating leverage from years of capex begins to translate into earnings momentum.

🛸 CDMO (Future Engine)

- ➢ Innovation-led
- ➢ 110+ active programs
- ➢ Margin - 37% by FY27E

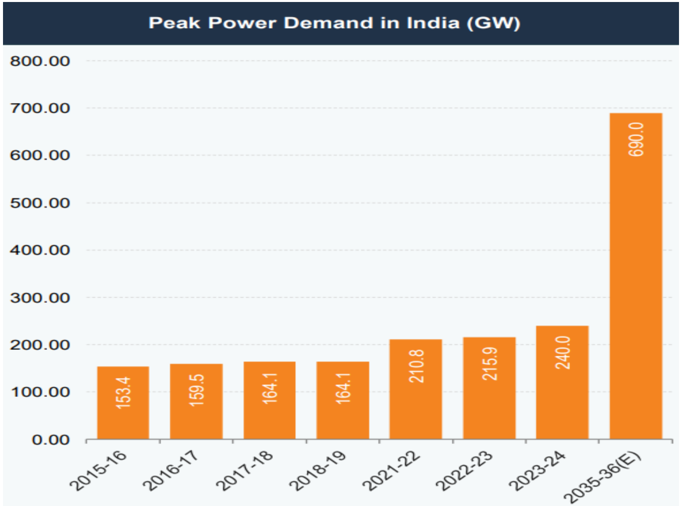
◆ *28% of sales (FY25)* ***- 41% byFY28E***

CDMO programs up from 50 in FY21 → 110+ in FY25. That's the foundation of sustainable, margin-rich growth

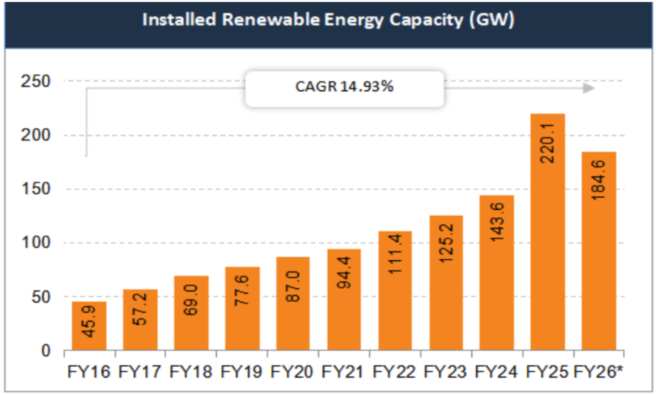
Sources: Company, b&k research

The securities quoted are for illustration only and are not recommendatory

Key Investment Themes



Energy Transition



*Source: Central Electricity Authority (CEA), *- As of June 2025*

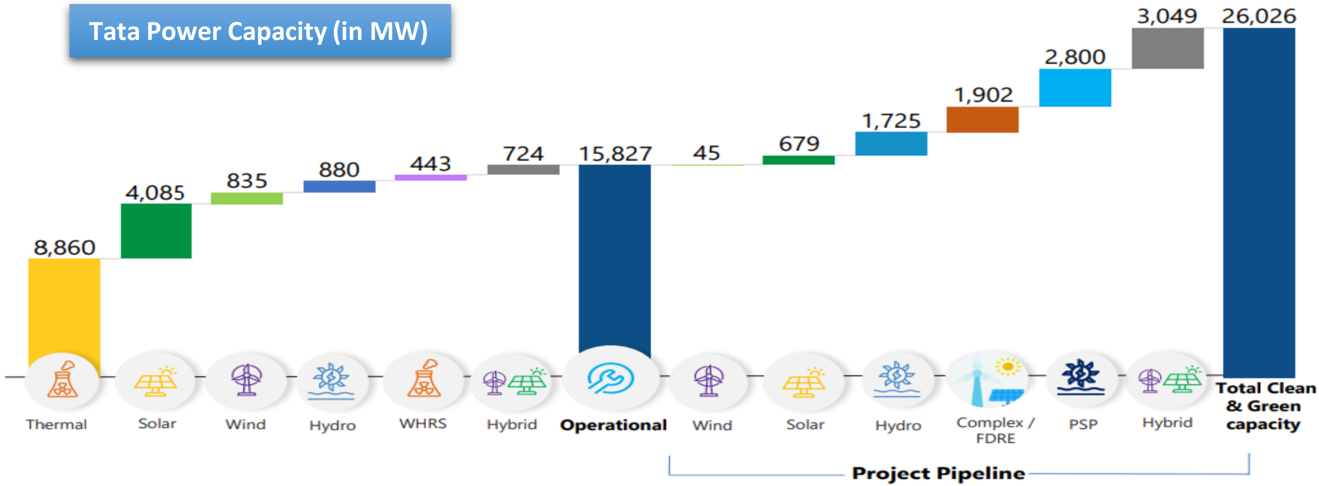
Demand Factors

- Rising energy demand from industrialization and urbanisation
- Government push for renewables and net-zero targets
- Falling costs of solar, wind, and battery storage technologies
- Corporate shift toward ESG and green energy sourcing
- Electric vehicle (EV) adoption and charging infrastructure expansion
- Global capital inflows and policy incentives for clean energy projects

Sources: IBEF

The securities quoted are for illustration only and are not recommendatory

TATA Power : From Coal to Clean: Leading India's Energy Transition



- **Past:** Predominantly coal-based utility (~56% thermal).
- **Present:** 15.8 GW operational; renewables already **~44%** of capacity.
- **Future:** Clean & green share to reach **~66% post-pipeline completion** (26 GW total).

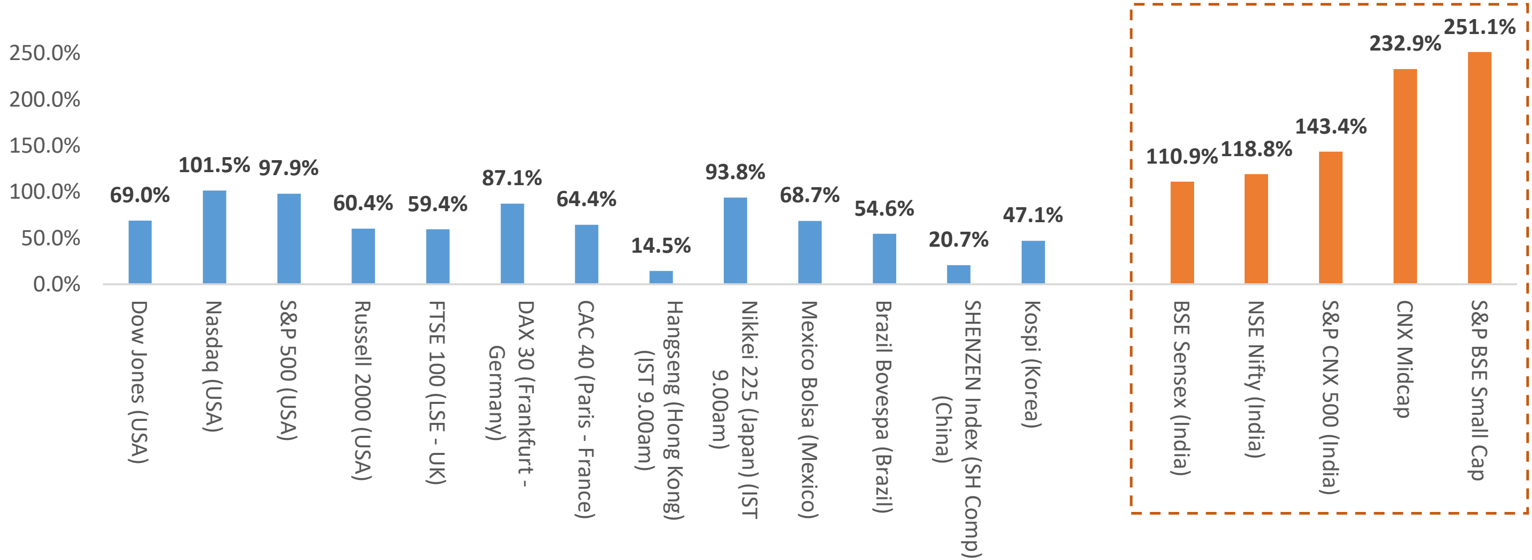
Predictable Cash Flows	Long-term PPAs in renewables ensure steady earnings.
Lower Cost of Capital	Access to green financing and ESG funds.
De-risked Business Model	Reduced exposure to coal prices and fuel volatility.
Industry Context	Strategic Alignment with India's Energy Transition

Sources: Company

The Pre-IPO Opportunity

India vs Global – Where Growth is Happening

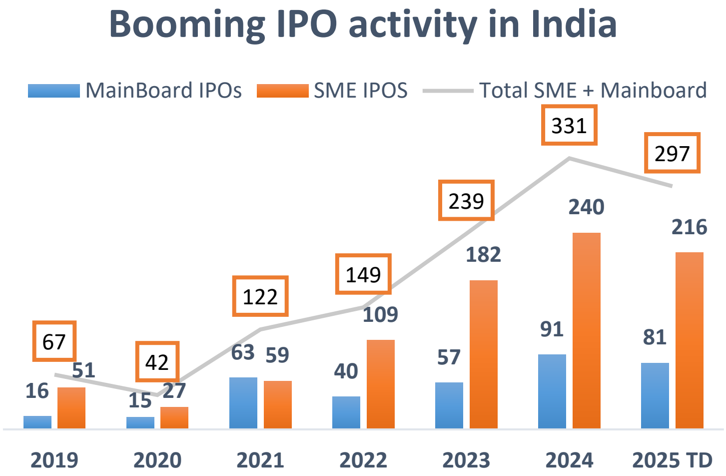
5 Year Index Performance: Global key indices vs Indian Indices

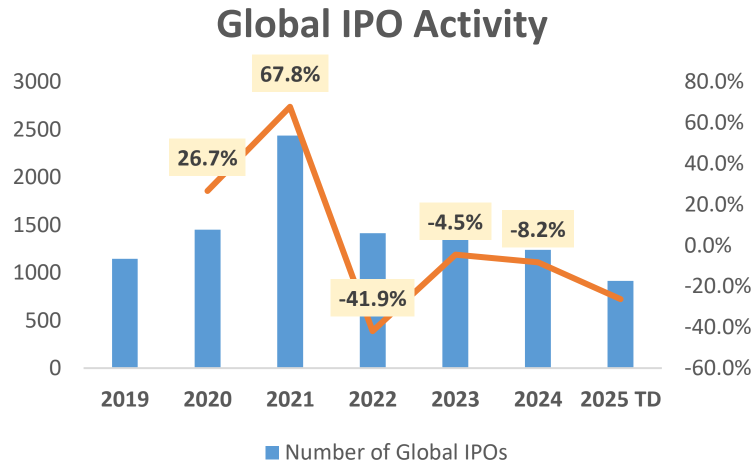


Strong Public Market Performance → **Better Exit Valuations** → **More companies go public** → **Larger Investible Pipeline**

Sources: ACE equity

Growth of IPO activity in India



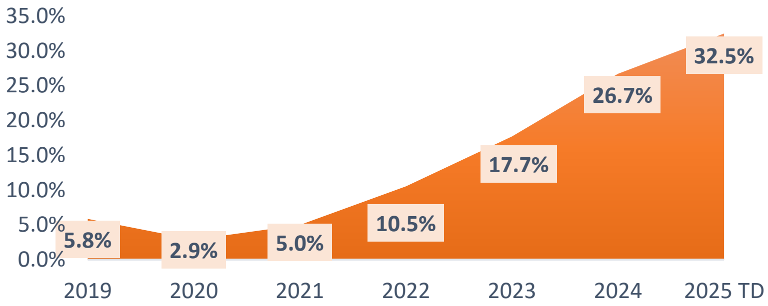


- IPO volumes have surged from 67 in 2019 to 331 in 2024, reflecting robust primary market momentum.
- **2025 YTD already records 297 IPOs**, indicating continued strong pipeline despite global slowdown.
- Global IPO volumes peaked in 2021 (+67.8%) but have declined sharply since
- India remains a bright spot as **global IPO markets face their fourth consecutive year of contraction.**

Sources: EY Global IPO trends , Chittorgarh

Growth of IPO activity in India

India's share in Global IPOs



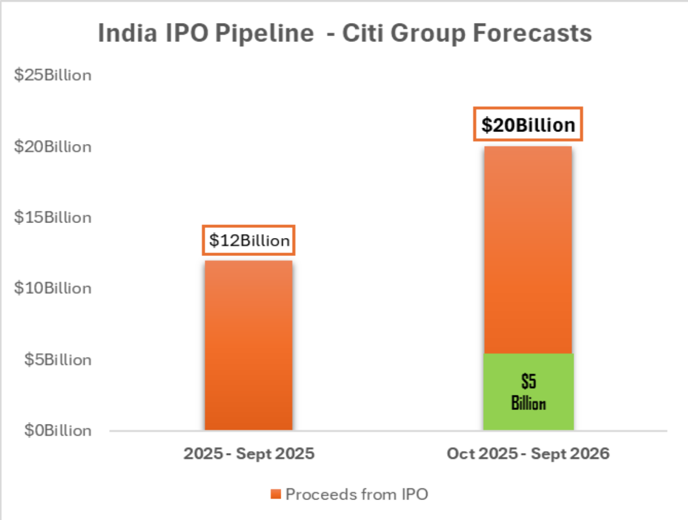
- India's global share surged from 5.8% in 2019 to a record 32.5% in 2025 YTD.
- In **2025 TD**, India has already seen **297 IPOs**, maintaining strong momentum despite global softness.

- **India ranked #1 globally** in number of IPOs in **Q2 FY25**, overtaking the US (Nasdaq) and Hong Kong.
- Reinforces India’s status as the **world’s leading IPO hub**, driven by strong domestic demand and regulatory momentum.

Rank	By number of IPOs
01	India (National and Bombay)
02	US (Nasdaq)
03	Hong Kong (Main Board and GEM)
04	South Korea (KRX and KOSDAQ)
05	Shenzhen (SZSE and ChiNext)
06	US (NYSE)
07	Malaysia (KLSE, ACE Market and LEAP Market)
08	Saudi (Tadawul and Nomu Parallel Market)
09	Tokyo (Prime, Growth, Standard, REIT, Pro Market)
10	Shanghai (SSE and STAR)

Sources: EY Global IPO trends

India's IPO Pipeline in Next 12 months



Pipeline largest on record: domestic + international issuers across tech, consumer, healthcare

Deep domestic capital pool + retail participation driving momentum

Up to **US$20 billion** of IPOs expected in India over next 12 months (Citi)

IPOs have already **fetched $12 billion in India** this year, with another $5 billion added in October 2025 alone thanks in part to **Tata Capital Ltd. and LG Electronics Inc.'s Indian arm**

Why this matters?

Strong listing pipeline creates opportunity for last-round private (pre-IPO) access + listed exposure

Sources: Citi Group

Stages of Private Investing

Pre Seed	Seed	Series A - C	Pre IPO
8 – 10 Years	6 – 9 Years	4 – 6 Years	0.5 – 2 Years
Typical Investors: Founders, friends & family	***Typical Investors:*** Angel Investors, Early VCs	***Typical Investors:*** Venture Capitalists, Growth Funds	***Typical Investors:*** Family Offices, HNIs, PE funds
Stage: Idea / prototype	***Stage***: MVP built, early customer validation	***Stage***: Scaling, market expansion, profitability visibility	***Stage***: Late-stage, DRHP filed or filing soon. Clear IPO timeline (6–18 months)
High Risk	**High Risk**	**Moderate Risk**	**Low to moderate Risk**

Our Focus: The Pre-IPO Opportunity

Pre IPO

0.5 – 2 Years

Typical Investors: Family Offices, HNIs, PE funds

Stage: Late-stage, DRHP filed or filing soon. Clear IPO timeline (6–18 months)

Low to moderate Risk

Emkay Emerging Stars Fund - Series VII (CAT III)

Identifies companies 6–9 months before IPO filing with clear visibility, discounted entry valuations, and defined liquidity timelines.

Timing Advantage
Invest 6–9 months before listing

Discounted Valuations

Quality & Visibility
Proven revenue and Earnings — not early-stage bets.

Expected **liquidity event in < 1 year**

Limited exposure (< 25% of fund). **Diversified across sectors, timelines, and issuers.**

Fund Manager Expertise with a proven track record

Case Studies: Past Pre-IPO Successes/Failures

Why selective fund management matters?

Past Pre IPOs That Delivered

Company	Last Funding Date (Pre IPO)	Lock-in Expiry Date (6 Months from Listing)	Lock in expiry returns from Pre - IPO	BSE 500	Alpha Over BSE 500
Awfis Space Solutions	Jun'23	Nov'24	174.83%	24.51%	150.32%
Eternal	Feb'21	Jan'22	156.35%	26.88%	129.47%
Ixigo	Jun'24	Dec'24	67.99%	10.20%	57.79%
Nazara Tech	Feb'21	Sep'21	140.04%	24.73%	115.31%
Nykaa	Nov'20	May'22	320.44%	20.79%	299.65%
PolicyBazaar	Jul'21	May'22	68.76%	-1.36%	70.12%
Zaggle	Aug'23	Mar'24	70.16%	17.78%	52.38%

Case Study: Awfis Space Solutions

- ***Awfis is among India's larger flexible workspace providers ("co-working / workspace as a service"), giving it exposure to the secular shift in workspace demand.***
- The company's **asset-light, scalable model**, **clear demand visibility in flexible workspaces**, and **strong revenue momentum** checked all the right boxes — profitability path, capital efficiency, and sustainable growth potential.
- Its pre-IPO investors were rewarded with **~175% returns**, reflecting the value of focusing on business fundamentals

Sources: Client Associates

The securities quoted are for illustration only and are not recommendatory

The Other Side of the Coin: The IPOs That Faltered

Company	Last Funding Date (Pre IPO)	Lock-in Expiry Date (6 Months from Listing)	Lock in expiry returns from Pre - IPO	BSE 500	Alpha Over BSE 500
CarTrade	Jul'21	Feb'22	-60.34%	9.49%	-69.83%
First Cry	Nov'23	Feb'25	-7.43%	16.22%	-23.65%
Ola Electric	Apr'23	Feb'25	-28.57%	21.65%	-50.22%
PayTM	Nov'20	May'22	-67.11%	20.01%	-87.12%
Swiggy	Sep'24	May'25	-14.19%	-7.36%	-6.83%
Tracxn	Oct'22	Apr'23	-13.55%	-2.50%	-11.05%

Case Study: CarTrade Tech – A Cautionary Tale

- CarTrade Tech, despite strong pre-listing buzz, is a classic case where **warning signs were visible** but overlooked.
- IPO structure was **100% Offer for Sale (OFS)** – meaning the company did **not raise fresh capital** for growth, but existing shareholders sold their stakes.
- Extremely high valuation at IPO relative to earnings & peers.
- Business is tied to used-car / vehicle market which is cyclical, subject to regulatory/emission changes, purchase power, financing availability.
- Competitive intensity: Several players (Cars24, CarDekho, Droom) and entry risk.

Sources: Client Associates
The securities quoted are for illustration only and are not recommendatory

Why is Fund Manager Expertise needed ?

Opportunity Exists → *Where Early Access Becomes Alpha*

The pre-IPO zone is where valuations are still grounded and the runway is visible.

But It's Not Automatic → Not Every Pre-IPO Turns to Gold

The Differentiator Is Expertise → Access Is Easy. Judgment Isn't

It's not enough to just plug into "pre-IPO" — there is a need for the right business model, growth discipline, exit path, valuation discipline and timing.

Risk/Return Differentiation → The Gap Between Hype and Reality Is Wide

The spread between winners and losers is wide. Good deals deliver outsized returns; bad ones can deliver value destruction.

This Fund's Value-Add → Turning Access Into Advantage

Our AIF bridges the gap - leveraging sourcing, due diligence, valuation discipline and structuring to tilt the odds toward winners and manage downside risks.

Our IPO Investment Framework: Green Flags vs. Red Flags

Key Filter Checklist	Warning Signs
Profitability Path	Narrative-Driven Hype Cycles
Margin Expansion & Capital Efficiency	High Cash Burn, No Clear Path to Profitability
Defensible Business Model	Deep Cyclical or Trend-Dependent Businesses
Quality Management & Governance	Weak Governance & Transparency Gaps
Purposeful Use of Proceeds	Overvaluation & OFS-Heavy Issues

- The contrast between Awfis and CarTrade shows that IPO investing isn't just about participation — it's about **selection**.
- In markets where both opportunities and pitfalls coexist, a **seasoned fund manager's track record, research depth, and disciplined process** are what separate sustainable wealth creation from short-lived hype.

Emkay Emerging Stars Series VII : Terms of Engagement

Fund Name	EMKAY EMERGING STARS FUND - VII
Structure	Category III Alternative Investment Fund - Close Ended
Investment Objective	The investment objective of the fund is to achieve long term capital appreciation by primarily investing in equity & equity related instruments across sectors and market capitalization with the option to have exposure of upto 35% to unlisted securities
Sponsor Contribution	5% of the corpus or Rs. 10 Crore whichever is lower
Investment Manager	Emkay Investment Managers Ltd.
Class of Units	A1,A2,A3,A4,A5 upto A19,D1,D2,D3,D4 upto D19
Administration Expenses	At actuals
Hurdle Rate	As per contribution agreement (Kindly refer PPM for hurdle rates applicable against different share classes)
Performance Fees	20% of return over & above hurdle rate without catch up for class A5,A6,A7,A8,A9,D5,D6,D7,D8,D9 15% of return over & above hurdle rate without catch up for class A10,A15,A18,A19,D10,D15,D18,D19 10% of return over & above hurdle rate without catch up for class A11,A16,D11,D16 7.5% of return over & above hurdle rate without catch up for class A17,D17
Redemption Frequency	Quarterly
Subscription Frequency	Fortnightly
Exit Load	3% for redemption within 24 months from date of allotment against final drawdown , 2% thereafter
Management Fee	As per contribution agreement (Kindly refer PPM for fee rate applicable against different share classes)

Our Promoters

Krishna Kumar Karwa, Managing Director

A rank holder from the Institute of Chartered Accountants of India (ICAI), Krishna is the promoter and Managing Director of the Company. He has rich and varied experience of more than three decades in all aspects of the Equity Capital Markets and oversees the Research, Equity Asset Management and Corporate Advisory divisions at Emkay.

Prakash Kacholia, Managing Director

A qualified Chartered Accountant of the 1987 batch, Prakash is the Promoter and Managing Director of the Company. He has a rich experience of more than three decades in the Capital Market and oversees the Derivatives business and Retail division at Emkay. He has been on the board of the SEBI Committee on Derivatives. He has also served as a Director on the boards of Bombay Stock Exchange Limited, BOI Shareholding Limited and Central Depository Services (India) Limited.

Strategy Fund Manager and Business Team

Manish Sonthalia Director & Chief Investment Officer

Manish comes with over three decades of rich experience in the financial services industry and joins the Emkay group from Motilal Oswal Asset Management Company Ltd. where he served as an Executive Director and CIO for PMS, Alternates, and Offshore Investments, and managed assets worth approximately Rs 6,500 crore at the last count. He is a qualified Chartered Accountant, Company Secretary, Cost and Works Accountant, and an MBA.

Kashyap Javeri HOR, Co-Fund Manager

Kashyap Javeri is a fund manager with more than a decade of experience in company and sector research. He brings exceptional insights into stocks and economy. Prior to joining Emkay Investment Managers, he was a rated BFSI analyst in Emkay Institutional Equities for eight years and also worked with Sharekhan Ltd as midcap analyst. Kashyap brings with him immense in-depth knowledge on not only variety of manufacturing and services sectors but also on banking and economics.

Nagesh Pai National Sales Head

Nagesh has more than 20 years of experience in Financial Asset Management Industry. Nagesh is a seasoned professional with extensive experience in the financial services industry. As the National Sales Head at EIML, he plays a pivotal role in driving sales strategies and fostering key client relationships.

Before joining EIML Nagesh held several senior leadership roles at prominent financial institutions, demonstrating his expertise in sales management and strategic planning, including ASK investment Managers, ENAM Asset Management, ING Investment Management, and Standard Chartered Bank.

7-member investment and research team with a collective experience of ~ **100 +** years

Contact Us

Emkay Investment Managers Ltd

Correspondence Office Address:

Paragon Centre,C-06,2nd Floor, Pandurang Budhkar Marg,
Opp. Birla Centurion Worli India-400013

CIN: U67190MH2010PLC203819

Website: www.emkayim.com

Email: pmsoperations@emkayim.com

Emkay Investment Managers Ltd

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai 400028. India

CIN: U67190MH2010PLC203819 | PMS: INP000004458

Website: www.emkayim.com

For Support

Roshan Khanvilkar	Email	roshan.khanvilkar@emkayim.com	+91 66175453 / 66175455
Samidha Manjarekar	Email	samidha.manjarekar@emkayim.com	+91 66175453

Disclaimer

Emkay is the Investment Manager to Emkay Emerging Stars Trust, a SEBI registered Category III AIF vide SEBI Reg. No.: IN/AIF3/17-18/0375 dated October 04, 2017 under SEBI (Alternative Investment Fund) Regulations, 2012 as amended from time to time and the Circulars and Guidelines issued there under from time to time collectively referred as the SEBI Registered Intermediary.

Disclaimer and Disclosures:

Investment in securities market are subject to market risks. Read all the related documents carefully before investing
This website/email/document is confidential and is intended only for the personal use of the prospective investors/contributors (herein after referred as the Clients) to whom it is addressed or delivered and must not be reproduced or redistributed in any form to any other person without prior written consent of Emkay. This website/email/document is neither approved, certified nor its contents is verified by SEBI. The website/email/document is neither a general offer nor solicitation to avail the service of investment from the SEBI Registered Intermediary under the services offered by Emkay/Fund nor is it an offer to sell or a generally solicit an offer to become an investor in the services offered by the Emkay/Fund. The contents of this website/email/document are provisional and may be subject to change. Emkay warrants that the contents of this website/email/document are true to the best of its knowledge, however, assume no liability for the relevance, accuracy or completeness of the contents herein. The information contained in the analysis shall been obtained from various sources and reasonable care would be taken to ensure sources of data to be accurate and reliable. Emkay will not be responsible for any error or omission in the data or for any losses suffered on account of information contained in the analysis. While the Emkay will take due care to ensure that all information provided is accurate however the Emkay neither guarantees/warrants the sequence, accuracy, completeness, or timeliness of the report. Neither the Emkay nor its affiliates or their partners, directors, employees, agents, or representatives, shall be responsible or liable in any manner, directly or indirectly, for views or opinions expressed in this analysis or the contents or any systemic errors or discrepancies or for any decisions or actions taken in reliance on the analysis. Emkay does not take any responsibility for any clerical, computational, systemic, or other errors in comparison analysis. There can be no assurance that future results, performance or events will be consistent with the information provided in this document and the past performance, if any is not the guarantee of the future/assured performance. Any decision or action taken by the recipient/visitor of this website/email/document based on this information shall be solely and entirely at the risk of the recipient/visitor of the website/email/document. The distribution of this information in some jurisdictions may be restricted and/or prohibited by law, and persons into whose possession this information comes should inform themselves about such restriction and/or prohibition and observe any such restrictions and/or prohibition. Unauthorized disclosure, use, publication, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt/ absolve the Emkay or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse/improper/ illegal use and agrees not to hold the Emkay or any of its affiliates or employees responsible for any such misuse/improper/illegal use and further agrees to hold the Emkay or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays. Emkay (including its affiliates) and any of its Partners, officers, employees, and other personnel will not accept any liability, loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this website/email/document or any information in any manner whatsoever. Each existing/prospective client, by accepting delivery of this document agrees to the foregoing. Prospective investors/clients are advised to review this website/email/document, the Private Placement Memorandum, the Contribution Agreement, representations and presentation(s) and other related documents carefully and in its entirety and seek clarification wherever required from the SEBI Registered Intermediary/Emkay. Prospective investors should make an independent assessment, and consult their own counsel, business advisor and tax advisor as to legal, business and tax related matters concerning this document and the other related documents before becoming investor in the Fund. Emkay (including its affiliates) may offer services in nature of advisory, consultancy, portfolio management, sponsorship of funds, investment management of funds which may conflict with each other.

Thank you