

A black and white photograph of a modern interior space. In the foreground, a large, dark sofa with patterned pillows is positioned. Behind it, a white bookshelf is filled with books and decorative items. To the right, a large potted plant sits on a shelf. In the background, a fireplace with a dark tiled surround is visible, and a large window or glass partition is on the right side.

We are an **independent**, partner-centric  
Investment Management firm investing in  
Indian public equities.

# TOPICS

About us

Performance history

Overarching philosophy

Company selection

Approach to fair value estimation

Portfolio construction

Approach to selling

Right for you?

Fees and other expenses

# ABOUT US

## About us

- Boutique Equities firm
- ~1700 Cr AUM, ~140 families
- Private, independent ownership (CIO and close friends)
- Team incentivized as owners - 25% of PBT shared

## Desired outcome

- Seeking 15% IRRs post fees AND 1.5% Alpha over BSE500 TRI every rolling 5 years under assumption of 11% nominal GDP growth (no guarantees)
- Never risk ruin despite promise of very high upside.

# OUR GUIDING PRINCIPLES

1. Be mission driven. Profits with purpose.
2. Disciplined process that focuses on superior long-term outcomes. Path to long term outcomes via resilience over speed
3. 100% alignment of interests. Clients come first.
4. Radical transparency via Quarterly Letters and Calls
5. Build culture that emphasizes radical candour and accepts mistakes.

# OUR TEAM

Member	Title	CV	Investing experience	Time with Solidarity
Manish Gupta	Founder and CIO	MBA IIM Ahmedabad BCG (7 years)	15+ years	10+ years
Anirudh Shetty	Partner	CA, CFA	6+ years	9+ years
Naarah Pereira	Partner	BBA, MCOM	NA	10+ years
Don Thadeuse	COO	MBA, ex Quantum	NA	1+ years
Aman Thadani	Senior Analyst	CFA	4+ years	3+ years
Pratik Jain	Senior Analyst	MBA	NA	3+ years
Dinesh Gianchandani	Manager - Operations	CA	NA	2+ years
Sanyam Shah	Analyst	CFA	NA	< 1 year
Zahra Patel	Analyst	PGDFM, BCOM	NA	< 1 year
Satish Yadav	Operations Executive	M.Sc.	NA	< 1 year
Prachi Sawant	Office Manager	PGDFM, BCOM	NA	5+ years

# PERFORMANCE HISTORY

## Aggregate across all partner accounts

Performance (in TWRR)	1 Year	2 Year	3 Year	5 Year	Since Inception^
SOLIDARITY- PRUDENCE	5.4%	10.3%	12.8%	12.8%	16.0%
BSE500 TRI	7.7%	8.7%	16.4%	16.4%	15.0%

Data as of 31 Jan 2026

^ From 11 MAY 2016 -Start date of scheme

Solidarity performance is net of all fees & expenses

Performance data provided in the above table is not verified by SEBI

## Aggregate across all partner accounts

Performance (in TWRR)	1 Year	2 Year	3 Year	5 Year	Since Inception^
SOLIDARITY- EMERGING LEADERS	-15.6%	1.7%	NA	NA	4.4%
BSE500 TRI	7.7%	8.7%	NA	NA	17.8%

Data as of 31 Jan 2026

^ From 26 APR 2023 -Start date of scheme

Solidarity performance is net of all fees & expenses

Performance data provided in the above table is not verified by SEBI

Please click on this [link](#) for viewing our performance relative to other portfolio managers

Please click [here](#) if you wish to onboard with us directly

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# THERE ARE MULTIPLE APPROACHES TO INVEST IN EQUITIES

Compounding  
stories at a fair price  
which we are willing  
to hold for long time  
horizons

“At the right price,  
everything is “AAA”.

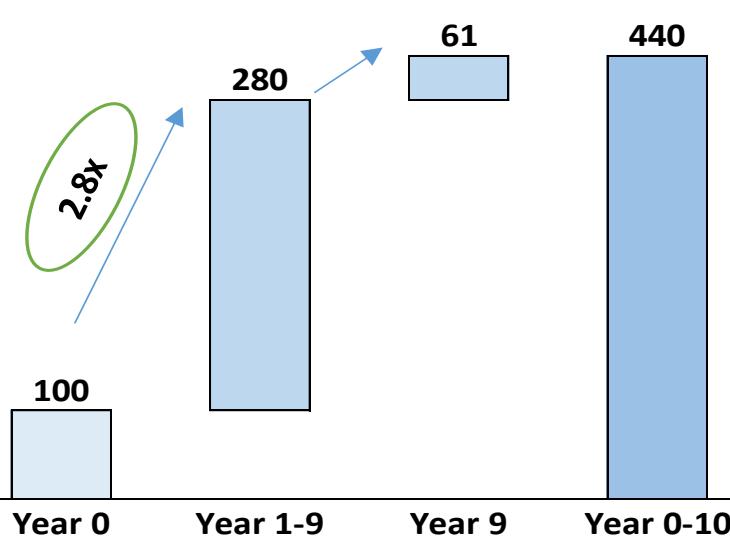
Long term is 5- 10  
years

Long term is 1 yr

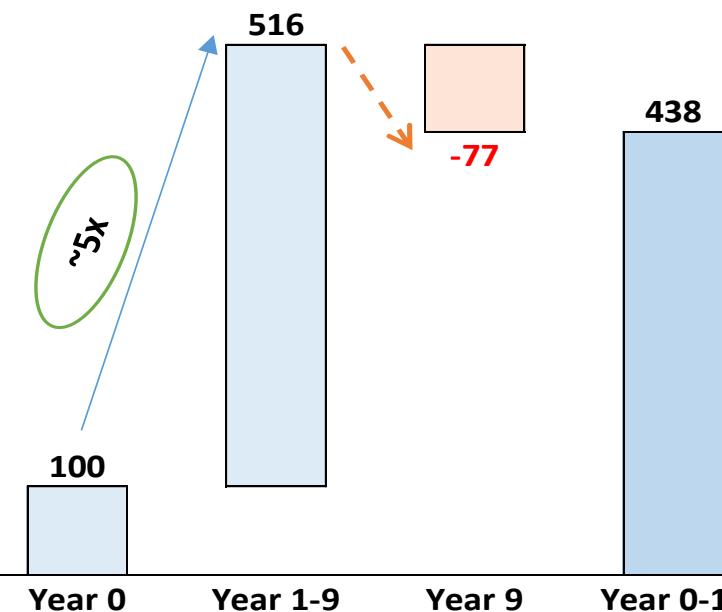
All choices have trade offs. Opportunism does not pay in long term

# WE SEEK PORTFOLIO RESILIENCE OVER SPEED ...

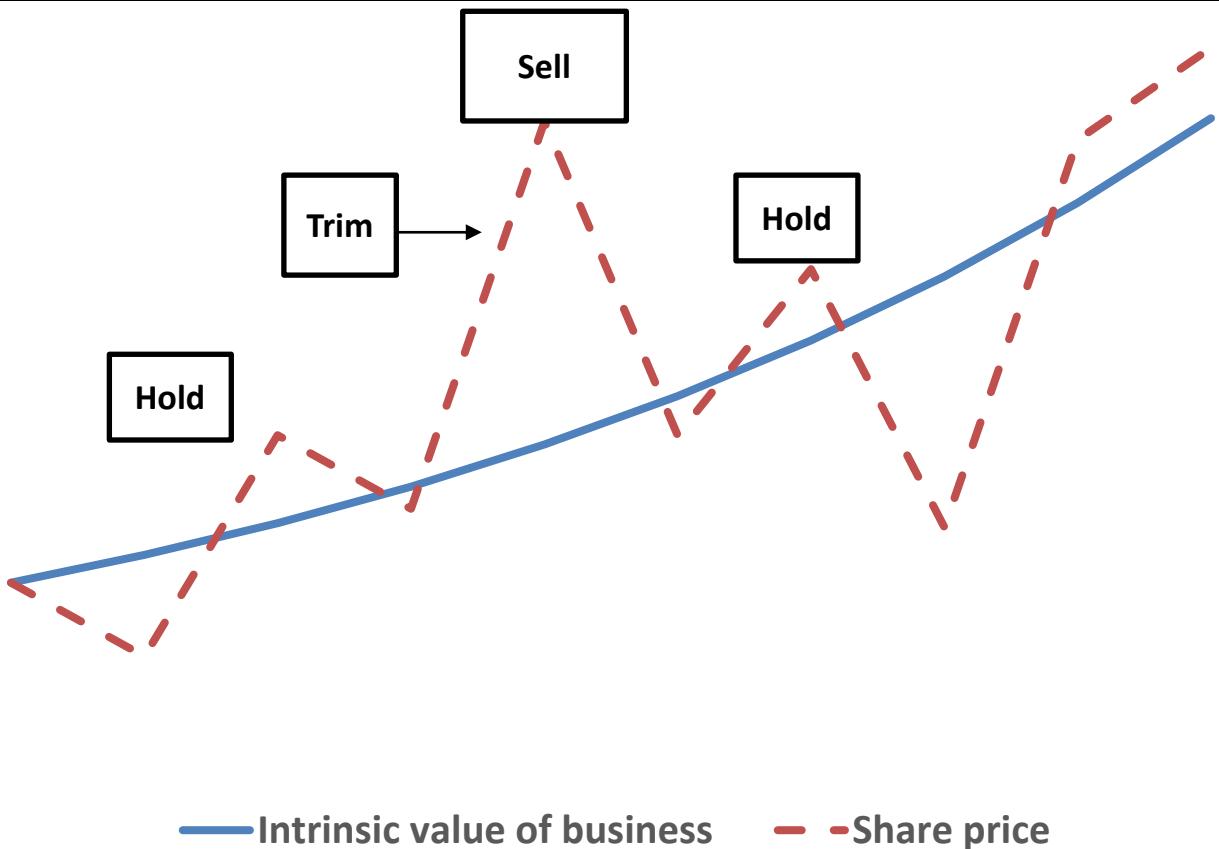
Option 1: 16% IRR linearly over 10 years



Option 2: 20% IRR over 9 years, -15% in year 10



## ... VIA HIGH PROBABILITY EPS/FCF COMPOUNDING

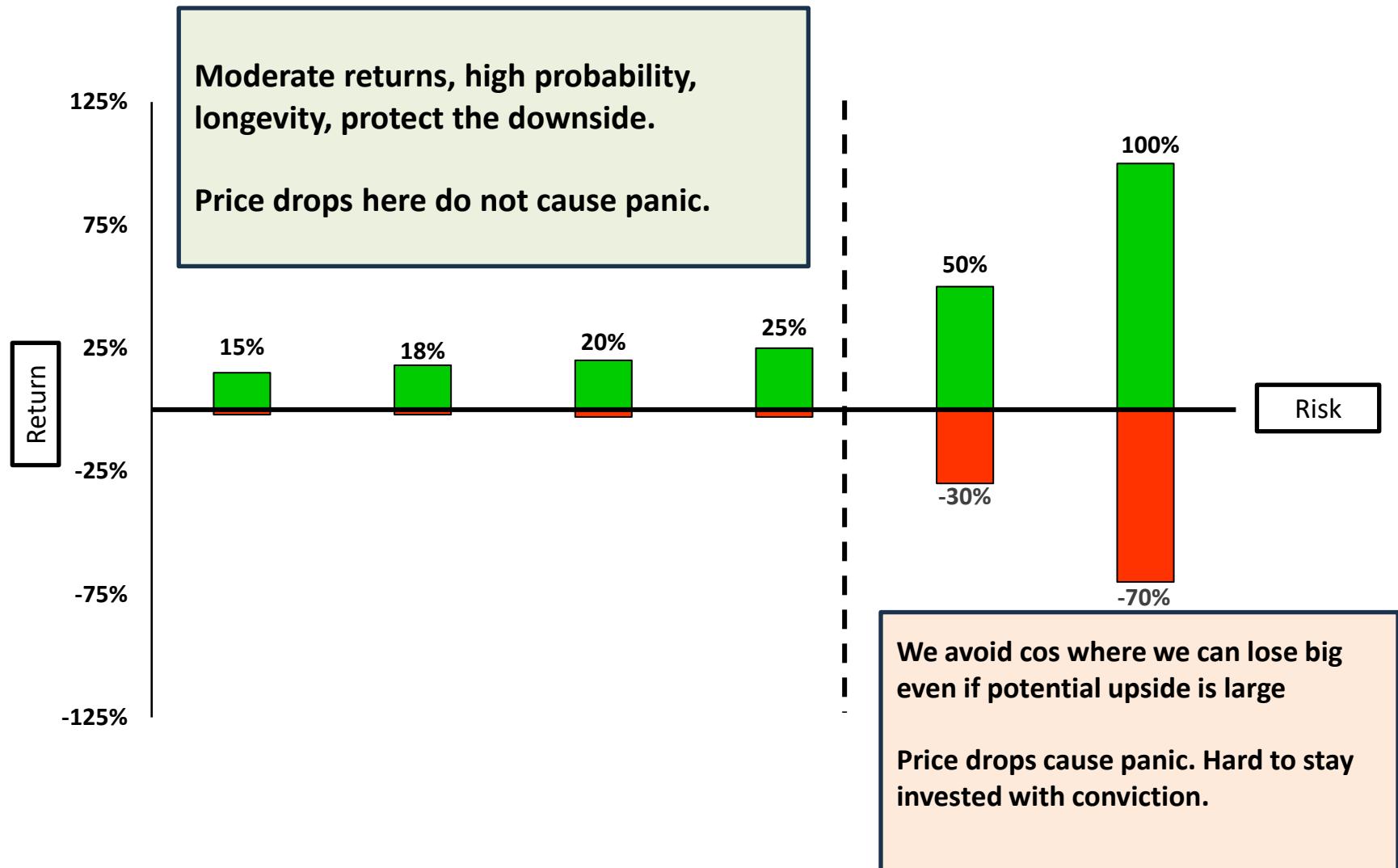


Over the long term, stock prices are slaves to earnings.

Hence, we aim to buy resilient growth stories that can compound earnings for long periods of time, at a broadly fair entry price

Think like owners. Exit when valuations euphoric

# WE WILL NEVER RISK RUIN FOR PROMISE OF HIGH RETURNS



# KEY ASPECTS OF OUR PROCESS

## Buying decision

Is this a company we would like to own for long periods of time?

What is its role in the portfolio? Stability (Dravid) or growth kicker (Rishabh)

What is a broadly fair entry price for the quality and its stage of evolution?

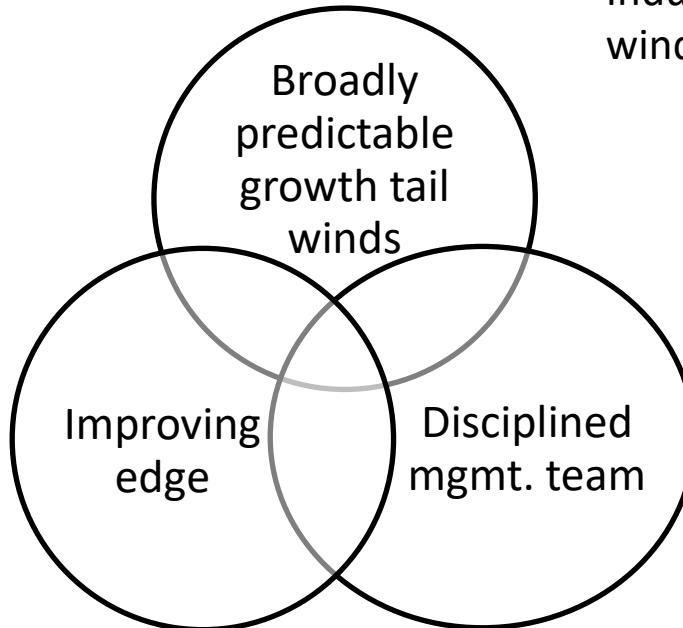
What is the right position size basis expected IRRs?

## Sell decision

Hold, trim or sell?

# CAN THIS COMPANY COMPOUND EARNINGS FOR LONG PERIODS OF TIME?

- Favourable industry structure
- Sector/niche Leadership
- Edge/competitive differentiation
- Ability to re-invest for growth (ROE > 15%)
- Better business today than yesterday

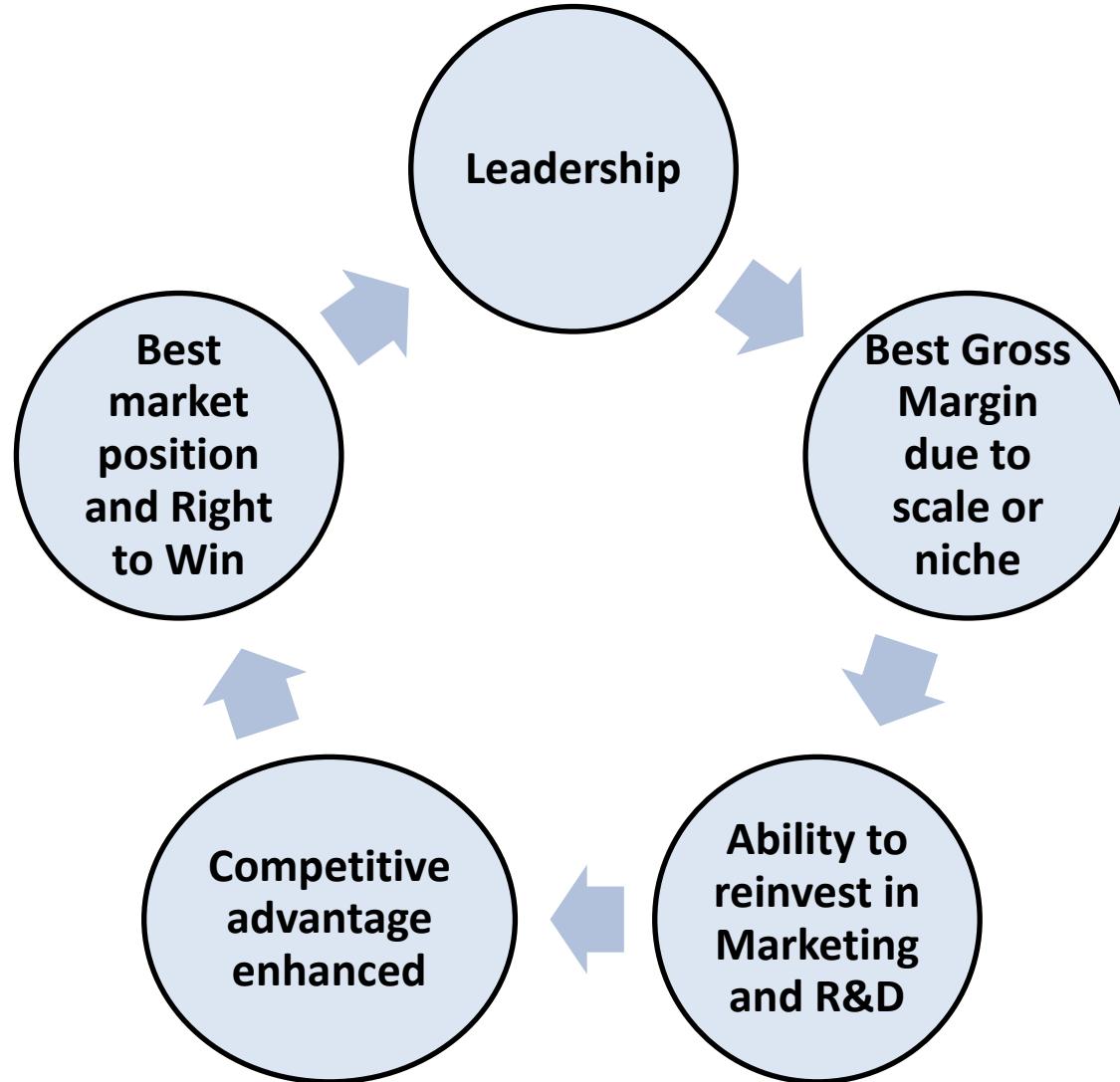


- Large addressable opportunity
- Industry with structural tail winds of growth
- Vision backed with granularity in thinking and “feet on the ground”
- Team depth beyond promoter
- Focus on few business lines
- Disciplined on Capital Allocation
- Prudent use of leverage

# WE LOOK FOR COS. BENEFITTING FROM SECULAR TAIL WINDS OF GROWTH

	Secular decadal theme	Sub Theme	Portfolio names
1	Opportunity to gain market share in global supply chains: Manufacturing/Services	Precision Engg.	RACL
		Specialty Chemicals	Kama, Yasho, Neogen
		Technical Textiles	Garware Technical
2	Growth with industry consolidation of market share in India	Banks	ICICI, HDFC, Axis
		Cement	
3	Greater deployment of Financialization of savings in risk Assets in India	AMCs/Wealth Mgmt	
		Services to support AMCs	
4	Convenience	Quick Commerce	
5	Digital Business Models and enablers of Digital	Telecom	Bharti Airtel
		B2B Services	India MART
6	Govt efforts for mitigation of inequality	Affordable Housing	
7	Discretionary consumption – “Affordable luxury”	Jewellery	
		QSR	RBA
		Outbound tourism	
8	Clean energy transition	Battery Chemicals	Neogen
9	Solutions that drive productivity in US Healthcare		
10	Massive increase in grid electrification		
11	Explosive use of GLP 1 Drugs for Weight Loss	Injectable devices	Shaily Engineering
		APIs	

# WE PREFER SECTOR LEADERS OR COS THAT DOMINATE A NICHE



# WE AVOID COMPANIES EARNING AN UNFAIR/UNSUSTAINABLE MARGIN WHICH CAN PLUMMET

Examples where margins under attack at present	Examples where Margins will come under attack shortly
Paints	Wealth Management
Commodity Chemicals	Capital Goods e.g. Transformers

# RED LINES

- <18% ROE on steady state economics, 15% for Banks.
- Promising stories but where steady state economics are not clear
- Deep cyclicals, unless available at very discounted prices
- Companies that lack focus resulting in mediocre positions in many business lines
- Companies where promoters take cues from stock prices
- Company with historical governance decisions that have impacted minority shareholders
- Companies very cheap but where we are not aligned with how promoters are building the business, or lack compounding
- High Debt burdens which threaten Equity holders interests

# PORTFOLIO DESIGN BALANCES STABILITY WITH HIGH GROWTH PROSPECTS

## Growth with Stability

- Leader, but more mature in growth life cycle
- Strong market position
- Robust business model and Balance Sheet
- Stable earnings growth

- 15% IRRs, high probability

- 35-50% allocation

## Growth with Longevity

- Leader in growing market
- Early in growth life cycle
- Strong prospects for earnings growth

- 18-20% IRRs, long periods of time, medium probability

- 35-50% allocation

## Growth with potential Asymmetric upsides

- Untracked companies with low liquidity
- Large opportunity + great leadership
- Potential for exponential earnings growth

- 25%+IRRs, medium probability

- 30-40% allocation

# EACH COMPANY HAS A ROLE IN THE PORTFOLIO

## Examples

### Growth with Stability

- HDFC Bank
- ICICI Bank
- Bharti Airtel
- Garware Technical Fibres

### Growth with Longevity

- IndiaMART
- RBA
- Neogen Chemicals
- RACL Gear Tech

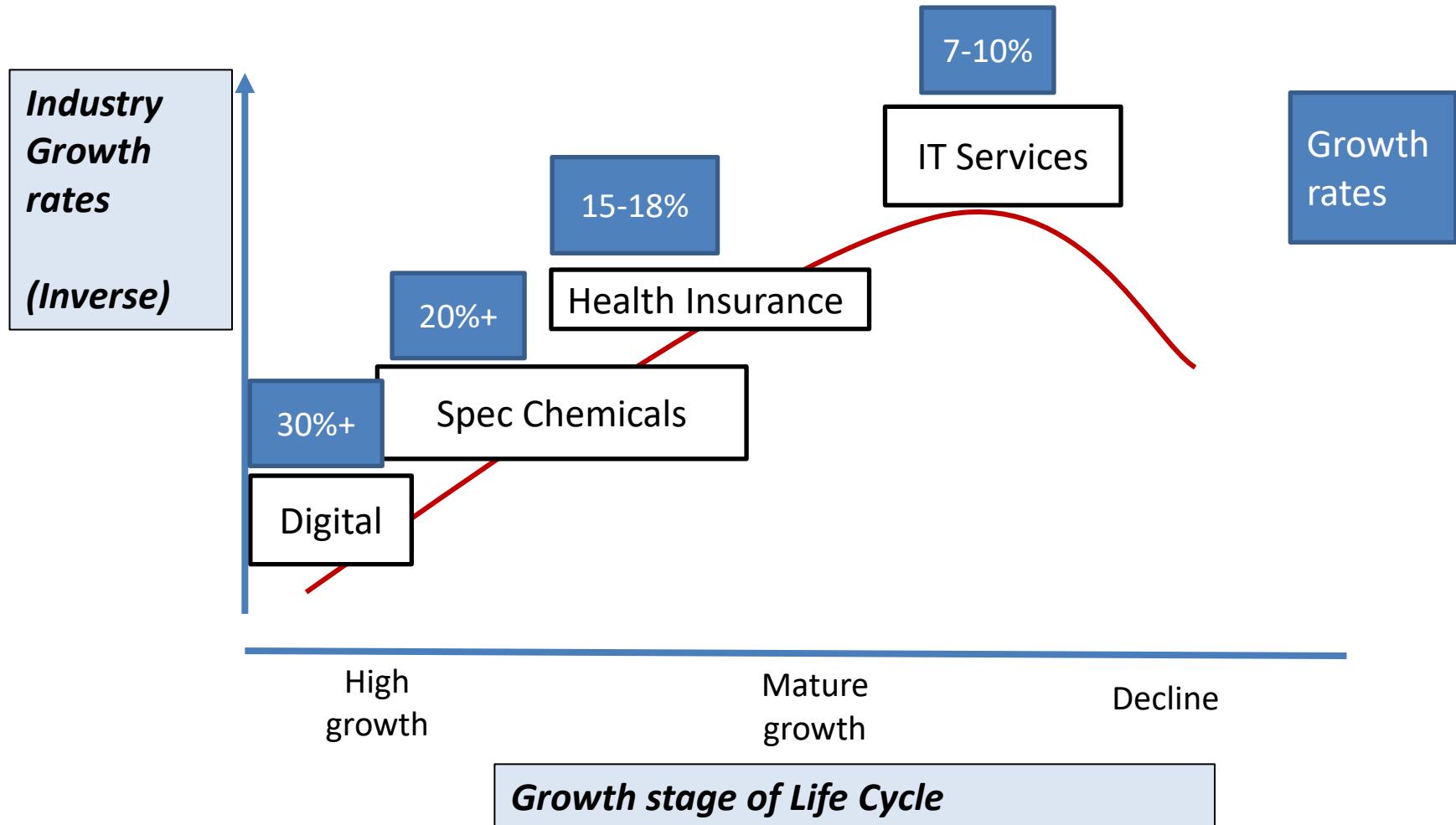
### Growth with potential Asymmetric upsides

- Yasho Industries
- Kama Holdings

Total Return  
Estimated over 5  
years

$$\text{Total Return} \text{ Estimated over 5 years} = \left[ \text{EPS Growth} \text{ estimated over 5 years} \times \text{Change in Valuation Multiple} \right] + \text{Dividends}$$

# FAIR VALUE DEPENDS ON STAGE OF GROWTH LIFE CYCLE + ROE



# HIGH VALUATION MULTIPLE CAN BE JUSTIFIED FOR COMPANIES VERY EARLY IN LIFE CYCLE

Basic thumb rule: approx fair 1 Yr Fwd PE		ROE								Cost of Equity 12%
		10%	12%	15%	20%	25%	30%	35%	40%	
Earnings growth for first 5 years	0%	8	8	9	9	9	10	10	10	Cost of Equity 12%
	10%	5	8	11	13	15	16	17	17	
	15%	3	8	12	17	20	21	23	24	
	20%	0	7	15	22	26	29	32	33	
	25%	-5	7	18	30	37	41	45	47	
	30%	-12	6	23	41	51	58	63	67	
	40%	-37	2	40	79	102	117	128	137	

Very few companies can compound earnings at 25% CAGR for long periods at 25%+ ROE.

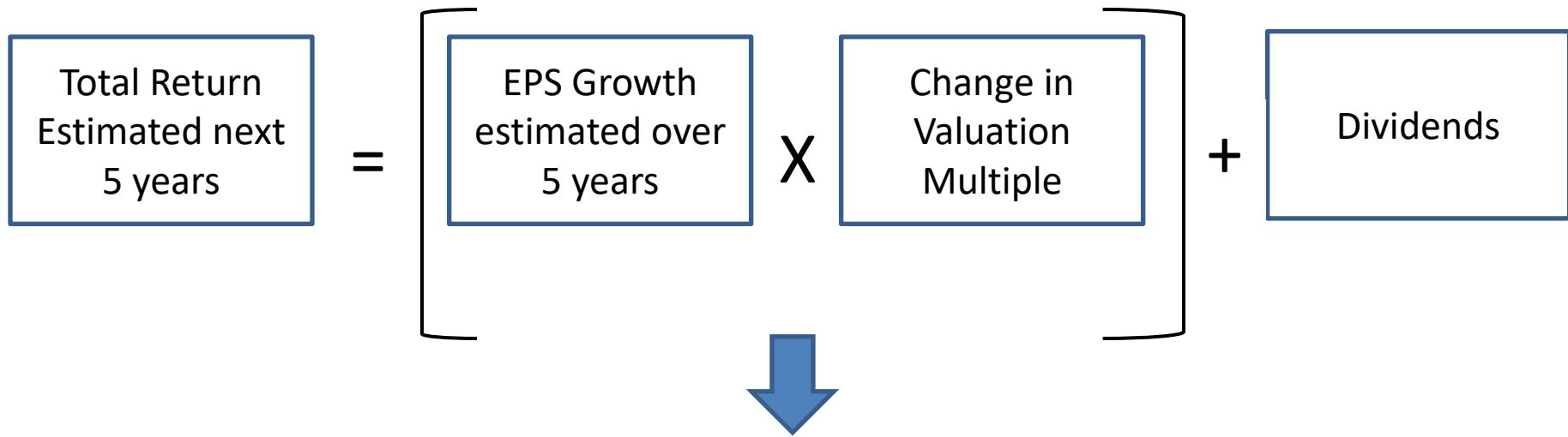
Hence, paying >40x PE is a rare exception for us.

However, quality is seldom cheap. Hence, nuance is critical.

# POSITION SIZING: WHERE IS THE COMPANY ON ITS EVOLUTION ?

	<b>Early</b> 			<b>Very evolved</b>
Stage of company evolution	Promise. But no clear edge	Deepening foundations Widening the moat	De-risked business model Depth in leadership Resilience	Flywheel starts spinning.
Position sizing in aggregate	<10%	15-20%	40-50%	35-40%
Good liquidity	5%	5%	6-8%	10-12%
Poor liquidity	3%	3%	4-6%	8%

# THE EXIT DECISION REQUIRES NUANCE BASIS EXPECTED IRR, OPTION VALUE AND LIQUIDITY



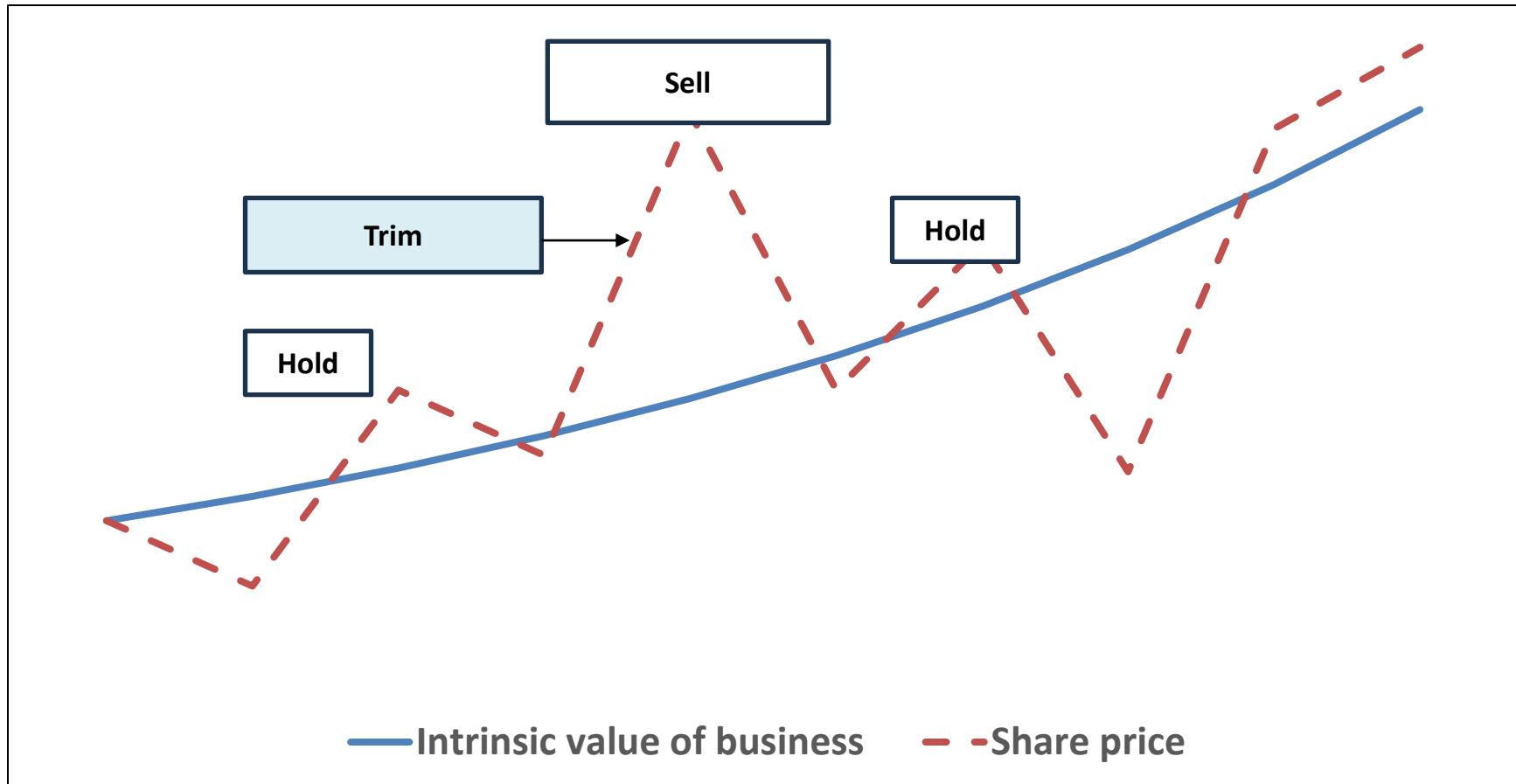
Can we see a path to 15% IRR over 5-10 years basis present business?

Is there visible Option value of new business lines that are hard to model/quantify?

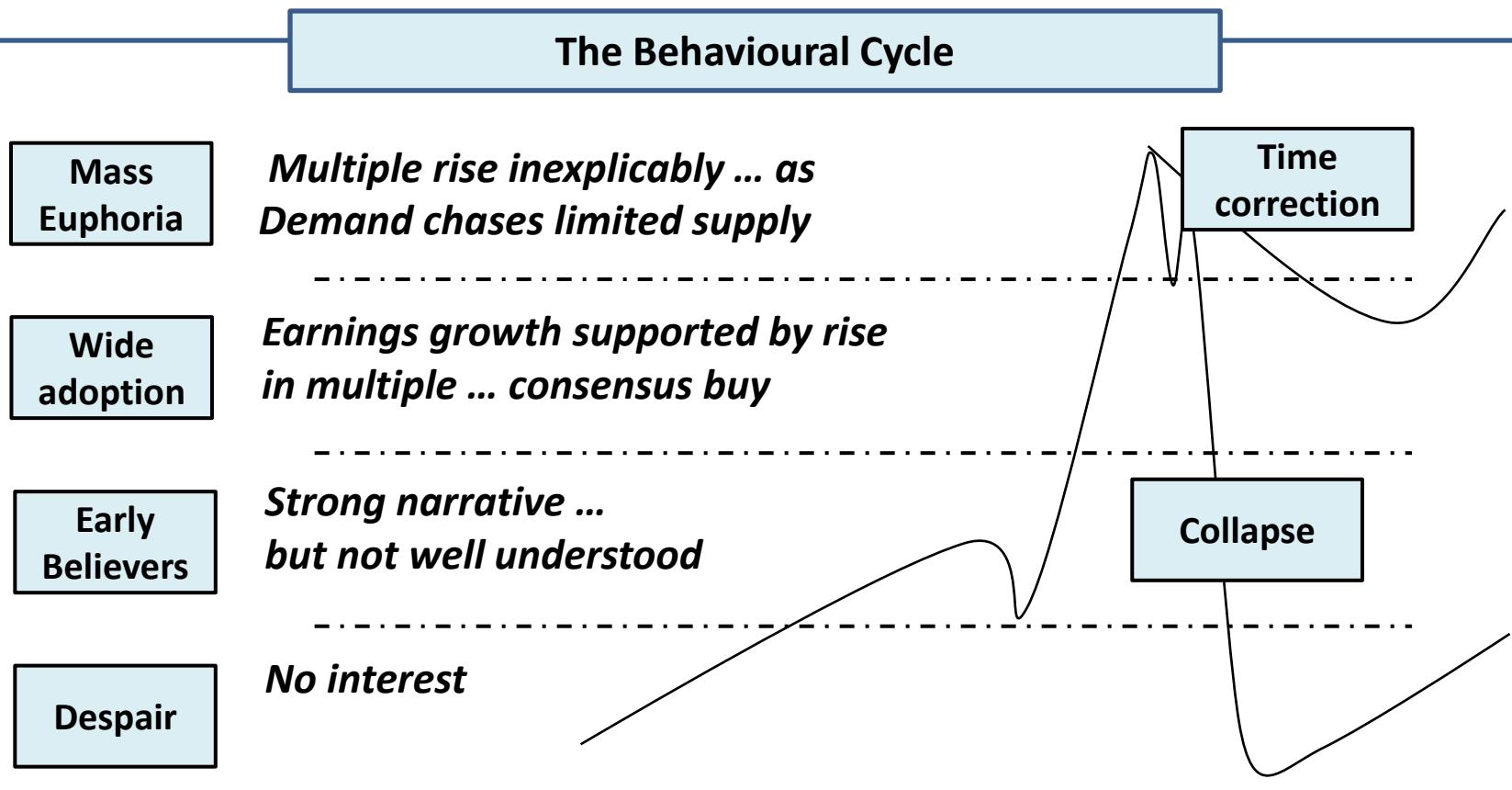
Will the market give us the liquidity to exit when we choose to?

Which decile would we grade these promoters?

# BIAS TO NOT EXIT QUICKLY AND RIDE WINNERS. WE TOLERATE SLIGHT OVERVALUATION FOR OUR COMPOUNDERS



# BIAS TO START TRIMMING IF VALUATIONS ARE EUPHORIC



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# SUMMARY APPROACH

- Quality: Ensures survival. Ensures we don't manic during market dislocations.
- Time. Think 5-10 years, not 1-3 years
- Concentration. 15-20 best ideas
- Valuation. Price paid matters. However, for companies at inflection points, fair value is hard to determine. Don't be greedy for the first 3% weight.
- Conviction. Do not hug the Index
- Use size to advantage. Be willing to embrace some illiquidity
- Discipline. Stay true to process when things not working. Trust in mean reversion.
- Exit: No foolish loyalty, but high bar for churn due to valuations. No ego if we are wrong.

# WE HAVE TWO SCHEMES WITH SAME STRATEGY THAT DIFFER ON LIQUIDITY AND CONCENTRATION RISK

Market Cap (Rs Crs)	Prudence (as of today)	Market Cap (Rs Crs)	Emerging Leaders
>100000	42%	>100000	
25000-100000	12%	25000-100000	
10000-25000	10%	10000-25000	
5000-10000	12%	5000-10000	20%
2500-5000	7%	2500-5000	
>2500	17%	>2500	80%
	100%		100%



Only for existing  
partners (closed at  
present for new  
inflows)

## ARE WE RIGHT FOR YOU ?

Definition of success: 1.5% Alpha over BSE 500 TRI over 5 years. We expect to lag markets in a raging bull market. We will not compromise on governance to chase higher returns.

You must be willing to think 5 years at a minimum.

We will embrace some illiquidity. If you choose to withdraw prematurely, exit may be at discounted prices.

Minimum 2.5 Cr investment corpus per family.

A PMS has “time value of money” tax disadvantages over a MF. It has advantages of “control” – Boutique nature, customization, less stress during times of market turmoil.

## FEE OPTIONS - PRUDENCE SCHEME

AUM		2.5 to 5 Cr	5 to 10 Cr	10 to 25 Cr	25 to 50 Cr
Fixed	On AUM	2%	1.75%	1.5%	1.25%
Semi Variable (profit share drawn after 3 yrs.)	Fixed fee on AUM	1%	1%	1%	1%
	Hurdle rate pre tax	12%	12%	12%	12%
	Profit share above hurdle rate	20%	17.5%	15%	12%
<p>Brokerage/GST/Incidental charges levied by the Custodian are at actuals. Additional 2bps for Custody &amp; Fund accounting.</p> <p>Fixed fee is calculated on the basis of daily average AUM &amp; charged quarterly.</p> <p>Please refer to the appendix for a detailed note on performance fees.</p>					

## FEE OPTION- EMERGING LEADERS SCHEME

AUM	2 Cr & above
Semi Variable (profit share drawn after 5 yrs)	Fixed fee on AUM 1%
	Hurdle rate pre tax 12.5%
	Profit share above hurdle rate 20%
<p>Unlike Prudence, exit loads apply. Brokerage/GST/Incidental charges levied by the Custodian are at actuals. Additional 2bps for Custody &amp; Fund accounting. Fixed fee is calculated on the basis of daily average AUM &amp; charged quarterly Please refer to the appendix for a detailed note on performance fees.</p>	

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# APPENDIX

- Our billing cycle for performance fee is every three years for partners invested in the Prudence scheme & every five years for partners invested in the Emerging Leaders scheme.
- For clients invested in the **Prudence scheme** on a **fully variable fee**, a performance fee is charged **only if the portfolio return exceeds the hurdle rate over the cycle**.
- For clients in the **Prudence scheme** on a **semi-variable fee**, the performance fee is applicable **if both the hurdle rate and the benchmark are exceeded** during the cycle.
- For clients invested in the Emerging Leaders scheme on a **semi-variable fee**, a performance fee is charged **if returns exceed both the hurdle rate and the benchmark** over the cycle.
- Additionally, for clients invested in either scheme with a performance fee component in their fee structure, a performance fee will be levied upon termination of the agreement, provided the portfolio return exceeds the hurdle rate.