



BHARGAV BUDDHADEV

EXECUTIVE DIRECTOR
AMBIT ASSET MANAGEMENT

Strategy AUM (Rs): 450+ Cr (As on 30th September 2026)

No Of Investment Approach: 1

- AMBIT MICRO MARVELS PORTFOLIO

ABOUT BHARGAV BUDDHADEV



What was the first micro-cap multibagger in your personal portfolio?

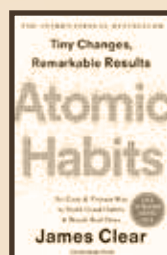
It was Safari Industries. I liked the promoter pedigree (*ex MD of VIP Industries*) and the strong relationship he had with the channel partners which is very important for any Indian brand to succeed. Secondly they invested in talent early on and gave ESOPs to retain them which helped build the growth longevity.

What inspired you to create the Beachcombing Series?

In India there are many micro-cap companies (*outside of top 750 companies by market cap*) which are market leaders in their niche industry segment with strong ROEs, strong balance sheets and manufacturing prowess. Given the influx of family offices in India there

is a huge demand for such companies and hence we launched this series.

YOUR BOOK(S) RECOMMENDATION



ATOMIC HABITS

- James Clear

DEEP WORK

- Cal Newport



CLEAR THINKING

- Shane Parrish

ABOUT THE BROAD MARKET



Have the recent corrections created meaningful valuation opportunities in Micro caps?

Yes, indeed given the portfolio earnings growth for our strategy has been **>20% CAGR since inception (July'24)** and the **2 year** return is negative given market environment. The current macro uncertainty benefits our companies given **>60% of the portfolio comprises of top 3 players** in their respective industry and balance sheet is virtually debt free.

What are your expectations for Q2 FY27 performance?

Q2 FY27 could see some moderation in profitability, as elevated crude oil prices may put pressure on margins

across certain sectors. In 1QFY27 there was benefit of low-cost inventory which may not be the case in 2QFY27. Secondly, inflation and freight cost has also increased in 2QFY27 vs 1QFY27 denting purchasing power.

What is the biggest behavioural mistake investors make when entering the micro-cap segment?

The biggest behavioral mistake is panicking during market downturns. As the least liquid segment of the market, micro-caps often experience sharper declines when liquidity dries up. However, when the underlying business fundamentals remain intact, such periods can present opportunities to increase allocation rather than pruning it.



ABOUT THE FUNDS



At what stage do you go from screening 1,000 micro-caps to developing conviction in just 20?

We use our scuttlebutt approach very actively in narrowing down to investible names. Given most of our stocks are B2B, we try to interact with their customers to understand the longevity of the relationship alongside the probability of pursuing opticalities. We also try to meet with unlisted competitors to understand key entry barriers in the sector.

When a micro-cap offers exceptional upside but carries a high probability of failure, what determines whether it deserves a small position, a meaningful allocation, or no investment at all?

We document the investment thesis and list down key catalysts which can play out over the investment period of 3/5 years. As these catalysts start playing out, we increase our allocation. We also look at behaviour changes before increasing allocation like hiring senior professionals, increase in promoter shareholding, reduction in related party transactions etc.

If “Good” creates the upside and “Clean” protects the downside, how do you decide which one deserves greater weight when the two come into conflict?

When the two come into conflict, we generally place greater emphasis on being “**Clean.**” We believe protecting capital is more important because drawdowns in micro caps can be very sharp. Resultantly we are also extremely valuation focused and try to keep the portfolio PEG ratio to below 1x on a 1 year forward basis.



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