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## Dolly Khanna Bets on High-Dividend Smallcap Stocks in Shift from Growth Strategy

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Ace investor Dolly Khanna, widely recognized for her strategic investments in small and mid-cap companies, has added two high-dividend smallcap stocks to her portfolio in a move that signals a shift toward income-generating investments. Her latest disclosures for the June 2025 quarter reveal new stakes in Sarla Performance Fibers Ltd and Southern Petrochemicals Industries Corporation Ltd (SPIC).

Known for identifying undervalued companies with long-term growth potential, Khanna appears to be diversifying her approach by targeting companies offering stable dividend yields. In the first quarter of FY26, she acquired a 1.04 percent stake in Sarla Performance Fibers and around 1.7 percent in SPIC. Both firms are known for their strong cash flow positions and above-average dividend yields, offering investors income stability along with the potential for capital appreciation.

Sarla Performance Fibers, which manufactures high-performance yarns, has shown consistent growth and offers a dividend yield estimated at 2.6 percent. SPIC, operating in the fertilizer and petrochemicals sector, is also known for regular dividend payouts and stable operating margins, supported by demand in the agriculture sector.

Dolly Khanna's overall portfolio has surged in value in FY26, growing approximately 42 percent over the past four months to nearly ₹555 crore. One of her standout investments has been Mangalore Chemicals & Fertilizers, where she holds a 3.33 percent stake. The stock has delivered over 100 percent returns in recent months, further cementing her reputation for timely picks.

Apart from the new additions, she has re-entered Coffee Day Enterprises with a 1.55 percent stake and increased her holding in Prakash Industries to 2.27 percent. These moves have drawn investor attention, with stock prices seeing notable traction following the disclosures.

Market analysts believe Khanna's latest strategy reflects a balanced approach aimed at capturing both capital growth and dividend income. In times of market uncertainty, dividend-paying smallcaps can provide a cushion against volatility, making them attractive to both institutional and retail investors.

Dolly Khanna's portfolio changes are closely followed by market participants due to her strong track record. Her entry into these high-dividend smallcaps may lead to renewed interest and re-rating of the stocks in the near term, highlighting her continued influence in the Indian equity landscape.