

Strategy

September 11, 2023

Mad (-cap.) dash

We see limited point in trying to find fundamental reasons behind the steep increase in stock prices of several mid-cap. and small-cap. stocks. There is no meaningful change in the fundamentals of most companies; in fact, they have worsened in many cases. The primary driver of the rally appears to be irrational exuberance among investors, with high return expectations (and purchase decisions) being driven by the high returns of the past few months.

Varying degrees of exuberance in the mid-and-small-cap. space

We do not see many fundamental reasons for the meteoric rise in the stock prices of many mid-cap. and small-cap. stocks in the past few months. The fundamentals of most sectors have not changed much. However, market sentiment is quite exuberant, based on (1) steep increase in the prices of many mid-cap. and small-cap. stocks (see Exhibits 1-2), (2) large inflows into mid-cap. and small-cap. mutual funds (see Exhibit 3) and (3) huge number of new retail participants in the mid-cap. and small-cap. funds (see Exhibit 4). The strong performance of the mid-cap. and small-cap. indices (see Exhibit 5) has possibly pushed up return expectations among retail investors.

Stocks with great history (but potentially less favorable future)

Most of the traditional favorite mid-cap. stocks of institutional investors in the broader 'consumption' sector have been large laggards in the ongoing mid-cap. rally (see Exhibit 6), given weak consumption demand in general. However, the valuations of these companies have stayed high or gone to historical-high levels (see Exhibit 7) due to earnings cuts. We see risks of (1) lower profitability and (2) lower valuation multiples due to weakening business models (erosion of business moats of brand, distribution market structure and product).

Stocks with great purported future (but mediocre history)

Many of the new favorite mid-and-small-cap. stocks of institutional and retail investors are in the broader 'investment' sector (capital goods, defense, EMS, railways, real estate, renewables). These stocks have delivered eye-popping returns in the past 3-6 months (see Exhibit 8), led by the broader 'investment' narrative. We expect a decent investment cycle, but we are not sure about the quality of many of the stocks given their historical weak execution and governance track-records. In addition, many of these sectors fall in the B2G (business-to-government) or B2B categories, which raises issues around execution and profitability both. We believe that market expectations for both revenues and profitability may be too optimistic across these sectors.

Stocks with no history or possibly future (but why not?)

The last lot of the new favorite mid-and-small-cap. stocks fall in the dubious category of 'turnaround' stories. Many of these companies have been through serious operational and financial challenges (including bankruptcy) in the recent past, but the market has high hopes of these companies doing well in the future. We are not sure of the basis of the market's confidence.

Key estimates summary

	2023	2024E	2025E
Nifty estimates			
Earnings growth (%)	11.1	15.9	12.9
Nifty EPS (Rs)	826	945	1,079
Nifty P/E (X)	24.0	21.0	18.4
Macro data			
Real GDP (%)	7.2	6.2	6.3
Avg CPI inflation (%)	6.7	5.6	4.5

Source: CEIC, Companies, Kotak Institutional Equities estimates

Quick Numbers

Nifty Midcap index is up 20% and 32% and Nifty Smallcap Index is up 23% and 35% in the past three and six months

Mid-cap. and small-cap. funds of domestic equity mutual funds have seen inflows of Rs215 bn, large-cap. and flex-cap. funds have seen outflows of Rs60 bn in the past four months

6.4 mn new folios opened in mid-cap. and small-cap. equity mutual funds in the past 12 months (34% increase)

Related Research

- Strategy: EMs at crossroads
- Strategy: Growing disconnect between
- Strategy: Mid-caps: From narrative to

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Dropping the recommended mid-cap. portfolio

We are dropping our recommended mid-cap. portfolio since we cannot find too many stocks beyond the BFSI space that offer decent potential upside to our 12-month Fair value. As can be seen in Exhibit 9 (our last recommended portfolio), most of the non-BFSI stocks are trading above at around our 12-month Fair Values. The valuations of stocks in our favorite capital goods, healthcare, QSR and real estate sectors discount growth for the next few years and leave absolutely no room for any disappointment. We would have had to remove these stocks from the portfolio anyway, as it would be incorrect to recommend stocks with low conviction and potential downside to our Fair Values, which would have left a portfolio comprising BFSI stocks largely.

Many of the stocks have jumped in the past few months (some within weeks of inclusion in the portfolio). We have changed the portfolio frequently in the past few months to keep up with rampant stock prices, but have largely run out of options now. It is obvious that we have not developed some special stock-picking skills recently. In our view, the steep increase in stock prices simply reflects the irrational exuberance of investors in the mid-cap. and small-cap. parts of the market.

Steep increase in stock prices of several mid-cap. stocks

Exhibit 1: 1M, 3M, 6M and CYTD performance of stocks in Nifty Midcap Index (sorted on 6M basis)

Company Name	GICS sector	Performance (%)				Company Name	GICS sector	Performance (%)			
		1M	3M	6M	YTD			1M	3M	6M	YTD
NSE Midcap 100 Index		8	20	32	30						
1 IRFC	Financials	53	131	175	137	51 NHPC	Utilities	7	18	27	33
2 REC	Financials	24	85	117	132	52 L&T Technology	Industrials	9	22	27	26
3 Adani Power	Utilities	32	32	98	23	53 Patanjali Foods	Consumer Staples	(4)	26	26	8
4 BHEL	Industrials	47	72	86	83	54 LIC Housing Finance	Financials	5	22	26	9
5 Aurobindo Pharma	Health Care	(1)	28	86	96	55 Ashok Leyland	Industrials	(0)	20	26	28
6 PFC	Financials	13	55	81	116	56 MRF	Consumer Discretionary	1	12	25	23
7 Dixon Technologies	Consumer Discretionary	5	26	76	31	57 Fortis Healthcare	Health Care	4	21	25	19
8 Lupin	Health Care	4	39	70	54	58 NMDC	Materials	28	31	24	16
9 Polycab India	Industrials	11	48	68	102	59 Whirlpool India	Consumer Discretionary	14	17	23	12
10 IDFC First Bank	Financials	9	32	65	62	60 Persistent System	Information Technology	23	21	22	54
11 Prestige Estates	Real Estate	8	23	62	40	61 The Ramco Cement	Materials	6	(2)	22	29
12 Escorts Kubota	Industrials	23	47	59	49	62 Coromandel International	Materials	6	17	21	27
13 Trent	Consumer Discretionary	22	31	55	54	63 Bata India	Consumer Discretionary	(2)	9	20	5
14 Tata Communications	Communication Services	12	33	55	48	64 Union Bank (I)	Financials	(2)	23	20	10
15 Shriram Finance	Financials	5	38	54	42	65 Biocon	Health Care	(2)	10	19	2
16 CG Power	Industrials	12	21	51	68	66 MMFSL	Financials	3	6	19	29
17 Vodafone Idea	Communication Services	27	43	51	33	67 Tube Investments	Consumer Discretionary	10	16	19	19
18 Devyani International	Consumer Discretionary	15	22	46	23	68 Apollo Tyres	Consumer Discretionary	(13)	(4)	19	18
19 One 97	Financials	9	17	46	71	69 Aditya Birla Cap	Financials	1	9	18	24
20 Syngene International	Health Care	2	16	46	43	70 Balkrishna Industries	Consumer Discretionary	1	6	17	13
21 Godrej Properties	Real Estate	9	19	43	38	71 Container Corp.	Industrials	(0)	5	17	(4)
22 JSW Energy	Utilities	36	49	42	37	72 Jubilant Food.	Consumer Discretionary	5	10	16	4
23 Zee Entertainment	Communication Services	16	41	41	15	73 AU Small Finance	Financials	2	(3)	16	12
24 L&T Finance Holdings	Financials	2	22	41	48	74 HPCL	Energy	(2)	(2)	16	11
25 Piramal Enterprises	Financials	7	39	40	32	75 Bank of India	Financials	8	25	16	5
26 PB Fintech	Financials	5	27	40	78	76 Tata Elxsi	Information Technology	3	(6)	16	17
27 Sun TV Network	Communication Services	14	38	40	27	77 Dr Lal Pathlabs	Health Care	(6)	10	16	(2)
28 Tata Teleservices	Communication Services	23	22	39	3	78 United Breweries	Consumer Staples	8	13	15	(1)
29 Max Healthcare	Health Care	8	8	38	37	79 Alkem Lab	Health Care	(12)	5	15	21
30 Torrent Power	Utilities	10	9	37	47	80 Mphasis	Information Technology	5	32	15	25
31 Max Financial	Financials	15	33	36	38	81 SAIL	Materials	7	18	13	20
32 Oracle Financial	Information Technology	10	23	34	44	82 Ipca Lab	Health Care	(1)	23	13	7
33 Gland Pharma	Health Care	5	78	34	7	83 Abbott India	Health Care	(3)	6	12	8
34 Indian Bank	Financials	(1)	37	34	36	84 Navin Fluorine	Materials	4	2	10	15
35 TVS Motor Co.	Consumer Discretionary	11	12	33	36	85 Yes Bank	Financials	9	10	10	(11)
36 Motherson Wiring	Consumer Discretionary	10	16	33	14	86 Honeywell Auto	Information Technology	(7)	(5)	9	(6)
37 Zydus Lifescience	Health Care	(4)	22	33	50	87 Petronet LNG	Energy	11	12	9	16
38 Bharat Forge	Consumer Discretionary	22	35	32	26	88 Federal Bank	Financials	9	17	9	6
39 Poonawalla Fin	Financials	(13)	10	32	26	89 Indraprastha Gas	Utilities	5	4	8	16
40 Delhivery	Industrials	6	23	32	32	90 Tata Chemicals	Materials	7	8	7	16
41 Astral	Industrials	(3)	(2)	31	30	91 Bandhan Bank	Financials	4	(6)	6	4
42 Indian Hotels Co	Consumer Discretionary	11	13	31	35	92 Oil India	Energy	3	11	5	35
43 Sonata BLW	Consumer Discretionary	6	12	31	41	93 Cummins India	Industrials	1	(1)	5	27
44 Oberoi Realty	Real Estate	7	22	30	36	94 Hindustan Zinc	Materials	0	5	3	(0)
45 Punjab National Bank	Financials	8	29	30	18	95 Crompton Greaves Consumer	Consumer Discretionary	4	13	3	(6)
46 Coforge	Information Technology	11	27	30	43	96 Voltas	Industrials	11	12	(1)	13
47 Laurus Labs	Health Care	(0)	18	30	9	97 Aditya Birla Fashion	Consumer Discretionary	14	14	(3)	(20)
48 Trident	Consumer Discretionary	27	21	29	18	98 Gujarat Fluorochem	Materials	12	(4)	(4)	(1)
49 Deepak Nitrite	Materials	11	11	27	17	99 Gujarat Gas	Utilities	(1)	(3)	(8)	(4)
50 Dalmia Bharat	Materials	15	9	27	25	100 Mankind Pharma	Health Care	(1)	21	NA	NA

Source: Bloomberg

Steep increase in stock prices of several small-cap. stocks

Exhibit 2: 1M, 3M, 6M and CYTD performance of stocks in Nifty Smallcap Index (sorted on 6M basis)

Company Name	GICS sector	Performance (%)				Company Name	GICS sector	Performance (%)			
		1M	3M	6M	YTD			1M	3M	6M	YTD
NSE Smallcap Index		9	23	35	32						
1 Mazagon Dock	Industrials	22	120	198	179	51 Indiamart	Industrials	1	16	31	49
2 BSE	Financials	50	137	184	143	52 UCO Bank	Financials	26	28	29	11
3 Suzlon Energy	Industrials	29	80	180	127	53 Latent View	Industrials	21	36	28	23
4 Rail Vikas	Industrials	31	30	154	139	54 Karur Vysya Bank	Financials	4	18	28	15
5 Cochin Shipyard	Industrials	82	123	151	126	55 Manappuram Finance	Financials	0	28	27	24
6 Kalyan Jewellers	Consumer Discretionary	39	120	110	95	56 CDSL	Financials	4	23	27	15
7 FACT	Materials	9	58	110	39	57 Bharat Dynamics	Industrials	7	3	26	26
8 Cyient	Information Technology	13	32	88	120	58 Vardhman Textile	Consumer Discretionary	15	12	25	21
9 Glenmark Pharma.	Health Care	(6)	20	82	83	59 India Cements	Materials	16	15	23	14
10 Birlasoft	Information Technology	15	55	81	74	60 Sapphire Foods	Consumer Discretionary	10	9	23	13
11 Welspun India	Consumer Discretionary	8	27	76	60	61 Multi Commodity Exchange	Financials	13	17	22	16
12 Graphite India	Industrials	19	36	75	39	62 National Aluminium	Materials	6	19	22	25
13 MRPL	Energy	12	46	74	69	63 KRBL	Consumer Staples	14	25	22	15
14 NLC India	Utilities	14	42	72	64	64 Carborundum Universal	Materials	4	1	21	38
15 Century Textiles	Materials	4	35	69	51	65 UTI AMC	Financials	3	10	21	(8)
16 Angel One	Financials	10	28	65	43	66 Route Mobile	Information Technology	6	5	19	29
17 Hindustan Copper	Materials	14	47	64	52	67 Triveni Engineering	Consumer Staples	15	18	19	23
18 NBCC	Industrials	24	43	64	54	68 PVR Inox	Communication Services	15	29	18	8
19 HUDCO	Financials	12	31	64	48	69 Medplus Healthcare	Consumer Staples	(11)	(0)	18	32
20 Tanla Platforms	Information Technology	(11)	24	61	46	70 Laxmi Organic	Materials	17	15	17	4
21 Intellect Design	Information Technology	7	26	60	62	71 Jubilant Ingrevia	Materials	19	20	17	(3)
22 IDFC	Financials	9	28	59	59	72 Qess Corp	Industrials	2	(1)	16	4
23 Raymond	Consumer Discretionary	6	31	59	41	73 Amara Raja Batteries	Industrials	5	5	16	15
24 Jindal Stainless	Materials	25	56	58	106	74 VIP Industries	Consumer Discretionary	5	14	15	4
25 Rites	Industrials	21	44	56	62	75 GNFC	Materials	17	11	13	15
26 Bank of Maharashtra	Financials	16	39	53	37	76 GMM Pfaudler	Industrials	22	23	13	14
27 CreditAccess Grameen	Financials	(1)	16	51	57	77 HFCL	Communication Services	8	11	12	3
28 Amber Enterprises	Consumer Discretionary	19	46	50	60	78 IRB Infra	Industrials	30	20	12	15
29 TV18 Broadcast	Communication Services	23	30	50	32	79 Metropolis Healthcare	Health Care	2	10	9	7
30 Firstsour.Solu.	Industrials	15	31	48	65	80 Granules India	Health Care	(3)	12	8	(2)
31 Exide Industries	Consumer Discretionary	5	31	47	52	81 CAMS Services	Industrials	4	14	7	11
32 KEI Industries	Industrials	4	18	47	72	82 Mahanagar Gas	Utilities	(1)	3	7	26
33 KEC International	Industrials	7	28	46	37	83 Elgi Equipments	Industrials	(3)	(8)	6	17
34 Birla Corp.	Materials	6	7	46	33	84 Radico Khaitan	Consumer Staples	(10)	4	3	24
35 Central Bank	Financials	27	44	46	22	85 Shree Renuka Sugar	Consumer Staples	13	19	3	(10)
36 IDBI Bank	Financials	10	30	45	30	86 Deepak Fertilizers	Materials	21	17	2	(7)
37 Praj Industries	Industrials	10	31	44	46	87 Balrampur Chini	Consumer Staples	3	3	2	3
38 Bikaji Foods	Consumer Staples	9	35	44	21	88 Balaji Amines	Materials	1	3	1	(17)
39 Tejas Networks	Information Technology	7	26	42	55	89 Sterlite Technologies	Information Technology	11	11	(0)	(3)
40 Piramal Pharma	Health Care	7	23	42	(6)	90 JK Lakshmi Cement	Materials	4	(7)	(3)	(17)
41 J B Chemicals	Health Care	9	30	42	43	91 Chambal Fertilisers	Materials	3	2	(3)	(9)
42 KPIT Technologies	Information Technology	2	3	42	65	92 EID Parry	Materials	8	10	(3)	(9)
43 RBL Bank	Financials	6	34	41	30	93 Redington	Information Technology	7	(9)	(4)	(8)
44 Can Fin Homes	Financials	5	4	37	45	94 Indian Energy Exchange	Financials	10	4	(5)	1
45 IIFL Finance	Financials	4	27	37	28	95 Borosil Renewables	Information Technology	(9)	(17)	(5)	(14)
46 Global Health	Health Care	2	15	35	48	96 City Union Bank	Financials	(1)	6	(6)	(27)
47 CESC	Utilities	19	30	33	22	97 Aegis Logistics	Energy	(4)	2	(10)	1
48 Anupam Rasayan	Materials	6	(9)	32	45	98 Easy Trip	Consumer Discretionary	(5)	(13)	(22)	(27)
49 PNB Housing	Financials	6	24	31	53	99 Campus Activewe.	Consumer Discretionary	8	(2)	(22)	(24)
50 IOB	Financials	24	31	31	2	100 Brightcom Group	Communication Services	(43)	(39)	(37)	(53)

Source: Bloomberg

Retail investors are pouring money into mid- and small-cap. funds in India

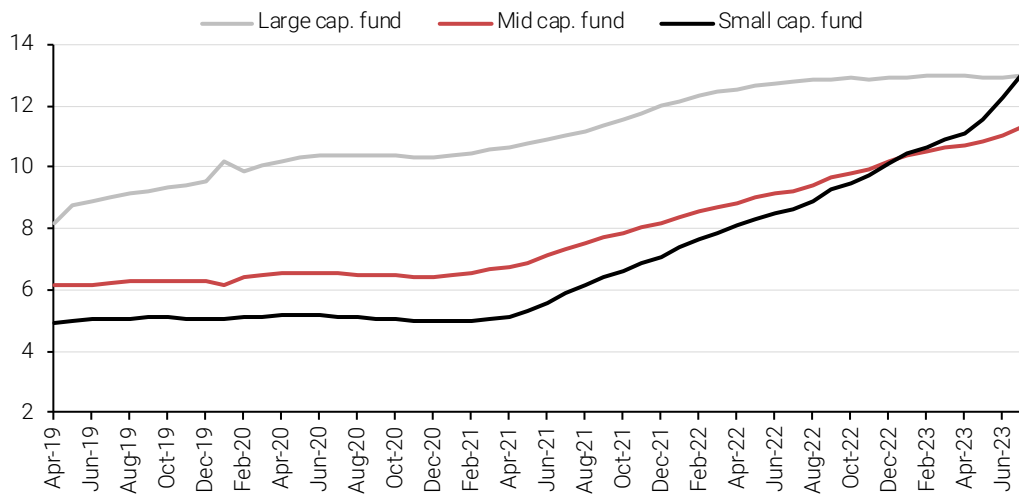
Exhibit 3: Net inflows to various categories of domestic mutual funds in India, calendar year-end, 2020-23 (Rs bn)

	Flows (Rs bn)											
	2020	2021	2022	2023	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	
Flexi cap. fund	-	179	220	31	10	18	11	6	(4)	(0)	(9)	
Large cap. fund	(24)	29	137	(33)	7	4	9	1	(14)	(20)	(19)	
Large & mid Cap. fund	18	87	200	95	19	17	16	7	11	11	13	
Mid cap. fund	5	106	205	119	16	18	21	18	12	17	16	
Small cap. fund	14	38	198	220	23	22	24	22	33	55	42	
Sectoral/thematic funds	83	255	209	110	9	39	39	6	(2)	5	14	
Value/contra/focused	(3)	60	184	38	9	10	13	2	(4)	12	(4)	
Dividend yield/ELSS/multi cap. fund	(3)	213	258	165	32	30	71	4	(1)	7	23	
Total	91	967	1,610	748	125	157	205	65	32	86	76	

Source: AMFI

Sharp jump in the number of folios of mid-cap. and small-cap. funds in the past few months

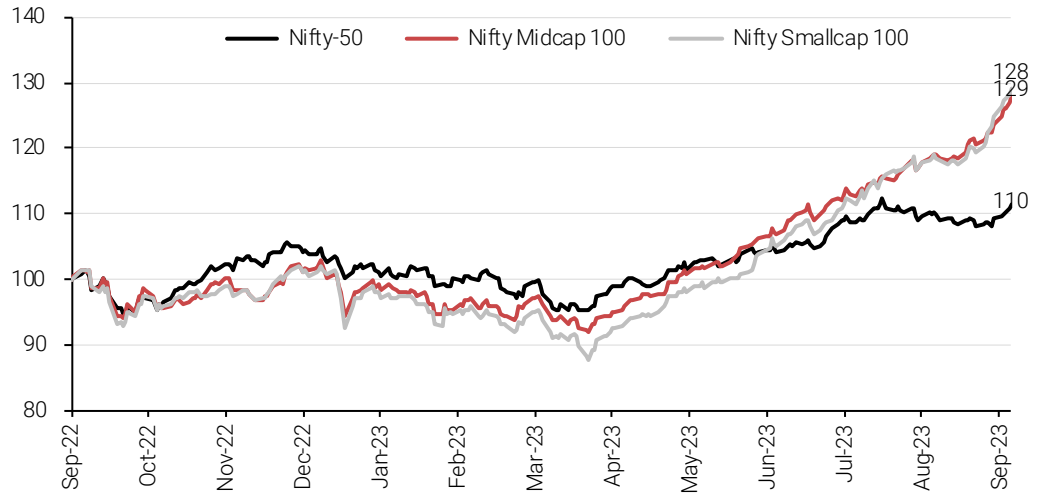
Exhibit 4: No. of folios under large-cap., mid-cap. and small-cap. funds, March fiscal year-ends, 2019-23 (mn)



Source: AMFI

Mid-cap. and small-cap. indices outperformed Nifty-50 Index over the past few months

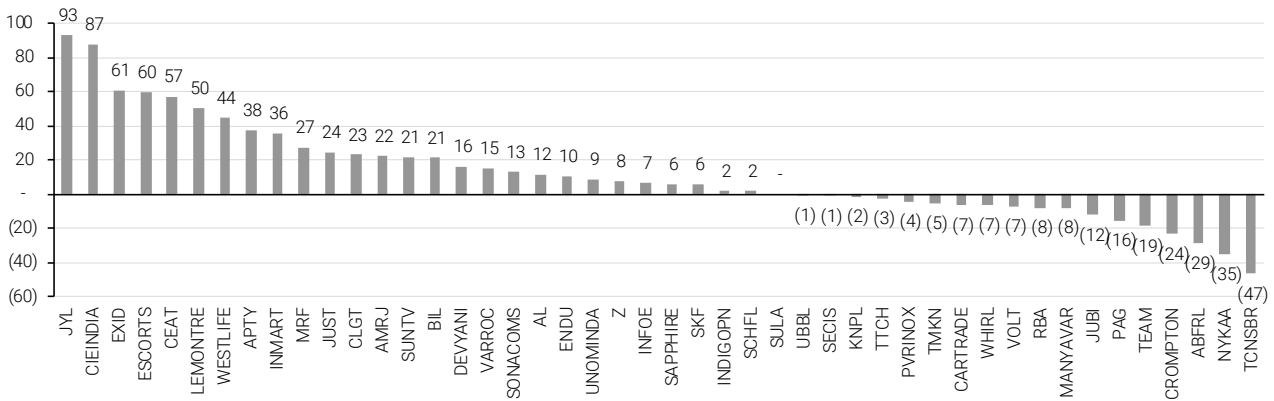
Exhibit 5: Performance of Nifty-50, Nifty Midcap 100, Nifty Smallcap 100 indices over the past one year (base=100)



Source: Bloomberg

The traditional favorite mid-cap. stocks in the market's preferred consumption sector have been large laggards in the ongoing mid-cap. rally

Exhibit 6: 1-year performance of mid-cap. 'consumption' stocks (%)



Source: Bloomberg, Kotak Institutional Equities

Most mid-cap. consumption stocks are trading at expensive valuations, which is surprising, given weak demand conditions and growing disruption risks

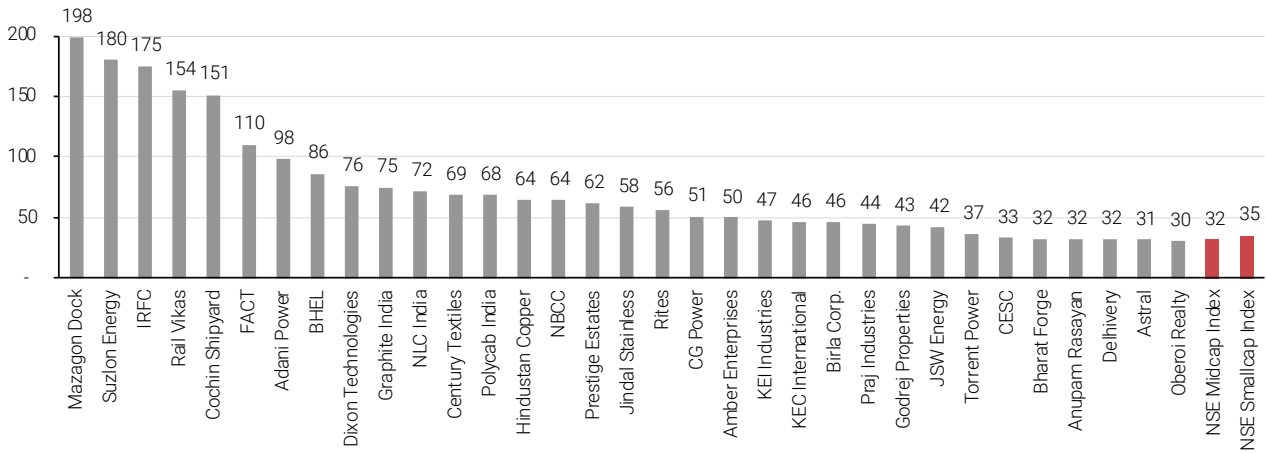
Exhibit 7: 12-m forward P/E multiple of mid-cap. consumption stocks in KIE universe, March fiscal year-ends, 2011-24E

Company	Sector	12-m forward P/E multiple (X)													
		Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Current
Balkrishna Industries	Automobiles & Components	6	8	7	9	11	11	17	21	20	15	28	26	26	34
Exide Industries	Automobiles & Components	17	19	17	19	21	18	24	22	20	12	18	13	15	21
Schaeffler India	Automobiles & Components	11	14	12	17	31	27	31	29	30	25	36	36	44	52
SKF	Automobiles & Components	15	15	14	19	28	26	28	26	27	18	41	34	34	37
Timken	Automobiles & Components	NA	NA	NA	NA	40	24	31	34	29	23	36	40	40	46
Berger Paints	Commodity Chemicals	17	17	25	27	36	35	45	44	49	58	76	57	44	53
Kansai Nerolac	Commodity Chemicals	20	19	26	24	31	36	38	43	41	32	50	40	31	37
Crompton Greaves Consumer	Consumer Durables & Apparel	NA	NA	NA	NA	NA	NA	39	36	31	24	39	32	33	32
Page Industries	Consumer Durables & Apparel	24	26	26	36	58	46	48	59	54	40	60	72	55	64
Polycab	Consumer Durables & Apparel	NA	NA	NA	NA	NA	NA	NA	NA	NA	13	24	31	31	44
Voltas	Consumer Durables & Apparel	14	13	9	20	24	23	28	31	32	23	44	54	43	44
Whirlpool	Consumer Durables & Apparel	NA	15	14	21	34	28	41	43	38	35	45	40	51	63
Varun Beverages	Consumer Staples	NA	NA	NA	NA	NA	NA	32	36	42	28	34	37	46	52
Aster DM Healthcare	Health Care Services	NA	NA	NA	NA	NA	NA	NA	NA	22	10	14	19	20	27
Dr Lal Pathlabs	Health Care Services	NA	NA	NA	NA	NA	53	39	35	36	38	67	62	50	52
Metropolis Healthcare	Health Care Services	NA	NA	NA	NA	NA	NA	NA	NA	NA	34	54	45	35	38
Narayana Hrudayalaya	Health Care Services	NA	NA	NA	NA	NA	136	47	44	37	34	43	42	30	30
Jubilant Foodworks	Hotels & Restaurants	36	48	41	40	54	52	54	58	48	45	69	61	55	74
Westlife Foodworld	Hotels & Restaurants	NA	NA	NA	119	264	139	120	107	69	49	113	99	61	94

Source: Companies, FactSet, Kotak Institutional Equities estimates

Many of the new favorite mid-and-small-cap. stocks have delivered stupendous returns in the past six months

Exhibit 8: Six-month performance of select mid-cap. and small-cap. stocks in 'investment' sectors (capital goods, defense, EMS, railways, real estate, renewables)



Source: Bloomberg, Kotak Institutional Equities

We are dropping our recommended mid-cap. portfolio due to limited ideas currently

Exhibit 9: KIE mid-cap. model portfolio

Company	Sector	Rating	Price	Fair value	Upside	Mkt cap.		EPS (Rs)			P/E (X)			P/B (X)			RoE (%)		
			(Rs)	(Rs)	(%)	(Rs bn)	(US\$ mn)	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E
Aavas Financiers	Diversified Financials	BUY	1,665	2,025	22	132	1,588	54	65	78	31	26	21	4.0	3.5	3.0	14	15	15
Colgate-Palmolive (India)	Consumer Staples	ADD	2,015	1,985	(2)	548	6,609	39	46	50	52	44	40	31.9	30.3	28.8	61	71	73
Cummins India	Capital Goods	ADD	1,755	2,020	15	487	5,866	45	51	61	39	34	29	9.1	8.3	7.5	24	25	27
Federal Bank	Banks	BUY	148	160	8	346	4,177	14	15	17	10	10	9	1.5	1.4	1.2	15	14	14
KIMS	Health Care Services	BUY	2,132	2,020	(5)	171	2,057	41	44	55	52	48	39	10.2	8.4	6.9	21	19	20
Max Financial Services	Insurance	BUY	936	1,060	13	323	3,892	—	2	2	2,326	564	502	—	—	—	—	1	1
Max Healthcare	Health Care Services	REDUCE	603	540	(10)	586	7,062	14	12	14	44	52	43	7.1	6.3	5.5	18	13	14
Prestige Estates Projects	Real Estate	BUY	648	650	0	260	3,131	16	10	13	41	62	50	2.6	2.5	2.4	7	4	5
Sapphire Foods	Hotels & Restaurants	BUY	1,516	1,615	7	96	1,163	37	15	20	41	102	77	7.7	7.1	6.5	21	7	9
Sun TV Network	Media	BUY	620	620	0	244	2,945	43	48	52	14	13	12	2.6	2.4	2.2	20	20	19
Union Bank	Banks	BUY	88	105	19	653	7,873	12	18	22	7	5	4	0.9	0.8	0.7	11	15	16
United Breweries	Consumer Staples	ADD	1,680	1,600	(5)	444	5,356	13	20	32	126	83	53	11.2	10.3	9.4	9	13	19
Uno Minda	Automobiles & Components	ADD	631	575	(9)	362	4,363	11	14	16	55	46	39	8.7	7.4	6.3	16	16	16
UTI AMC	Diversified Financials	ADD	790	880	11	100	1,210	35	43	43	23	18	18	2.6	2.5	2.5	12	14	14
Westlife Foodworld	Hotels & Restaurants	ADD	982	910	(7)	153	1,846	7	9	11	137	104	86	27.0	22.3	18.7	22	24	24

Source: Companies, Kotak Institutional Equities estimates

"Each of the analysts named below hereby certifies that, with respect to each subject company and its securities for which the analyst is responsible in this report, (1) all of the views expressed in this report accurately reflect his or her personal views about the subject companies and securities, and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report: Sanjeev Prasad, Anindya Bhowmik, Sunita Baldawa."

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Definitions of ratings

BUY. We expect this stock to deliver more than 15% returns over the next 12 months.

ADD. We expect this stock to deliver 5-15% returns over the next 12 months.

REDUCE. We expect this stock to deliver -5+5% returns over the next 12 months.

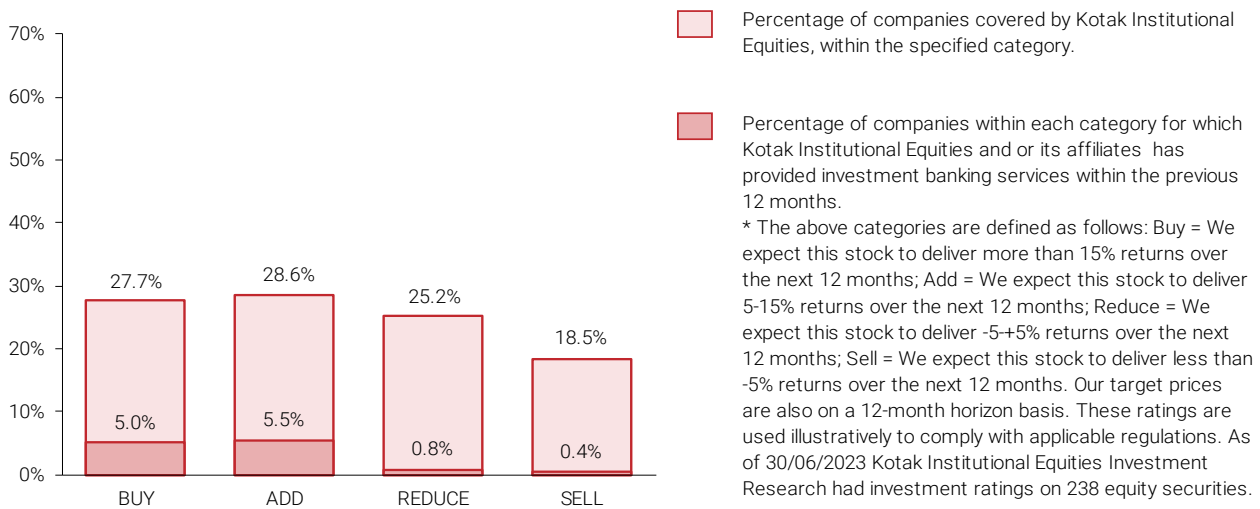
SELL. We expect this stock to deliver <-5% returns over the next 12 months.

Our Fair Value estimates are also on a 12-month horizon basis.

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Kotak Institutional Equities Research coverage universe



Source: Kotak Institutional Equities

As of June 30, 2023

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