WEALTH WEEKLY
Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	24384	24000	24602	23904	24778	24022-24577	Buy at CMP. Targets at 24602/24785. Aggressive targets at 25000-25200. Stop at 23966.
BANK NIFTY	57265	55800	58200	56635	57444	55900-58200	Buy at CMP. Targets 58200/59700. Aggressive targets at 62000. Stop at 55750.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
CHOLAMANDALAM FINANCE	1850	1587	2100	1686	1656	Positive	**Cholamandalam Finance** remains one of India's strongest diversified retail NBFC franchises. Its long-term growth outlook stays positive, but fresh investment decisions should balance the company's superior earnings trajectory against its premium valuation and emerging asset-quality trends. Chola Finance delivered an impressive Q1 FY27 performance, with PAT surging 46%, AUM expanding 23% and net income rising 28%. The quality of growth was encouraging: margins expanded, returns improved and loan losses grew much slower than the overall portfolio. Vehicle finance remained the core earnings driver, while SME, home loans, secured business loans and gold loans strengthened the company's diversification. The modest rise in Stage-3 assets and NPAs is the principal monitorable. Nevertheless, liquidity, capital adequacy and profitability remain comfortable. **Buy Cholamandalam Finance (1857). Buy at CMP. Stop at 1577. Targets 1909/1957. Aggressive targets at 2100-2151 zone. Holding Period: 9-12 Months.** Rationale: Signalling a massive breakout from a higher consolidation zone on the daily/weekly charts. Key interweek support 1651 and then intermonth support at 1587. Major hurdles only at 1909 mark. 200-DMA at 1659.

Cholamandalam Investment & Finance Company: Technically Massive Breakout Play on Cards.

CHOLAMANDALAM INVESTMENT & FINANCE	BUY
CMP	1850
Target Price	2001
Stop	1577
52 Week H/L	1875/1299
P/E	27.4
EPS (TTM)	67.29
Promoter Holding/FIIs/DIIs/FIIs/Public	49.23%/24.46%/20.62%/5.7%
Book Value	357
Market Cap (INR)	157733

Cholamandalam Investment and Finance Company Ltd. — popularly known as Chola Finance — was incorporated in 1978 as the financial-services arm of the Murugappa Group.

The company began as an equipment-financing business and has evolved into one of India's leading diversified retail-focused NBFCs. Its major businesses include:

Vehicle finance | Loan against property | Home loans | SME financing | Consumer and small-enterprise loans | Secured business and personal loans | Gold loans | Stockbroking and investment advisory services

Daily Chart of CHOLAFIN :

As of June 2026, Chola served approximately 51.6 lakh customers through 1,820 branches across 26 states and seven Union Territories. Around 87% of its locations are in Tier-III to Tier-VI towns, providing a strong presence in underserved rural and semi-urban markets. Chola Q1 FY27 investor presentation

Q1 FY27 Financial Performance | Cholamandalam Finance delivered broad-based growth in Q1 FY27, with profit growth substantially outpacing the expansion in disbursements and assets under management.

Particulars	Q1 FY27	Q1 FY26	YoY Growth
Aggregate Disbursements	₹29,612 crore	₹24,325 crore	**+22%**
Total AUM	₹2,54,392 crore	₹2,07,663 crore	**+23%**
Total Income	₹8,933 crore	₹7,331 crore	**+22%**
Net Income	₹4,930 crore	₹3,865 crore	**+28%**
Profit Before Tax	₹2,220 crore	₹1,530 crore	**+45%**
Profit After Tax	₹1,654 crore	₹1,136 crore	**+46%**

The quarter delivered healthy growth across disbursements, assets and income. Profit substantially outpaced AUM growth, reflecting improving margins, operating leverage and contained credit costs. Official Q1 FY27 press release

Profitability Improves Sharply

Net interest margin improved to 8.2%, from 7.8% in Q1 Fy26. | PBT return on total assets improved to 3.7%, from 3.1%. | Return on equity increased to 21.2%, from 18.8%.

Loan losses increased by only 5%, significantly slower than the 23% expansion in AUM. | Finance costs grew 15%, below the growth in total income and net income.

The combination of margin expansion and controlled credit costs enabled Chola to deliver a robust 46% increase in PAT.

Business-Wise Performance

Vehicle Finance: Disbursements: ₹16,503 crore

AUM: ₹1,24,132 crore

AUM growth: 19% YoY

PBT: ₹945 crore, up 50%

Loan losses improved to 2%, from 2.2%

Vehicle finance remains Chola's largest business and accounted for almost half of its total AUM.

Loan Against Property: Disbursements: ₹4,780 crore | AUM: ₹54,130 crore | AUM growth: 23% YoY | PBT: ₹565 crore, up 39%

The segment maintained strong asset growth, although loan losses edged up to 0.4% from 0.3%.

Home Loans: Disbursements: ₹1,797 crore | AUM: ₹23,644 crore | AUM growth: 22% YoY | PBT: ₹270 crore, up 48%

Profitability improved sharply despite relatively modest growth in quarterly disbursements.

SME Loans: Disbursements: ₹1,992 crore | AUM: ₹9,923 crore | AUM growth: 39% YoY

SME finance remained one of Chola's fastest-growing established businesses.

Consumer and Small-Enterprise Loans : Disbursements: ₹3,408 crore | AUM: ₹15,884 crore | AUM growth: 12% YoY

Secured Business and Personal Loans: Disbursements: ₹379 crore | AUM: ₹3,730 crore | AUM growth: 40% YoY

Gold Loans: Disbursements: ₹754 crore | AUM: ₹2,143 crore | Dedicated branches: 171

Gold loans are still relatively small but have emerged as an important incremental growth engine.

Asset Quality: The Watchful Point

Asset quality witnessed a modest seasonal deterioration during the quarter:

Asset-Quality Indicator	June 2026	March 2026
Stage-3 Assets	3.29%	3.05%
RBI Gross NPA	4.50%	4.36%
RBI Net NPA	2.95%	2.87%

Total liquidity stood at approximately ₹23,984 crore, including undrawn sanctioned lines.

The asset-liability position remained comfortable, with no negative cumulative mismatches across maturity buckets.

Capital adequacy ratio stood at 19.81%, comfortably above the regulatory requirement of 15%.

Tier-I capital ratio was 14.81%.

The scheduled conversion of the remaining compulsory convertible debentures should further reinforce the capital base.

Key Investment Positives

Consistent AUM growth of more than 20%.

Strong 46% growth in quarterly profit.

Improving margins, return on assets and return on equity.

Diversified loan portfolio reduces dependence on a single segment.

Deep distribution reach in rural and semi-urban India.

Strong brand and governance support from the Murugappa Group.

Gold loans, SME finance and secured business loans provide new growth engines.

Comfortable liquidity and capital adequacy.

Key Risks

Moderate increase in Stage-3 assets and NPAs.

Vehicle finance remains the largest portfolio and creates exposure to economic and automobile cycles.

Rapid growth in newer loan products can bring seasoning and underwriting risks.

Higher borrowing costs could pressure margins.

Rural borrower cash flows remain vulnerable to inflation, monsoon variability and economic slowdown.

 # Preferred Strategy: Buy Cholamandalam Finance (1857). Buy at CMP. Stop at 1577. Targets 1909/1957. Aggressive targets at 2100-2151 zone. Holding Period: 9-12 Months. Rationale: Signalling a massive breakout from a higher consolidation zone on the daily/weekly charts. Key interweek support 1651 and then intermonth support at 1587. Major hurdles only at 1909 mark. 200-DMA at 1659.

Mehta Equities

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