

# Opportune

Exclusively curated opportunities to re-enter fundamentally strong companies at attractive valuations!

## BUY – Cholamandalam Inv. And Finance (CIFC)

CMP: **Rs-647** (Upside Potential: 15.9%) as on 16<sup>th</sup> May 2022

Fair Value (FV): **Rs-750** | Time Period: **12 months**

### Why Invest?

- We expect stronger vehicles, specifically CV finance disbursements, coupled with Chola's new business loan vertical to drive superior growth as compared to other vehicle finance NBFCs.
- With a multiple-product and businesses delivering higher growth and ~20% RoE, Chola remains our preferred NBFC.
- Its loan growth is the highest amongst vehicle finance peers under coverage; Chola is one of the three NBFCs under coverage for ~20% RoE.
- We continue to like superior execution at Chola and believe that the stock commands superior premium due to its stable track record and better growth visibility.
- Retain Add, At our FV (Rs. 750), the stock will trade at 3.7X book FY2024E.

Maintain BUY with

**FV Rs-750**

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