SECTORAL RESEARCH REPORT
TOP PERFORMING AUTO COMPANIES
FOR THE FINANCIAL YEAR 2020-21
As on 16th May, 2021

VIEW ON NIFTY AUTO INDEX	
NIFTY AUTO INDEX – TECHNICAL ANALYSIS	
Current Market Price	**9811.45**
Support Level	**S1 – 9488.00 & S2 – 8556.00**
Resistance Level	**R1 – 10110.50 & R2 – 11093.15**
Trend	**Uptrend of Nifty Auto Index is still intact on long term horizon basis.**
Analysis for the coming week ahead	**Nifty Auto Index made its 52-week high at the level of 11093.15 and had breached its support level of 10110.50 as on 24th March, 2021, since then Nifty Auto Index has shown correction of 765.30 points (i.e., fall of 7.57%) from the level of 10110.50.** **Nifty Auto Index from last 8 weeks has moving between the range of 9488 – 10110.50.** **On the upside if Nifty Auto Index crosses and sustains above the level of 10110.50 then we can see upside in the index up to the above mentioned R2 resistance level.** **However, on the downside if Nifty Auto Index breaches and sustains below the level of 9488 the we can see further correction in the index up to the level of 8556.**

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Auto Companies	Current Market Price	All Time High Level	Returns (%)
Maruti Suzuki	6736.40	8329.00	70.20%
Mahindra & Mahindra*	741.50	952.05	179.08%
Bajaj Auto	3848.80	4361.40	81.50%
Tata Motors	312.25	357.00	402.46%
Eicher Motors	2415.20	3037.00	98.84%
Hero Motocorp	2812.35	3629.05	82.50%
Ashok Leyland	112.10	138.90	163.65%
TVS Motor	602.60	664.00	96.62%
Escorts	1163.55	1468.45	94.35%

AUTO COMPANIES	Promoters Holdings	Pledged Holdings	FII/FPI Holdings	MF Holdings	Fin Insts/ Banks	Insurance Co.
Maruti Suzuki	56.37%	0.00%	23.11%	7.49%	7.36%	0.00%
M&M	19.45%	1.34%	38.93%	10.38%	0.19%	10.43%
Bajaj Auto	53.70%	0.01%	11.99%	3.41%	0.14%	8.74%
Tata Motors	47.34%	3.95%	17.68%	6.26%	0.16%	7.41%
Eicher Motors	49.28%	0.00%	26.95%	9.32%	0.47%	1.74%
Hero Motocorp	34.77%	0.00%	32.71%	8.01%	2.19%	9.28%
Ashok Leyland	45.36%	10.88%	17.63%	9.66%	2.62%	3.52%
TVS Motor	57.40%	0.00%	10.52%	16.32%	0.19%	4.43%
Escorts	36.59%	0.00%	25.95%	5.35%	0.11%	0.14%

TOP AUTO COMPANIES FINANCIAL PERFORMANCE

AUTO COMPANIES	3 Yrs. CAGR Sales (%)	Operating Margins (%)	Net Profit Margins	Return On Equity	Return On Cap Employed	Debt To Equity	Asset Turnover	Industry P/E	Company P/E
Maruti Suzuki	-4.11	7.46	5.99	8.36	9.52	0.01	98.72	54.05	47.20
M&M*	4.35	9.08	-1.43	0.31	7.65	1.56	56.99	54.05	-
Bajaj Auto	3.23	21.41	16.40	17.8	21.25	0.00	82.55	24.73	21.86
Tata Motors*	-1.08	-0.17	-4.20	-19.1	-0.25	1.58	81.04	46.33	-
Eicher Motors*	9.18	25.58	19.61	18.30	22.46	0.01	73.52	46.33	58.68
Hero Motocorp	-1.56	12.73	9.63	18.92	23.76	0.02	134.04	24.73	19.94
Ashok Leyland*	-4.63	3.59	1.37	3.29	6.67	0.42	106.57	46.33	52.50
TVS Motor	6.03	8.85	3.16	15.52	15.51	2.44	88.30	24.73	46.76
Escorts	11.51	16.66	12.43	17.33	22.55	0.00	101.98	27.64	13.97

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Based on the various fundamental and technical parameters the following banks are looking attractive for long term investment and wealth creation.

Large Cap Auto Companies:

1. **Maruti Suzuki**
2. **Mahindra & Mahindra***
3. **Hero Motocorp**
4. **Bajaj Auto**
5. **Eicher Motors***
6. **Tata Motors***

Mid Cap Auto Companies:

1. **Escorts**
2. **Ashok Leyland***
3. **TVS Motor**

The Auto Companies marked with * are yet to announce their Q4 results for the financial year 2020-21. Therefore, these auto companies are analyzed on the basis of their annual results announced in the FY 2019-20 & FY 2020-21.

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NOTE: -

The above analysis on the top auto companies is based on the fundamental and technical analysis parameters available till date and the above-mentioned analysis can vary with the change in the above-mentioned parameters. Therefore, if there is a change in the fundamental and technical analysis parameters then the same will be updated to you accordingly in our "TECHNICAL ABALYSIS REPORT".

Since, the equity markets are directly or indirectly affected by various market factors and any changes in any of those factors can also lead to changes in the Equity Market Analysis.

DISCLAIMER:

- This report highlights the possible upcoming view on the auto sector and top auto companies.
- The report highlights the various fundamental parameters responsible for the movement in the equity markets.
- The report is prepared on the basis of the fundamental and technical analysis parameters for the current period and on the basis of changes in the market data and charts.
- The report is prepared by the Financial Analyst on the basis of the detailed study of the Global markets which includes equity, commodity and currency.
- Investors are advised to rely on the report till any further updation or changes have been made in **TECHNICAL ANALYSIS REPORT**.
- This report is prepared on the FUNDAMENTAL AND TECHNICAL ANALYSIS basis which is prepared by our technical experts keeping in various aspects of the technical in mind.

DISCLAIMER:

1. **Recommendations are based on the individual analysis and may vary as per the financial goals and risk appetite.**
2. **Returns may vary as per the market conditions.**
3. **The recommendations provided by us are for long term horizon do not apply the same for short term gains.**
4. **Orders should be executed on stipulated time as per our guidance and any delay might cost you in achieving the returns and goals.**
5. **If any stock is being either included or excluded in the equity portfolio of the client which is not being recommended or advised by the advisor or technical analyst, it will not be considered as part of the equity portfolio and team MudraGuna will not be responsible for any of the losses incurred by the client.**
6. **The recommended stocks are only for investment purpose and shall not be used for trading purpose.**
7. **It is advised not to buy or sell any stock other than recommended portfolio. In case you are keen to add any specific stock in the portfolio, kindly consult with your financial advisor before taking any decision.**
8. **Recommendation to exit from the stocks are applicable in the below mentioned scenarios:**
    a. **If the Target Price mentioned in the portfolio is achieved and there is no further growth potential left for the stock.**
    b. **If the Client's planned goal amount is achieved.**
    c. **In case of any medical or financial emergency, that can't be fulfilled by any other source.**

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d. **If the Index is expected to fall more than 25%. In this scenario the decision will be made as per the prevailing situation.**

9. **The fees paid will only be for the current investment slab and it will rise with the rise in investment value.**
10. **The fees paid will only account for only one year of service.**
11. **In case of additional fees payment due to rise in the investment value, the additional fees will only be applicable till the next year's fees renewal date.**
12. **Initial Public Offer (IPO): We only provide our recommendation regarding subscription in the initial public offer (IPO). We do not initiate any investment in the IPOs on behalf of the client.**
13. **A. If the client had bought any securities (stocks) without our recommendation and afterward if the client seeks any advise on that particular securities (stocks) then it will be considered as part of the service.**

    B. If the client had bought any securities (stocks) without our recommendation and afterward if the analyst suggests that particular securities (stocks) can be hold in your equity portfolio for long term investment then that securities (stocks) will be considered as part of the client's equity portfolio