Revenue Assumption: -

- From the automobile industry report, I found out that the industry will grow at 10% CAGR, using this with the help of "FORECAST" function, I found out the production growth for Maruti. But considering the recovery from Covid-19 pandemic and Sales in 1st quarter of FY21, I assume that sales growth will be negative for FY21. But for FY22 and FY23, I assumed that conditions would reach a normal situation. So, it will grow at a forecasted growth rate.
- For average selling price, there is an increasing trend but following this price will increase exponentially which will be incorrect so I took the same as last year.
- No information for other income is available so to avoid its impact, I took the same as last year.

Expense Assumption: -

- Raw materials cost (in terms of percentage of sales) is almost the same for all last 3 years so continuing this trend, I took the same as last year.
- Excise duty
- For Employee benefit expense, I used a weighted moving average for forecasting giving more weight to the latest year.
- For other expenses, it is in the range of 12% to 16%, so I used moving average to forecast.
- For depreciation, I used the average to forecast depreciation rate.
- For the Dividend Pay-out ratio, I took the same as last year. Because if more dividend is being paid out then the company will need to borrow money for reinvestment and if less dividend is being paid out then shareholders' may be upset.

Tax Assumption: -

- Tax rate is directly taken from annual report 2019-20

Working Capital Assumption: -

- For Trade receivables day, 7 is kind of an outlier so last year value is taken.
- Inventory days are approximately the same for all 3 years so following the same trend, last value is used as assumptions.
- Trade payables is showing a decreasing trend but we can't decrease consequently as it will depict profit more positively and reverse will happen if we increase it. So, I did the same as last year.

Capex Assumption: -

- Assumed Debt to equity ratio = 25%, as we can see from past records that company is financing more with equity as company has more cash flow but if company uses debt for financing then debt will keep accumulating and also cash will accumulate.
- For forecasting capex, I used a sales method but seeing that EV will be the future so expecting capex will increase as Maruti w enter EV market.
- For the Depreciation Schedule, in CWIP moving to FA, I assumed the capex of previous year will be equal to CWIP moving to FA. And Capex of that year will be a new addition to CWIP because most of Capex is done for R & D purposes.

Working Capital Assumption: -

- As we can see NWC is negative so I assume STB for the next 3 years is the same as FY20.

Projecting Financials Assumption: -

- For shares of JV's, I took the average of 2018 and 2019 because the 2020 figure was outlier.