

Maruti Suzuki expects to double revenues by FY31: CEO

Enters ₹20-lakh plus segment, prices Invicto at ₹24.79 lakh

DEEPAK PATEL
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Maruti Suzuki India is expecting to double its revenues by 2030-31 (FY31) from the FY22 level through more sales, Managing Director and Chief Executive Officer Hisashi Takeuchi said on Wednesday.

Maruti had a consolidated turnover of ₹90,074 crore in FY22.

Maruti's parent company, Suzuki Motor Corporation, targets a global turnover of ₹4.32 trillion in FY31. This is double the turnover of ₹2.16 trillion in FY22.

India will play a "very big role" in achieving Suzuki's FY31 target, he said.

Maruti's share price crossed ₹10,000 mark for the first time on the day the Japanese company launched its first car — the Invicto — in ₹20 plus lakh segment.

The price of the Invicto, a multi purpose vehicle (MPV), starts at ₹24.79 lakh (ex-showroom).



Hisashi Takeuchi, MD & CEO, Maruti Suzuki India (MSI), and Shashank Srivastava, senior executive officer, Marketing and Sales, MSI, at the launch of Invicto in Gurugram

"This is a big challenge for us to go into this segment because we have no experience in selling such a product (Invicto) so far. However, the market has been evolving fast," Takeuchi told reporters.

According to MSIL, in India sales of cars priced above ₹20 lakh are about 7.2

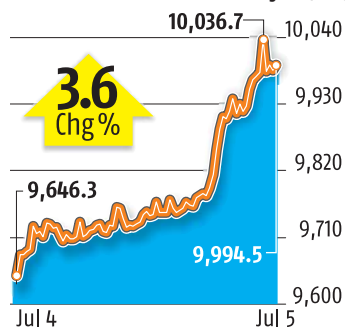
per cent of the total. This was 1.8 per cent in FY19. (See chart)

The Invicto is based on the Hycross by Toyota, which will manufacture Maruti's most expensive car at its Bidadi plant in Karnataka.

Five years ago, Toyota Motor and Suzuki Motor entered into a global alli-

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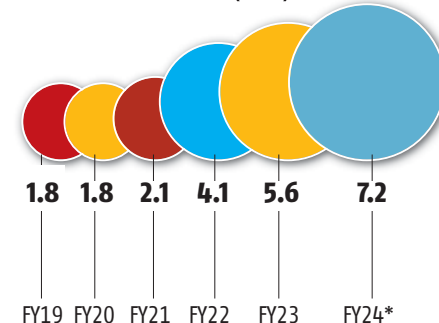
Maruti Suzuki India intraday (in ₹)



Source: Bloomberg
Compiled by BS Research Bureau

SHIFTING GEAR

Share of cars priced ₹20 lakh and above in total car sales (in %)



Note: *Till date in FY24

Source: Maruti Suzuki India

ance that involved sharing and cross-badging of models and technologies.

"We have been strong in the MPV segment with a share of about 50 per cent due to the Ertiga and XL6. We will have to maintain this high market share. We are seeing the premium MPV segment grow fast. Without this kind of product

(Invicto), our share in the MPV segment will come down," he said.

Although the launch of the Invicto is a big challenge "for us", Maruti has to do this and face it, he noted.

On doubling the turnover, he said: "We will invest in new production facilities and human resources so that we are able

to handle such big volumes by 2030-31."

Maruti has to increase its annual turnover every year by more than 11 per cent to double its turnover by FY31.

Takeuchi said Maruti had a production capacity of about 2.2 million units now and it was expected to go beyond 4 million. "We have to do our investments accordingly." However, Takeuchi did not reveal investment figures.

Why is Maruti entering the premium segment of ₹20 plus lakh cars now?

"The premium segment was there in the past but volumes in that were not as big as they are now. With rising incomes, more and more people are able to access this premium segment," he said.

Maruti's strength, he said, is its sales network and service network. "These networks are spread all over India. This is the difference between us and our competitors. By introducing this premium segment, we are taking products to those who want to have the assurance and peace of mind that wherever they drive in India, our service system is ready for them." Takeuchi said Maruti did not develop such a premium product like the Invicto from scratch as it would have consumed too much resource.