

# Spurt in retail sales of Maruti Suzuki's entry-level models

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After a gap of around four years, the entry-level hatchback segment or mini segment (Alto K10 and S-Presso), which was declining continuously for Maruti Suzuki India (MSIL), has finally seen a growth in the retail sales because of a special edition launched recently and the rural demand that has picked up lately.

The company introduced the exclusive 'Dream Series Limited Edition' in June for three models — the Alto K10 VXI+, S-Presso VXI+, and Celerio LXI — all priced at



**MAKING A COMEBACK.** The Alto K10 and S-Presso sales grew from 29,773 units in Q1 of this year to 30,395 units in Q2 while 15,627 units were sold in October alone BJOY GHOSH

₹4.99 lakh, and that helped in generating the volumes. The 'Dream Series Limited Edition' was tailored to make car ownership more accessible, while price reduction on AGS variants to further democratise the technology, MSIL had said.

#### **RURAL DEMAND**

"One of the main reasons is the uptick in demand from the rural markets and the 'Dream Series' edition that we rolled out earlier this year. We expect the trend to

continue in November as the marriage season is coming when a few lakh marriages are planned within a period of 11-12 days," Partho Banerjee, Senior Executive Officer, Marketing and Sales at MSIL, told *businessline*.

According to him, the Alto K10 and S-Presso sales grew from 29,773 units in the first quarter (Q1) of this year to 30,395 units in Q2 and sold 15,627 units in October alone.

In terms of daily retail sales it has grown up to 504

units per day in October, as compared with daily average retail of 327 units in Q1 and 330 units in Q2, Banerjee informed.

He also added, "Last year, Onam fell in August, but this year it was in September, so we were calibrating on the wholesales. So, retail sales in our entry-level hatchback grew by 10.7 per cent y-o-y in October."

According to Jato Dynamics India, an automotive consulting company, MSIL recorded retail sales of 6,621 units of both the entry-level vehicles in April, followed by 6,124 units in May, 6,308 units in June that jumped to 8,447 units in July. But, as Banerjee said it declined a to 6,517 units in August which improved to 7,845 units in September and in October, it broke the record of all these months to 15,627 units.

So, by adding the October month sales, the company has sold a total of 57,489 units between April and October. However, the wholesales (dispatches to dealers)

are still high for the company and it is expected that MSIL has still some capacity built up. The company in its latest sales data has indicated that it has dispatched 72,474 units of the mini segment in the April-October period as compared with 87,118 units in the same period last year.

RC Bhargava, Chairman, MSIL had recently said that the declining sales of cars under ₹10 lakh price bracket in the country was worrisome as the overall growth in the car market is not happening because of that. "The fact is that the market for cars under ₹10 lakh is not growing, in fact, it is declining and that is a cause of some worry because unless that lower-end of the market grows, there is going to be no feeders into the upper market," he had said.

He noted that under ₹10 lakh market at one time in 2018-19 was 80 per cent of the total car market in India, which is not growing at the moment, and that is a cause of concern.