

# A WAR CRY FOR 50%

Maruti's rise to number 1 in SUVs is the result of a rejig that began four years ago to corner half the market



## MARUTI'S SUV PLAY

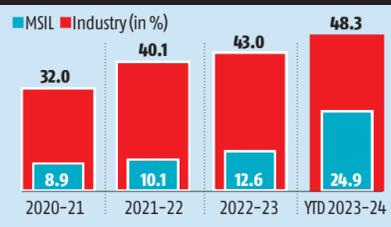
Average price realisation (in ₹ '000s)

MSIL's average price realisation has been going up steadily as the share of SUVs increased in its PV sales



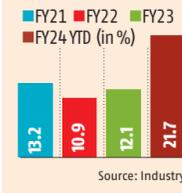
Source: Company, KRCChoksey Research

SUV share in PV segment in last 4 years



Source: Industry

MSIL share in SUV market



Source: Industry

SOHINI DAS  
Mumbai, 16 October

The chief executive officer (CEO) of a healthcare service provider recently travelled from Mumbai to Goa and back in his six-year-old sedan. His 12-year-old daughter was with him. Soon after returning to Mumbai, the CEO traded in his sedan for a sports utility vehicle (SUV) rated five stars on safety.

Apart from the rating, he feels the SUV's higher stance would ensure more safety, especially because the daughter insists on sitting in the front passenger seat. It would also provide a more comfortable ride because of the higher ground clearance; even the best road trips involve a bit of rough and tumble. Then there is the expandable boot space.

Now that the CEO intends to do more road

trips, these things matter more. What matters just as much is that all the daughter's friends move around in SUVs. That settled it.

The Indian passenger vehicle market is indeed in a sweet spot for SUVs. An ever-increasing mass of car buyers is opting for SUVs for the factors that swayed the healthcare CEO. Several are lured by the perception that SUVs can be "statement" vehicles, indicating that you have arrived in life.

This shows up in the sales numbers. Four years ago, SUVs were just about 26 per cent of the passenger vehicle market; now they are 47 per cent. This, amid rapidly increasing overall sales. Naturally, the country's largest maker of passenger vehicles, Maruti Suzuki, could not stand by and watch the others drive away with the market.



"Our war cry is to have a 50 per cent share of the passenger vehicle market. In the non-SUV space, we enjoy a 65 per cent share. In utility vehicles, we have been number one for the last six years, with the Ertiga and the XL6. But our SUV market share was 12.5 per cent at the end of FY23," says Shashank Srivastava, senior

executive officer, marketing and sales, with Maruti.

With the share of SUVs in the overall market nearing 50 per cent, Maruti had to increase its presence in this segment to realise its ambition of owning half the passenger vehicle market, says Srivastava.

The latest figures would have reassured him that the war cry was not sounding hollow. Maruti's share of the SUV market has grown from a modest 8.5 per cent share in the first quarter of FY23 to almost 21.7 per cent in the second quarter of the current financial year. In the process, it has overtaken the entrenched SUV warriors, such as Mahindra and Mahindra (21.4 per cent), Hyundai Motors India (18.6 per cent), and Tata Motors (17.2 per cent), to become the largest in the segment.

Motilal Oswal, the brokerage, noted in a September report: "MSIL reinforced its SUV product portfolio with the launch of the Brezza and Grand Vitara. Further, the recently launched Jimny and Fronx will help MSIL expand its presence in the SUV segment."

### A new language

The Grand Vitara has sold more than 100,000 units since its launch in September 2022. It symbolises the results of a concerted plan that was put in motion four years ago, when Maruti was still perceived to be a big small car company appealing to the value-conscious customer. One of its most famous advertising campaigns was the one in which someone asked, "Kitna deti hai", or how many kilometres to a litre of fuel.

"We had our ears on the ground. We showcased the Brezza, an entry-level SUV, at the 2010 Auto Expo. It took us time to build the portfolio and get our products in the market," says Srivastava.

An MSIL dealer, however, has a different view. "Maruti continued to believe in the strategy of dominating the small-car market and felt the Indian consumer would never really move away from buying entry-level cars as their first," says the dealer, who has been selling Maruti cars for more than a decade.

Nevertheless, the turnaround has been remarkable and the rise in Maruti's market share has shown that consumers may have been waiting for a strong SUV play from Maruti.

KRCChoksey Research says that as the semiconductor situation improves further, Maruti will be able to sell more SUVs that have a long wait list, leading to improvements in the mix and realisation.

The shift was not easy; it cannot be if you are

repositioning a large company.

"Earlier, people went for functionality, and our communication was targeted at that. With the Nexa range of outlets, the communication became aspirational, more edgy," says Srivastava. Along the way came a new design DNA (more contemporary) and features (360-degree cameras, sunroofs, etc). Indeed, Maruti is now seen to be speaking in a different language with its consumers.

"The Vitara buyer is a slightly mature individual, already a car-owner and a replacement buyer," says Srivastava. The Brezza owner matches the profile of a Tata Nexon buyer; Brezza is the first car for 31 per cent of its buyers.

**Hatchbacks still constitute 30 per cent of the passenger vehicle market. The top three cars in India are still small cars: Swift, Baleno and WagonR. Incidentally, all three are Maruti models**

**Small is still beautiful**

It is not that Maruti is moving away from small cars completely.

"Our strategy is clear: Dominate the entry-level hatch (Alto, Celerio, SPresso), consolidate in the mid-segment (Baleno, Dzire), and nibble away from the top (SUVs)," says Srivastava.

Hatchbacks still constitute 30 per cent of the passenger vehicle market. The top three cars in India are still small cars: Swift, Baleno and WagonR. Incidentally, all three are Maruti models. The company has a 90 per cent share of entry-level hatches. Other players exited the segment as it became unviable for them.

"About 45 to 47 per cent of car buyers in India are still first-time buyers, and this ratio has not changed in the last 20 years," says Srivastava.

Analysts say changing the game plan would require Maruti to change its manufacturing strategy. Motilal Oswal points out that unlike the double-digit growth in the Chinese passenger vehicle market in the past, Maruti expects a 6 per cent compound annual growth rate until FY31 for the Indian passenger vehicle industry. It adds that Maruti, which is looking to nearly double its capacity to 4 million units by FY31, is restructuring its production facilities to conform to the new realities (read lower growth).

KRCChoksey Research says the product mix is set to improve with the easing of semiconductor supply, leading to more production of the high-in-demand utility vehicles. "A stable commodity cost environment, along with mix improvement, improved realisations, and cost reduction efforts, will lead to margin expansion over the next two years," it says.

Played well, the SUV game is likely to improve Maruti's average price realisation.

That said, price is no longer the thing that defines the company.

**Dr.Reddy's**

**NOTICE OF POSTAL BALLOT**

Members are hereby informed that pursuant to the provisions of Section 110 read with Section 108 of the Companies Act, 2013 (hereinafter referred to as "Act"), read with Rule 22 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter referred to as "the Rules"), and other applicable provisions of the Act, rules, circulars and notifications thereunder, as amended from time to time, General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular Nos. 11/2022 dated December 28, 2022 and 9/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs, ("MCA Circulars"). Dr. Reddy's Laboratories Limited ("the Company") seeks their approval through postal ballot process, by voting through electronic means ("remote e-voting") for the Special Resolution to approve the appointment of Dr. Alpana Hansraj Seth (DIN: 01183914) as an Independent Director of the Company, in terms of Section 149 of the Companies Act, 2013.

In accordance with the MCA Circulars, the Postal Ballot Notice ("Notice"), indicating, *inter alia*, the process and manner of remote e-voting, has been sent on Monday, October 16, 2023, through electronic mode to the members whose names appear on the Register of Members/ List of Beneficial Owners as on October 6, 2023 ("Cut-Off Date") received from the Depositories and whose e-mail address is registered with the Company/ Depositories. A person who is not a member as on the Cut-Off Date shall treat this notice for information purpose only.

The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-voting facility. The e-voting period commences on Tuesday, October 17, 2023, (9:00 AM IST) and ends on Wednesday, November 15, 2023 (5:00 PM IST). The e-voting module shall be disabled by NSDL for voting thereafter. The detailed instructions for e-voting are provided as part of the Notice which the members are requested to read carefully before casting their vote.

In case of any queries, members may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the 'downloads' section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call NSDL Help Desk on toll free no.: +91-22-48867000 and +91-22-24997000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

The Notice along with the Explanatory Statement thereto can be downloaded from the Company's website at [www.drreddys.com](http://www.drreddys.com). The same is also available on the website of Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) as well as on the website of NSDL at [www.evoting.nsd.com](http://www.evoting.nsd.com).

The Board of the Company has appointed Mrs. Kanchan Sharma (Membership No. A44664 and COP No. 25913), Partner, failing her, Mr. Atul Mehta (Membership No. F5782 and COP No. 2486), Partner, M/s Mehta & Mehta, Company Secretaries, as the Scrutinizer for conducting the postal ballot through the e-voting process in a fair and transparent manner.

The voting results of the postal ballot shall be declared by the Company on or before November 16, 2023. The results would be displayed at the registered office of the Company, intimated to the NSDL and Stock Exchanges where the Company's securities are listed, and displayed on the Company's website [www.drreddys.com](http://www.drreddys.com) along with the Scrutinizer's report.

Members who have not yet registered / updated their email address and hence have not yet received the aforesaid Notice are requested to register / update their e-mail address on <https://www.drreddys.com/investor#investor-services#shareholder-information> or with their depository participant or send their consent at [shares@drreddys.com](mailto:shares@drreddys.com) along with their folio no./ DP id and client id and valid e-mail address.

For Dr. Reddy's Laboratories Ltd.  
Date : October 16, 2023  
Place : Hyderabad

K Randhir Singh  
Company Secretary, Compliance Officer and Head-CSR

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**BAJAJ HOUSING FINANCE LIMITED**

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Tel.: 020-71878060 | E-mail: [bhflinvestor.service@bajajfinserv.in](mailto:bhflinvestor.service@bajajfinserv.in) | Website: <https://www.bajajhousingfinance.in/>

**Extract of unaudited Financial Results for the quarter ended 30 September 2023**

(₹ in Crore)				
Sr. No.	Particulars	Quarter Ended 30.09.2023 (Reviewed)	Quarter Ended 30.09.2022 (Reviewed)	Year Ended 31.03.2023 (Audited)
1	Total Income from operations	1,911.49	1,339.81	5,665.23
2	Net Profit/(Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	575.00	413.78	1,700.06
3	Net Profit/(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	575.00	413.78	1,700.06
4	Net Profit/(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	451.11	305.98	1,257.80
5	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	450.80	305.98	1,261.95
6	Paid-up equity share capital	6,712.16	6,712.16	6,712.16
7	Reserves (excluding Revaluation Reserve)	3,865.91	2,313.42	2,953.31
8	Securities Premium Account	837.72	837.72	837.72
9	Net Worth	11,415.79	9,863.30	10,503.19
10	Paid up Debt Capital/Outstanding Debt	62,406.47	46,976.61	53,745.39
11	Outstanding redeemable Preference Shares	-	-	-
12	Debt Equity Ratio	5.47	4.76	5.12
13	Earnings per share (Face value of ₹10/- each) (for continuing and discontinued operations)			
	a. Basic (₹)	0.67*	0.46*	1.88
	b. Diluted (₹)	0.67*	0.46*	1.88
14	Capital Redemption Reserve	NA	NA	NA
15	Debenture Redemption Reserve	NA	NA	NA
16	Total debts to total assets	0.84	0.82	0.83
17	Net Profit Margin percent	23.60%	22.84%	22.20%
18	Gross NPA (stage 3 asset, gross) ratio	0.24%	0.24%	0.22%
19	Net NPA (stage 3 asset, net) ratio	0.09%	0.11%	0.08%
20	Provision coverage (on stage 3 asset) ratio	60.79%	54.03%	63.60%
21	Capital to risk-weighted assets ratio (Regulatory requirement-15%)	22.64%	24.58%	22.97%
22	Liquidity Coverage Ratio (Regulatory requirement-60%)	106.51%	92.92%	149.72%*

\*not annualised  
\*as on 31 March 2023.

**Notes:**

- The above is an extract of the detailed unaudited financial results for the quarter ended 30 September 2023 which have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 16 October 2023, subjected to limited review by joint statutory auditors and filed with the stock exchange under Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended. The full format of the aforesaid financial results is available on the website of the Company and BSE Limited i.e. <https://www.bajajhousingfinance.in/> and [www.bseindia.com](http://www.bseindia.com), respectively.
- Debt Service Coverage Ratio, Interest Service Coverage Ratio, Current ratio, Long term debt to working capital, Bad debts to Accounts receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover, Operating margin percent are not relevant to the Company.

By order of the Board of Directors  
For Bajaj Housing Finance Limited

**Atul Jain**  
Managing Director  
DIN: 09561712

**BAJAJ FINSERV**

Pune  
16 October 2023