

Car discounts sputter in Aug but set to regain speed

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Even as the festival season kicks off with Onam, data indicates that car discounts have remained relatively flat on a month-on-month (M-o-M) basis.

The industry is anticipating robust festival demand, resulting in lower discounts for utility vehicles compared to the previous year.

Data compiled by Anand Rathi Research reveals that discounts for models like the Tata Harrier and the Mahindra XUV300 have declined by 38 per cent and 20 per cent year-on-year (Y-o-Y) in August. However, on an M-o-M basis, the discounts have remained flat.

In contrast, the A-segment or entry-level cars such as the Maruti Alto K10 and the WagonR have seen a sharp rise in discounts on a Y-o-Y basis. Nevertheless, M-o-M discounts for these cars have also remained flat. A Maruti Suzuki India dealer said that he anticipates the A-seg-

WHO OFFERS WHAT												
Company	Model	2022 AUGUST (₹)			2023 JULY (₹)			2023 AUGUST (₹)			YoY (%)	MoM (%)
		Cash or other incentives	Exchange	Cash discounts	Cash or other incentives	Exchange	Cash discounts	Cash or other incentives	Exchange	Cash discounts		
Maruti	Alto K10	8,000	10,000	12,000	40,000	15,000	46,000	35,000	15,000	41,000	242	-11
	Baleno				20,000	20,000	28,000	20,000	20,000	28,000		0
M&M	XUV300	27,500	25,000	37,500	30,000		30,000	30,000		30,000	-20	0
	Thar (4x4) auto				40,000		40,000	40,000		40,000		0
Tata	Tiago	10,000	10,000	14,000	20,000	10,000	24,000	20,000	10,000	24,000	71	0
	Altroz				15,000	10,000	19,000	15,000	10,000	19,000		0

Note: Exchange discount converted into cash discount at 40% of amount; discounts pertain to Delhi

Sources: Industry, Anand Rathi Research

ment cars to gain traction during festivals.

“The demand for these cars has been sluggish, and companies have been maintaining stable wholesale numbers through production. The kind of demand that materialises for A-segment cars will be critical,” the dealer stated, add-

ing that festival offers could commence from September onwards.

However, for the Maruti Swift and the Baleno, discounts have only increased by 18 per cent Y-o-Y and remained flat M-o-M. Overall, around 1.7 million passenger vehicles have been sold

from April to August this year, and the industry projects the total sales for the financial year to reach around 4 million cars. Of these, approximately 1 million are expected to be sold during the 83-day festival period between August and November.