

Luxury car sales cruised to record high in FY25

FY26 outlook cautious amid economic pressures

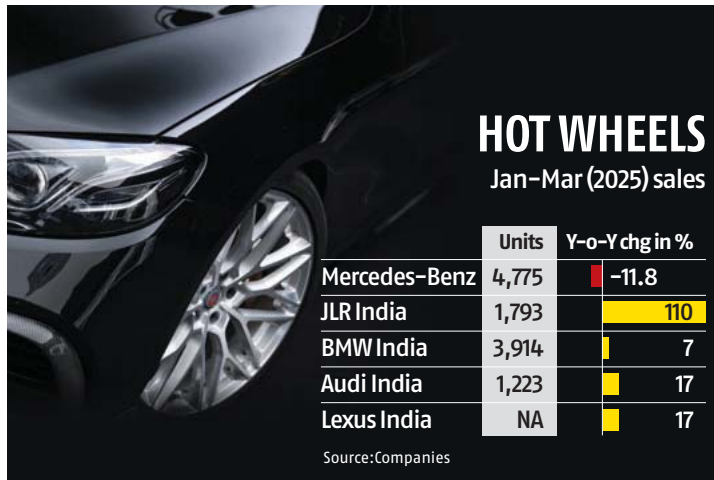
SOHINI DAS

Mumbai, 10 April

After selling around 51,000 luxury cars in 2024-25 (FY25), the highest-ever sales figures recorded in India in a single financial year, luxury carmakers expect growth to moderate in 2025-26 (FY26) due to the turmoil in the financial markets and global geopolitics. The overall luxury car market had grown by around 3 per cent in FY25.

Speaking to *Business Standard*, Santosh Iyer, managing director (MD) and chief executive officer (CEO) of Mercedes-Benz India, said that he feels “moderate growth” will be the best-case scenario for FY26.

“It (the moderation of growth) is driven by macroeconomic conditions, and (is) also sentiment driven. The exchange rates (rupee depreciating vis-à-vis euro and dollar) is putting pressure on pricing. We have done one price rise in January, and then again in March for select models. We may have to look at another price increase. All of this will



have an impact on demand,” Iyer explained. He added that the repo-rate cut will have a positive effect when it gets passed on to the consumer as 80 per cent of Mercedes cars sold are financed.

Mercedes, which sold 18,928 cars in FY25 (its highest ever) and 4,775 units in January-March 2025, has

seen the share of entry-level cars come down to 10-12 per cent of overall sales. Top-end cars now have a more than 25 per cent share.

The company posted 4 per cent Y-o-Y growth in FY25 when it saw a 34 per cent growth in top-end luxury car sales and a 51 per cent increase in electric vehicle (EV) sales.

The January-March figures have, however, declined by 11.8 per cent due to a 28 per cent drop in the entry-level luxury segment. The top-end luxury segment, however, grew by 6 per cent during this period. The average selling price of Mercedes-Benz cars in India has gone up from ₹60 lakh a few years ago to around ₹89 lakh.

Tata Motors subsidiary Jaguar Land Rover (JLR) India also saw its best-ever sales in FY25 retailing 6,183 units (up 40 per cent) while wholesale sales stood at 6,266 units (up 39 per cent).

Calling it the company’s best sales performance in its 17-year history in the country, JLR said the company has seen a 110 per cent rise in retail sales (1,793 units) in the January-March period and a 118 per cent jump in wholesale sales (1,710 units).

JLR’s Defender saw a 90 per cent growth while the locally-manufactured Range Rover grew by 72 per cent YoY and Range Rover Sport grew by 42 per cent YoY.

Rajan Amba, MD, JLR India said that JLR outpaced the luxury car industry with 40 per cent growth in

FY25 on the back of the 81 per cent growth it had posted in FY24.

German luxury player BMW posted 11 per cent growth between January and December 2024, selling 15,721 units. The company has seen 7 per cent growth with 3,914 units sold in the January-March period. Like Mercedes, BMW too has seen strong EV sales growth, selling 646 units in the January-March period, up threefold Y-o-Y.

Audi India too reported a 17 per cent rise in sales in January-March period to 1,223 units. Sequentially, the company posted a decline of 36 per cent from the October-December period. The firm attributed its recent growth to improvements in supply chain stability and sustained demand for key models such as Audi Q7 and Audi Q8.

Balbir Singh Dhillon, head of Audi India, said, “Having successfully navigated supply changes in 2024, we are well equipped to meet the increasing demand for luxury mobility in India. We remain steadfast in delivering products and experiences as we strive for positive performance in the year ahead.”