

Car discounts in top gear on muted sales

Inventory buildup prompting aggressive promotions in December

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Mumbai, 11 December

The Federation of Automobile Dealers Association (Fada) has said that discounts on passenger vehicles (PVs) have touched unprecedented levels.

This comes on the back of muted buying sentiment in the PV market, which saw a 14 per cent drop in retail sales following the festival month of October. In response, dealers and original equipment manufacturers (OEMs) are offering substantial discounts to reduce excess inventory, which is reportedly at a high of 65 days. This indicates a slowdown in vehicle sales, prompting a need for aggressive promotions to clear stock.

Surprisingly, discounts are as high as ₹3.7 lakh in December.

Automakers have announced a price hike for January 2025, which typically should advance the buying decisions of consumers.

Yet, significant discounts are being offered as Indian car sales saw a sharp 14 per cent year-on-year decline in November 2024, despite the ongoing wedding season. In contrast, sales post-festive period last year (October–November) had grown by 2.6 per cent, with discounts ranging between ₹2 lakh and ₹2.5 lakh.

According to CS Vigneshwar, president of the Federation of Automobile Dealers Association (Fada), the inventory days currently stand at 65–68 days, with unsold stock totalling 650,000 units—three times the advised levels.

“Discounts offered to consumers



STOCK CLEARING EXERCISE

Discounts offered in December

	Model	Maximum discount (in ₹)
Tata Motors	Safari, Harrier	3.7 lakh
Mahindra	Thar 4WD (Earth Edition)	3.06 lakh
Toyota	Fortuner Legender	2.25 lakh
Maruti Suzuki	Jimny Alpha	1.5 lakh
Kia	Seltos	55,000

Source: Dealers

are at an all-time high,” Vigneshwar said. “Buyers are also delaying decisions to take advantage of December discounts. While these offers attract buyers, they are unsustainable for manufacturers and dealers in the long run.”

Tata Motors is offering discounts of up to ₹3.7 lakh on its 2023 pre-face-lift Safari and Harrier models. Additionally, the Altroz Petrol Racer variant has discounts worth ₹75,000, while other selected variants of the Altroz Petrol, Diesel, and CNG models offer savings of up to ₹55,000.

Similarly, Mahindra’s Thar 4WD Petrol and Diesel - Earth Edition models are seeing discounts of up to ₹3.06 lakh, including a ₹2.75 lakh discount and corporate benefits.

Other models, like the Thar 2WD Petrol LX P AT BS6.2, are available

with discounts worth ₹1.31 lakh, while the Scorpio Classic S comes with savings of ₹ 1.45 lakh. Buyers of the XUV300 W8 DS can avail of up to ₹1.79 lakh in benefits, including ₹1.25 lakh in cash discounts. The Bolero Neo N10 and N10 Opt variants come with discounts of ₹1.49 lakh, featuring cash benefits and exchange offers.

Toyota’s Fortuner Legender provides benefits of ₹2.25 lakh, including ₹75,000 in cash and loyalty bonuses, while the Innova Crysta offers a ₹ 1.5 lakh cash discount.

Maruti Suzuki is providing discounts of up to ₹1.5 lakh on the Jimny Alpha and benefits worth ₹1.03 lakh on the Grand Vitara Alpha, which include a Dominion Kit valued at ₹52,699. Discounts of ₹80,000 are also available on the XL6 Zeta and Ciaz Alpha models.