

# Carmakers in the fast lane to roll out festival discounts

SOHINI DAS & SHINE JACOB

Mumbai/Chennai, 12 September

Customers are in for a treat this festival season as carmakers roll out some of the biggest discounts in recent years to address declining sales amid rising inventories.

Average discounts across the top 13 automakers have risen by 12 per cent so far in 2024 compared to 2023. With offers ranging from ₹20,000 to as much as ₹3.15 lakh across various models this festival season, buyers can expect some savings whether they are shopping for a compact car, SUV, or electric vehicle. In the 2023 festival period, discounts ranged from ₹25,000 to over ₹1 lakh, a 40-45 per cent increase from 2022.

Companies like Maruti Suzuki, Hyundai Motor, Tata Motors, Mahindra & Mahindra, and Honda Cars are leading in festive offers. According to industry data, the average discount in 2023 was ₹34,630, which increased to ₹38,816 in 2024. Data from Jato Dynamics shows that Toyota and Honda have more than doubled their discounts, with increases of 140 per cent and 120 per cent, respectively.

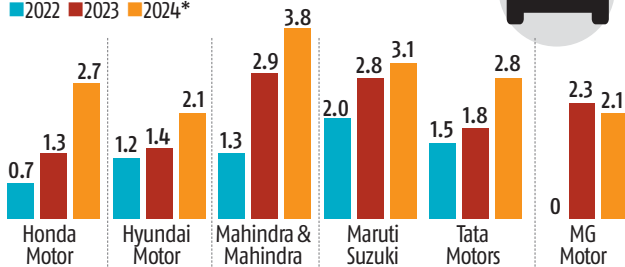
Other brands, such as Volkswagen, Tata Motors, Hyundai, and M&M, have also raised discounts by 29-70 per cent.

Turn to Page 7 ▶

## IT'S RAINING SOPS

Incentives as % of average retail price of vehicles

■ 2022 ■ 2023 ■ 2024\*



\*Year to date



Source: Jato Dynamics

## Banks gearing up for festival season, but with caution

Banks are gearing up for an uptick in business – of 10-12 per cent – during the festive season but with caution, given the regulatory concern on unsecured loans, pressure on liabilities, and emerging stress in the retail segment, write

ABHIJIT LELE & SUBRATA PANDA

▶ AMAZON INDIA CREATES 110K SEASONAL JOBS AHEAD OF FESTIVALS ▶

4 ▶

# Falling car sales, rising inventory propel discounts

Industry experts attribute the high discounts to declining sales owing to low rural demand. "October is a crucial month with several festivals coming up. As discounts may differ among dealers and states, it will be difficult to come up with an average," said C S Vigneshwar, who took charge as the 37th president of the Federation of Automobile Dealers Associations (FADA) on Wednesday.

Last week, the Federation of Automobile Dealers Association said passenger vehicle inventory levels at the end of August reached alarming levels. With 780,000 unsold vehicles valued at ₹77,800 crore, inventory days have reached 70-75, indicating that dealers' requests to car-makers to calibrate dispatches have gone unheeded.

This has led to a 2.5 per cent decline in wholesales in July, following modest 3 per cent growth in June. Retail sales of passenger vehicles fell by 4.53 per cent year-on-year in August.

Jeep India is offering the highest discounts, with the Compass available at up to ₹3.15 lakh off, including a cash discount of around ₹2.15 lakh.

Market leader Maruti Suzuki is offering discounts starting from ₹15,000 to ₹1 lakh till September-end, across models, with Jimmy seeing one of the highest discounts among Maruti's models, ranging up to around ₹100,000.

On the other hand, a Hyundai dealer in Chennai said Hyundai Alcazar is seeing the highest discount in its fold at around ₹2 lakh, while Verna and Venue offer around ₹70,000 and ₹55,000, respectively.

In addition to this, dealers are adding insurance discounts and several other sops. "On an average, discounts range between ₹40,000 and ₹80,000 across models," the Chennai dealer said.

For Tata Motors, discounts start from ₹30,000 for Tigor, ₹45,000 for Altroz, ₹65,000 Tiago, around ₹80,000 for Nexon, ₹1.6 lakh for Harrier, and Safari is carrying discounts of around ₹1.89 lakh.

This week, the Mumbai-based automaker, which is India's leading electric vehicle player, slashed prices of several models as part of 'Festival of Cars' campaign that will run till October 31.

Prices of Nexon EV have been reduced by up to ₹3 lakh, and Punch EV has discounts of up to ₹1.2 lakh. Similarly, Tiago

EV prices have been cut by ₹40,000.

In addition to price reductions, Tata.ev is offering six months of free charging at over 5,500 Tata Power charging points across India. Following the cuts, Tata Tiago EV will now start at ₹7.99 lakh, while the Punch EV will cost ₹9.99 lakh. The Nexon EV will start at ₹12.49 lakh, the Tata group firm said in a statement. The company said the move would help in 'mainstreaming' EVs in the country and accelerate adoption.

Ravi Bhatia, president and director of Jato Dynamics, said the 'pain' of lower demand was likely to continue for some more time.

"The car packaging and pricing moved up over the past few years. I think we are witnessing a mild-mid correction. The festival window is short and original equipment manufacturers are approaching it from four sides -- price correction, incentives, extended financing scrapping and trade-in, and production adjustment," he said.

M&M is offering discounts up to ₹1.1 lakh on the XUV300 (diesel) and ₹2.75 lakh on the XUV400 EV.

The Scorpio-N, particularly for 2023 models, and Thar also come with discounts of around ₹1 lakh and ₹1.5 lakh, respectively.

**Last week, the Federation of Automobile Dealers Association said PV inventory levels at the end of August reached alarming levels**