

# Discounts on cars close to pre-pandemic levels

Dealers cutting prices by ₹20,000 to over ₹100,000, depending on model

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Mumbai, 19 April

Discounts are back for car buyers. Dealerships across brands are offering discounts in the range of ₹20,000 to over ₹1 lakh, depending on the car model and location of the dealership.

Industry sources say that discounts are almost close to the 2019, or pre-pandemic, levels.

Speaking to *Business Standard*, Manish Raj Singhania, president, Federation of Automobile Dealers' Association (FADA), confirmed that discounts are indeed back.

"This is a very good time for a consumer to buy cars since many dealerships are offering discounts," he said. "The discounts are for models for which the dealer has inventory. For models where production is affected because of shortage of semiconductor chips, there is a waiting period."

Singhania added that at a network level, dealership inventories have crossed 30 days, and so dealers and original equipment manufacturers (OEMs) are offering discounts to liquidate the stock. "This range varies widely across models, and also with individual dealers and [their] locations. One would try to liquidate the stock for which one is carrying inventory," he said. Singhania added that while the discounts are close to 2019 levels, there is scope for more.

Dealership sources indicated that for entry-level models such as Maruti Suzuki Celerio, Wagon-R and Alto K10, the discounts can be as high as over ₹50,000. However, models like Grand Vitara, Vitara Brezza, Ertiga etc have a waiting period of 20-30 weeks.

The Maruti Suzuki India Ltd (MSIL) spokesperson was not available for comment.

Dealerships of Tata Motors, too, are offering discounts in the range of ₹20,000 to ₹35,000 varying across models. Altroz, Tiago, Tigor, Harrier and some variants of Nexon have discounts on them, said dealers *Business Standard* spoke with.

A Tata Motors spokesperson said, "Our February-March discounts are lower than they were in December. Dealership discounts will vary on their stock, model and locations."

Hyundai Motor India is offering discounts of around ₹15,000 to ₹33,000 for cars such as Grand i10 Nios, Aura, i20 etc.

Now, there's a reason the discounts are back.

While some models have high demand and a waiting period, others have pending inventory. "OEMs also continue to sell the entry-level cars to dealers as they get the volumes," Singhania explained. "Typically, every month, we see that the first half is sluggish, but the numbers pick up towards the end of the month for retail sales."

There is an outstanding booking of over 700,000 cars now, thanks to the long waiting periods of some.

Singhania is of the view that at least 25-30 per cent of these bookings would end up in cancellations. "People tend to book with multiple dealerships, and even across multiple brands when they see a long waiting period. They will cancel the other bookings when they get delivery from one place," he said.



## WHO IS OFFERING WHAT

Discounts offered	Companies
₹29K to ₹59K	Maruti Suzuki
₹20K to ₹35K	Tata Motors
₹15K to ₹33K	Hyundai

## Audi posts over 2x rise in sales in 1st 3 months of '23

Audi India has posted a 126 per cent growth in sales in the first three months of 2023, delivering 1,950 cars. Audi claimed its pre-owned car business also posted the 'strongest ever' sales in a quarter, growing by 50 per cent. The firm delivered 1,950 cars between January and March 2023, compared to 862 units last year during the same period. The firm said: This was the strongest quarter in terms of sales during the past six years in India. Balbir Singh Dhillon, Head of Audi India, said, "We have witnessed

strong growth of 126 per cent in Q1 of (calendar year) 2023 compared to the same period last year." He added that the firm's product line-up has 16 models and that SUVs currently accounted for over 60 per cent of the total sales in the first quarter of the calendar year.

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Shashank Srivastava, senior executive officer-marketing and sales, MSIL, had told *Business Standard* in March that the rise in auto loan rates of up to 250 basis points, price hikes by most manufacturers in January-February and higher inflation were among the reasons for the slight slowdown in fresh enquiries and bookings.

In 2023-24, the personal vehicles industry is expecting 5-7 per cent volume growth, Srivastava had said.