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Published in Business Standard

May 04, 2026 | 12:30 AM

Despite a strong March, electric vehicle makers keep discounts high
Aggressive discounting persists in the EV market as automakers juggle inventory, competition, and evolving buyer expectations.

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Electric vehicle (EV) makers such as Tata Motors, Hyundai Motor India, Mahindra & Mahindra, and JSW MG Motor India are continuing with steep discounts ranging from ₹50,000 to ₹4 lakh on mass-market models.

This comes even as volumes remain stable after a strong March, as companies push to clear older model-year inventory, respond to rising competition, and sustain buyer interest shaped by aggressive year-end deals.

On select premium models such as the Hyundai Ioniq 5, discounts had zoomed to as high as ₹10 lakh in March.

Discounting, which largely stayed in the ₹50,000 to ₹1.5 lakh–2 lakh range through most of 2025, began widening in late 2025 amid rising competition and inventory buildup.

By January–February 2026, benefits on several models had crossed ₹2 lakh, before peaking

in March with discounts stretching to ₹3–4 lakh on massmarket EVs and significantly higher on select premium offerings.

Analysts say the persistence of discounts reflects a structural shift in how automakers are managing the still-evolving EV market. “Discounts on electric cars have expanded meaningfully over the past two quarters, in some cases rising 20–50 per cent compared to mid-2025 levels, as automakers respond to higher inventory and intensifying competition,” said Anurag Singh, Managing Director, Primus Partners.

Analysts and dealers attribute the continued discounting to a mix of structural and near-term factors rather than weak demand. A key driver is the need to clear older inventory, particularly Model Year 2024 (MY '24) and Model Year 2025 (MY '25) stock, even as fresh units enter the market. At the same time, rising competition and a broader range of EV offerings have forced automakers to stay aggressive on pricing. The sharp, year-end discounts in March — aimed at meeting targets and front-running potential price hikes — have also reset pricing benchmarks, shaping buyer expectations and making deals a key trigger for purchases.

Offers thus intensified toward the end of the financial year and have remained elevated since January, peaking sharply in March due to year-end inventory pressures, purchases ahead of potential price hikes, and automakers pushing volumes to meet regulatory and internal targets.

The current round of schemes follows an unusually strong March, when headline cuts — including up to ₹10 lakh on the Hyundai Ioniq 5 and as much as ₹4 lakh on the Mahindra XUV400 — reset pricing benchmarks in India’s electric passenger vehicle market.

“Once buyers saw the kind of discount available on the Ioniq 5, it changed how they look at deals. Even smaller benefits are now enough to trigger interest,” said a dealer representing Hyundai Motor India.

Incentives are increasingly being used selectively, with higher benefits on slower-moving or older models and more calibrated offers on newer launches.

More broadly, companies are adopting a structured approach to discounting, combining cash benefits with financing schemes and bundled offers to manage inventory and competitive positioning.

While the steep, headline-grabbing cuts seen in March have moderated slightly, most mass-market EVs continue to be offered with meaningful price support, particularly on older model-year inventory. The Tata Curvv.ev is still available with discounts of over ₹3 lakh on select variants, while the Tata Tiago.ev and Tata Nexon.ev are seeing benefits ranging from around ₹50,000 to over ₹1 lakh, depending on model-year and variant.

“March was unusually strong because of the headline discounts, but even in April, we are seeing steady walk-ins driven by price-led enquiries,” said a Mumbai-based dealer for Tata Motors, adding that while footfalls remain healthy, conversion rates have normalised after the March spike.

This trend is also reflected in April sales data. Industry volumes stood at 22,677 units in April, only marginally lower than March’s elevated base of 23,097 units, indicating that volumes did not see a sharp post-year-end drop and remained relatively stable.

Tata Motors remained broadly stable at 8,507 units, while Mahindra & Mahindra saw a slight dip to 5,394 units, suggesting continued traction for its newer EVs. MG Motor India volumes softened to 4,978 units after March’s push but remained above February levels. At the same time, newer entrants such as Maruti Suzuki and VinFast posted sequential gains, indicating incremental demand is still being added to the market.

At Mahindra & Mahindra, incentives remain sharply differentiated across the portfolio.

The XUV400, which has seen weaker volumes than newer models, continues to attract the highest benefits, while newer products such as the Mahindra BE 6 and Mahindra XEV 9e are being supported with relatively lower, more tactical offers.

“The XUV400 is clearly moving because of the discount. Without that ₹4 lakh benefit, it was a much harder sell against newer EVs,” a dealer associated with Mahindra & Mahindra said. Meanwhile, JSW MG Motor India has expanded its April schemes across both EVs and internal combustion engine (ICE) models, reinforcing the broader industry push. The

company is offering benefits of up to ₹4 lakh on the MG Gloster, up to ₹1.9 lakh on the MG ZS EV, up to ₹1.4 lakh on the MG Astor, and up to ₹60,000 on the MG Comet EV.

The structure of these offers varies by model year and variant. For instance, the Comet EV's benefits are split across MY25 and MY26 units, combining cash, exchange, loyalty, and corporate schemes. Similarly, the ZS EV sees higher cash discounts on MY25 variants—up to ₹1.5 lakh—compared to newer MY26 units, reflecting a clear focus on clearing older inventory. On the ICE side, the Gloster commands the highest absolute benefit, with total savings going up to ₹4 lakh.

Dealers add that while enquiries and walk-ins remain healthy, conversion rates have normalised after the March spike, necessitating continued price support to sustain momentum.

“Customers are specifically asking for MY '24 and MY '25 stock because that's where the biggest savings are. In many cases, the difference is large enough to influence the final buying decision,” said another dealer.

Singh added that as supply catches up with uneven demand, companies are increasingly relying on a mix of discounts, financing schemes, and bundled services rather than outright price cuts alone. “Discounting is a structured strategy involving both OEM and dealer support, aimed at managing inventory, demand, and competitive positioning,” he said.