Depends on what you are looking at. Super hit models always claim a higher resale value. Plus given the inflation rate in emerging economies are high, new car price increases significantly year on year and so does the resale band width.  
  
When you bring such topics, you should also quote real time examples. If I look in to our classified section, the newest add as I write is [this](https://classifieds.team-bhp.com/buy-used-for-sale/65640/Andheri,%20Mumbai/2016/Hyundai/Creta.html/). A five year old Creta, 1.6Crdi Automatic with 36k on the odo is quoted 10.9L which I think can be easily negotiated to less than 10L. A new car equivalent today costs about 19.5L so the depreciation is ~50% which IMO is pretty decent for a popular model.

Depends on where you're looking. If it's olx, people inflate prices in anticipation of bargaining. Look for used cars on car24. I see decent deals everywhere tbh. I guess it also depends on your State.  
  
It also depends on make and model. I own a VW, I know I'll face EXTREME depreciation if I were to sell it, otoh the depreciation hit on my Maruti was pretty reasonable. A Fortuner/Innova is going to be almost immune to any depreciation, while you can pick up the Yaris at good prices.

The problem that I face is the absolute lack of experience to judge the depreciated value of cars. Portals like obv and India bluebook seem to be off the mark more often than not.  
  
A few questions:

1. How do you judge the value of a car after 5 to 6 years? Most online depreciation tables run till the 6th year.
2. Do I need to consider the inflation adjusted value of the cars original OTR price when calculating depreciation. I guess that makes sense but then these online portals would be so off the mark that they would become useless.

* People who are not serious about selling their car within a time-frame simply post ads to search for the highest bidder. This creates an illusion of high prices that serious sellers mistake as market prices. Thereby artificially jacking up the price.
* Car prices too have infact been going up 6-7% year-on-year. (This increment is apart from auto-makers who launch cars on introductory prices).
* There is a cartel of used-car-dealers leveraging on the inconvenience to sell ones car privately, while exchange/finance incentivises people to sell to dealers.
* IMO There is genuinely a lack of education/maturity with many sellers/buyers and they are refuse to keep their mind open to other peoples rationale. Many are simply cold about it & don't even justify anything. Sometimes understandable, since individual sellers are hounded by dealers (& even individuals) constantly demeaning their car.

Short answer:: demand and supply  
  
Long answer: to be honest, in my opinion, it is not as high it should be. Considering we are a supposed to be a low Labour cost market.  
  
Remember most people in West sell their cars because :  
1) it would be expensive to maintain an old Banger than pay EMI of new car.  
2) your average new car prices are less than half of annual salary of average Joe.  
  
So IMHO in India used car prices are lower than they should be.  
  
because:  
  
1) labour is cheap but skilled labour is not and dishonesty is rampant so it's not as cheap to maintain a used cars as it should be.  
2) due to bad infrastructure and poor maintenance car life is much shorter. In Western markets a 100k mile(160k km) car is old but okyish buy. Whereas, in India few cars survive respectfully beyond that milage (Unless they carry a Toyota badge).  
  
So I disagree with the statement that used cars are expensive in India. If you want I can give you my 6 years old Santa Fe for 33% of buying price