

Dear Dealer Friends,

Dated: 30th Aug 2017

Union Cabinet has given Go Ahead to the hike in GST Cess on mid-size, large cars and SUVs to 25% from existing 15% under the new GST regime.

As per current GST Rates, Small Cars Petrol <4 Meter & <1200 CC attract GST of 29% and Diesel <4 Meter & <1500 CC attract GST of 31% (inclusive 1% Cess on Petrol and 3% on Diesel). Total tax incidence on remaining Cars / SUVs came to 43% (with 15% Cess) which is proposed to move up to 53% (with 25% Cess).

GST council has still not decided on the date when the increased Cess would be applicable, however it is expected to be announced post GST council meeting on Sept 9th.

Increase in Cess would directly impact the consumer price of our models like New Verna, Creta, Elantra, Tucson and Santa Fe. Therefore till the time the revised Cess applies, we advise you to maximize the orders and retails of these models to enable the customers to buy at the current lower price and also have faster fund rotation.

Market demand for these Cars / SUVs would be very high hence timely order placement and getting the desired mix / variants would be key to capitalize the month's opportunity.

Please plan your business actions to maximize on the volumes to have more than 100% target achievement for Aug'17 to earn incentives.

All the Best!



Vikas Jain

Assistant Vice President

Unit Head, Sales