

OFFICE OF THE TRANSPORT COMMISSIONER,
TELANGANA STATE: HYDERABAD

Circular No. 59/IT/2016

Dated: 30.01.2016

Sub: Transport Department - Automobile Dealers - Practice of collection of handling and extra charges on the sale of motor vehicles - Certain instructions issued -Reg.

The attention of all Auto Mobile Dealers in the State is invited to the subject cited.

Several instances have come to the notice of the Department that the Automobile dealers who are authorized by the Department to temporarily register new vehicles have been collecting extra charges from the customers in the name of handling charges, logistics and facilitation charges etc. which is not authorized. This has been widely reported in the news papers also. The vehicle dealers are not entitled to collect any amount other than the ex-showroom price of the concerned vehicle fixed by the vehicle manufacturer.

In this regard, it is informed that the Hon`ble High Court of Delhi in W.P.(c) No.8488/2011 has issued the order that the dealers shall not charge anything extra / commission on the vehicle purchaser.

It is further informed that the Hon`ble Supreme Court has also expressed strong displeasure against car dealers as they continue to levy thousands of rupees from buyers towards logistics and other charges without Government authorization.

In this regard it is to inform that M/s. Maruthi Suzuki Limited issued directions to their dealers informing that the practice of handling charges has been abolished and henceforth dealerships must take care to strike out the same while filling the order booking form cum commitment checklist. They further informed that facilitation charges have been abolished from On Road price w.e.f from 11.08.2015.

The Transport Commissioner convened a meeting of Vehicle Manufacturers and Dealers on 05.01.2016 in the office of the Transport Commissioner Telangana. In the meeting the representatives of the manufacturers have categorically stated that the Ex-showroom price of a vehicle includes transportation charges, fuel charges, polishing charges and other similar expenses and therefore the dealers are not entitled to collect any amount other than the ex-showroom price of a vehicle fixed by the

manufacturer by way of logistics charges, handling charges and service charges.

In view of the above all the Automobile dealers in the State are instructed not to collect any charges from the customers in the name of handling charges, logistics and facilitation charges etc. Any such unauthorized collection of charges by the Automobile dealers would be construed as violation of the directions.

All the Automobile dealers are informed to follow the above instructions without giving any scope for complaints. Any violation will attract suitable action against the dealer concerned.

All the District Officers are requested to communicate these instructions to all the Dealers and give wide publicity.

Sd/- Sandeep Kumar Sultania
Transport Commissioner

To

All the Automobile dealers in the State
(Through the concerned District Officers)

All the District Officers.

Copy to the Principal Secretary, Tr.R&B Dept.,

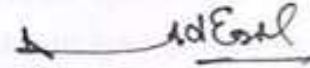
Copy to OSD to Hon'ble Minister for Transport.

Copy to Sri Raja Sekhar Reddy, Special Secretary to Hon'ble CM.

Copy to the Private Secretary to the Chief Secretary to Govt.

Telangana State, Hyderabad.

//By Order//



Administrative Officer

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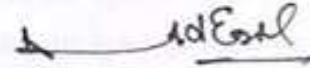
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