

Dated: 14th Dec, 2014

To: Dealer Principle's / CEO's

Sub: Change in Ex-showroom prices for all models

Dear Dealer Partners,

As you are aware that union government had announced the interim budget 2014 on 17th Feb, where in the excise duty imposed on various category of vehicles had been reduced. In June'14 Government had extended the concessional rate of excise duty till 31st Dec'14, so the concessional rate excise duty will remain applicable till 31st Dec'14.

In an event of the softer excise duty regime ending at the year end, the excise duty for all models will increase, thus bringing an immediate price increase applicable from 1st Janury'2015.

Model wise tentative price increase (Due to Excise duty increase) will range from Rs. 12,000 to Rs. 140,000

Also the rising inflationary trend has put a huge impact on our input costs. Although the whole year we have been trying our level best to control and absorb these costs, the current deficit between the manufacturing cost and cost realization has increased tremendously. We therefore are left with no other option but to increase the price from January 2015 onwards. This price increase would be applicable on all the models and would range between Rs. 5,000/- ~ Rs. 25,000/-.

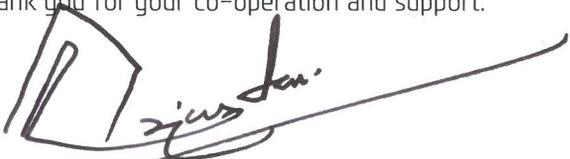
Based on the above factors overall tentative model wise price increase will be as below:

Models		Eon	i10	Grand	Xcent	Elite i20	Verna	Elantra	Santa Fe
Price Increase	Excise duty Change	12,000	15,000	20,000	22,000	24,000	23,000	36,000	140,000
	Regular Price Increase	5,000 to 25,000							
	Possible price Increase	17,000 to 37,000	20,000 to 40,000	25,000 to 45,000	27,000 to 47,000	29,000 to 49,000	28,000 to 48,000	41,000 to 61,000	145,000 to 165,000

The market is reflecting the above as customer bookings are on increase of 23% over the last year December. We expect this to further go up in the next few days. We are hopeful that these increased bookings will convert in to purchases by the month end.

I request you to kindly appraise your sales staff and the customers of this likely scenarios, so as to maintain the customer transparency and providing them an opportunity to take best buy decision.

Thank you for your co-operation and support.



Rakesh Srivastava

Sr. Vice President - Sales & Marketing