

AUTOLINE MEGA PROJECT APPROVAL

We are happy to notify the receipt today of a letter D.O. No. HPC-1011/C.R. 100/ Ind-8 dated 23rd June, 2011 conferring "Mega Project" status to the Chakan Project at Nanekarwadi, Chakan, Tal: Khed, Dist: Pune - 410 501, [a 'C' Zone under the Package Scheme of Incentives (PSI) 2007] on the basis of an investment of Rs. 199.54 Crores and to provide employment to around 1063 persons.

The following incentives have been offered, subject to compliance of PSI, 2007:

1. Electricity Duty exemption for a period of 7 years from the date of commencement of commercial production.
2. 100% exemption from payment of Stamp Duty in accordance with the dispensation in this regard under the Government Notification dated June 12, 2007.
3. Industrial Promotion Subsidy (IPS) equivalent to 75% of eligible investments under PSI 2007

made within a period of 5 years from 1/04/2007. The IPS will however be limited to 75% of eligible investment or to the extent of the amount of taxes payable under the Maharashtra Value Added Tax Act, 2002 and Central Sales Tax Act, 1956 by the Project in respect of sale of finished products eligible for incentives after adjustment of set off or other credit available within a period of 7 years, whichever is lower.

Out of this, the Company has already invested Rs. 107.54 Crores till March 31, 2011 and hence a sum of Rs. 80.66 Crores is already eligible to the extent of the amount of taxes paid under the Maharashtra Value Added Tax Act, 2002 and Central Sales Tax Act, 1956 by the Project in respect of sale of finished products eligible for incentives after adjustment of set off or other credit available within a period of 7 years, whichever is lower.

The IPS as a Mega Project will be admissible only after the Company generates direct employment for 1000 persons within a period of 2 years from the date of commercial production (October 1, 2009).