



January 20, 2012

<p>DCS-CRD BSE Limited First Floor, New Trade Wing Rotunda Building, Phitoze Jeejeebhoy Towers, Dalal Street, Fort Mumbai 400 023 Fax No. 2272 2061</p> <p>Stock Code: 500032</p>	<p>National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No.C/1, 'G'Block Bandra- Kurla Complex Bandra East Mumbai 400 051 Fax No. 2659 8237/ 8238</p> <p>Stock Code: BAJAJHIND</p>
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Sub.: Payment of dues on account of sugarcane price difference related to SAP for the years 2006-07 and 2007-08 as per the direction from the Hon'ble Supreme Court of India

We wish to inform you that with regard to payment of the State Advised Price (SAP) for sugarcane for the Crushing Seasons of the years 2006-07 and 2007-08, *inter alia*, the Company had contested cases against the State of UP before the High Court of Allahabad, in which the judgment was announced in favour of the company. The State of UP had preferred Appeals against the said Order of the High Court before the Supreme Court, wherein the Supreme Court had directed the company (as well as other sugar companies represented *inter alia* by the Association) by way of Interim Order to pay a price lower than the SAP till further Orders.

Finally, vide an Order passed on January 17, 2012 in the bunch of Appeals related to the aforesaid matter, the Supreme Court has *prima facie* accepted the contention that the matter of "power to fix State Advised Price (SAP) by the State" needs to be examined by a larger bench of the Supreme Court and has accordingly referred the same to the seven members bench. However, it has been directed by the Supreme Court to pay the balance outstanding principal amount for the crushing seasons of the years 2006-07 and 2007-08 within 3 months from the date of judgment. In case the payment is not made within 3 months interest @18% shall be payable for the delayed period.

In the above connection, we would like to inform that the aggregate outstanding principal amount of sugarcane price (SAP) payable by the company for both the aforesaid crushing seasons is Rs. 224.5 Crore. Necessary provision for entire liability on account of aforesaid sugarcane price difference for the respective crushing seasons had already been made by the Company in its books and thus there will be no impact on the "Profit for the year" upon such payment by the Company.

Yours sincerely,
for Bajaj Hindusthan Ltd.

Pradheep Parakh
Group President (GRC) &
Company Secretary