



# DWARIKESH SUGAR INDUSTRIES LIMITED

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REF: DSIL/2011-12/810

31 January, 2012

Corporate Relationship Department  
Bombay Stock Exchange  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, P.J. Towers  
Dalal Street, Fort  
Mumbai - 400 001

**Kind Attn: General Manager DCS-CRD**

**Sub: Payment of dues on account of sugarcane price difference related to SAP for the year 2007-08 as per the direction from the Hon'ble Supreme Court of India.**

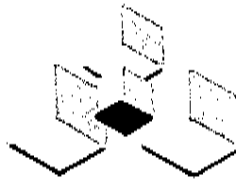
Dear Sir,

We wish to inform you that the State Advised price (SAP) for sugarcane for the Crushing Season of the year 2007-08 announced by the State Government of Uttar Pradesh (UP) was contested by the Company before the Honorable High Court of Allahabad, in which the judgment was announced in favour of the company. The State of UP had preferred appeal against the said Order before the Honorable Supreme Court, wherein the Supreme Court had directed the Company (as well as the other sugar companies represented inter alia by the Association) by way of Interim Order to pay a price lower than the SAP until further Orders.

The Honorable Supreme Court passed an interim order on January 17, 2012 in the bunch of Appeals relating to the aforesaid matter; wherein it has prima facie accepted the contention that the legislative Competence of the State Government to fix State Advised Price (SAP) needs to be examined by a larger constitution bench. However, it has directed Sugar Mills to pay the balance outstanding principal amount for the crushing seasons 2006-07 and 2007-08 within 3 months from the date of judgment. It has further ordered that 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 outstanding principal amount of sugarcane price (SAP) payable by the company for the crushing season 2007-08 is Rs. 22.69 Crores. However in respect of crushing season 2006-07 the Company had provided for Sugarcane liability as per SAP announced by the State Government and also paid the same.

The Company is legally examining the interim order of the Honorable Supreme Court and based on the opinion, necessary adjustments for providing differential cane purchase liability of Rs.



22.69 crores for the season 2007-08 will be made in the books of accounts during the current financial year.

You are requested to acknowledge the receipt of the same.

Thanking you,

Yours Sincerely  
For **Dwarikesh Sugar Industries Limited**

**B. L. Maheshwari**  
Whole Time Director & CS cum CCO