



Corporate Capital Ventures
(SEBI Registered Category I Merchant Bankers)

To

Board of Directors
SBEC SUGAR LIMITED
L15421UP1991PLC019160
Vill: Loyan Malakpur,
Teh: Baraut
Dist: Bagpat-250611
Uttar Pradesh

Board OF Directors
SBEC Bioenergy Limited
U40105UP1996PLC037250
Village Loyan Malakpur,
Teh: Baraut,
Dist: Bagpat-250611
Uttar Pradesh

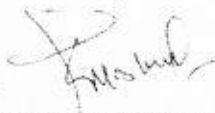
Subject: Fairness Opinion on Valuation of Shares for the purpose of proposed Amalgamation of SBEC Bioenergy Limited ("Amalgamating Company or Transferor Company") with SBEC Sugar Limited ("Amalgamated Company or Transferee Company").

Dear Sirs,

Please find attached the Fairness Opinion Report on Valuation of Shares and Share exchange Ratio for the purpose of proposed Amalgamation of SBEC Bioenergy Limited ("Amalgamating Company or Transferor Company") with SBEC Sugar Limited ("Amalgamated Company or Transferee Company").

Thanks and regards

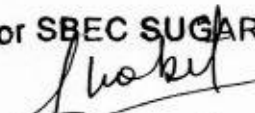
For Corporate Capital Ventures Private Limited


(KULBHUSHAN PARASHAR)
Director

Place: New Delhi
Date - July 28, 2017

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For SBEC SUGAR LTD.


Company Secretary

Corporate Capital Ventures Pvt. Ltd.
CIN: U74140DL2009PTC194657

160, LGF, Vinoba Puri, Lajpat Nagar-II, New Delhi-110 024
Tel: +91 11 4170 4066, Website: ccvindia.com, Email: info@ccvindia.com, ccvindiamb@gmail.com
Mumbai Office: 4A9, Gundecha Onclave, Kherani Road, Sakinaka, Mumbai 400 072



PRECEDENT

We refer to our Engagement Letter Dated July 10, 2017 ("Engagement Letter"), whereby SBEC Sugar Limited ("SBEC") has appointed Corporate Capital Ventures Private Limited (hereinafter referred to as "CCV" or "We"), SEBI registered Merchant Bankers, having license number INM000012276 to provide an Independent Fairness Opinion on the Valuation of Shares and Share Exchange Ratio recommended by N. D. Kapur & Co., Chartered Accountants, ("Valuer") having their office at 1st Floor, Great Eastern Center (Behind IFCI Tower), Nehru Place, New Delhi-110019, for the proposed Amalgamation of SBEC Bioenergy Limited ("Amalgamating Company" or "Transferor Companies") with SBEC Sugar Limited ("Amalgamated Company" or "Transferee Company") (hereinafter collectively referred to as "Companies").

SCOPE OF FAIRNESS OPINION

The Management of the Company in terms of the Engagement Letter, has requested CCV, to submit an independent opinion (the "Fairness Opinion") to the Board of Directors and Audit Committee of the Company on the Valuation of share and Share exchange ratio recommended by the Valuer. The scope of this Fairness Opinion includes commenting on the fairness of the valuation of share exchange ratio recommended by the Valuer and not on the fairness or economic rationale of the proposed scheme.

PURPOSE OF FAIRNESS OPINION

The purpose of this Fairness Opinion is to be submitted to the Stock Exchange by, the Company, in compliance with Regulation 11, Regulation 37 and Regulation 94 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/DIL3/CIR/21/2017 dated MARCH 10, 2017. This opinion is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.

The report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality not in parts and in conjunction with the relevant documents referred to herein.

BRIEF ABOUT THE COMPANIES UNDER AMAGALMATION

- SBEC Sugar Limited ("SBEC") was originally incorporated on 03rd May, 1991 under the Companies Act, 1956 bearing Registration no. 019160 having its registered office at Village Loyan Malakpur, Tehsil Baraut- 250611, District Bagpat, Uttar Pradesh. The equity shares of SBEC Sugar Limited are listed on Bombay Stock Exchange (BSE) and the Calcutta Stock Exchange (CSE). SBEC

FOR SBEC SUGAR LTD.

Shobhit

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Company

Corporate Capital Ventures Pvt. Ltd.

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has moved an application with CSE for delisting of shares. The Corporate Identification of company is L15421UP1991PLC019160.

- SBEC Bioenergy Limited ("SBBL") was originally incorporated on 18th April, 1996 under the Companies Act, 1956 bearing Registration no. 037250 having registered office at Village Loyan Malakpur, Tehsil Baraut-250611, District Bagpat, Uttar Pradesh. SBEC Sugar Limited holds 55% shares of SBEC Bioenergy Limited (SBBL), therefore SBBL is a subsidiary company of SBEC. The Corporate Identification of company is U40105UP1996PLC037250. SBBL is engaged in the business of Power generation and apart from captive consumption of power it is also supplying power to Uttar Pradesh Corporation Power Limited.

SOURCES OF THE INFORMATION

We have received the following information from the management of Amalgamating Company and Amalgamated Company:

1. Proposed Scheme of amalgamation under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013 between SBEC Bioenergy Limited ("Amalgamating Company or Transferor Companies") with SBEC Sugar Limited ("Amalgamated Company or Transferee Company") and its Shareholders and Creditors.
2. Report on Valuation of Shares by M/s N.D. Kapur & Co., Chartered Accountants, dated July 27, 2017.
3. Shareholding Pattern of SBEC Sugar Limited and SBEC Bioenergy Limited as on 30th June, 2017.
4. The projected income statement and balance sheet for the year 2017-18 to 2021-22 of SBEC Sugar Limited.
5. The projected income statement and the balance sheet for the year 2017-18 to 2021-22 of SBEC Bioenergy Limited.
6. Audited Consolidated Financial Statement of SBEC Sugar Limited for F.Y. 2016-17, 2015-16 and FY 2014-15.
7. Held discussions with the management of SBEC Sugar Limited, Valuer and perused the Valuation Report; and information provided by leading database sources and other published reports.

VALUER'S RECOMMENDATION

As stated in the Valuation Report, The valuer has recommended a consideration of

"13 (Thirteen only) Equity Shares of SBEC Sugar Limited of Rs. 10/- Each (Rupees Ten Only) fully paid up for every 10 (Ten Only) Equity share of Rs. 10/- each held by shareholders of SBEC Bio-energy Limited"

For SBEC SUGAR LTD.

[Signature]
Secretary

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OUR FAIRNESS OPINION ON VALUER'S RECOMMENDATION

In the circumstances, having regard to the relevant factor and on the basis of information and explanations provided to us, in our view, the proposed consideration as recommended by valuer, M/s N.D. Kapur & Co., Chartered Accountants, that:

"13 (Thirteen only) Equity Shares of SBEC Sugar Limited of Rs. 10/- Each (Rupees Ten Only) fully paid up for every 10 (Ten Only) Equity share of Rs. 10/- each held by shareholders of SBEC Bioenergy Limited" which forms the basis for the proposed amalgamation is **fair and reasonable**.

DISCLAIMER:

1. **Our scope of work did not include the following:-**
 - a. An audit of the financial statements of any of the Companies discussed in this opinion.
 - b. Carrying out a market survey / financial feasibility for the Business of any of the Companies discussed in this opinion.
 - c. Financial and Legal due diligence of any of the Companies discussed in this opinion.
2. It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.
3. We assume no responsibility and make no representations with respect to the accuracy or sufficiency or completeness of any information provided by the management of the Companies / valuer. We have not conducted any independent appraisal of any assets or liabilities of the Companies. We have not reviewed any other documents other than those stated above.
4. Our work did not constitute a validation of the financial statement of the Companies and accordingly we do not express any opinion on the same. If there were any omission, inaccuracies, or misrepresentations of the information provided by the management, it may have material effect on our findings. The valuation is also significantly dependent on the projections and assumptions of Management and Valuer which may change in different circumstances.
5. No consideration has been given to liens or encumbrances against the assets beyond the loans and disclosures in the accounts. Therefore no liability has been assumed for matters of legal nature.
6. The opinion must not be made available or copied in whole or in part to any other person without our express written permission save and except for the limited purpose of this opinion.

For SBEC SUGAR LTD.

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7. We understand that the management of the Companies/valuer during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our opinion. In this opinion we have included all such information and matters as was received by us from management of the Company/valuer.
8. The management of the Companies or their related parties is prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this opinion available to any party other than those required by statute for carrying out the limited purpose of this opinion. This opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified as above, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.
9. In rendering the opinion, CCV has not provided legal, regulatory, tax, accounting, actuarial or investment advice and accordingly we do not assume any responsibility in respect thereof. Further we have assumed that the Scheme will be implemented on the terms and conditions as set out in the draft scheme without any material change to or waiver of its terms and conditions.
10. We hereby declare that we do not have any direct or indirect interest in the Companies/assets valued.
11. The report is issued on the understanding that it is solely for the use of the person to whom it is addressed and for the purpose described above. We will not accept any liability or responsibility to any other person other than those to whom it is addressed.
12. In no event, will CCV, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

Thanking You

For Corporate Capital Ventures Private Limited

(KULBHUSHAN PARASHAR)

Director

Place: New Delhi

Date: July 28, 2017

For SBEC SUGAR LTD.

Company Secretary

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