

VALUATION ANALYSIS

FOR THE PROPOSED AMALGAMATION

OF

SIMBHAOLI SUGARS LIMITED
(THE TRANSFEROR COMPANY)

WITH

SIMBHAOLI SPIRITS LIMITED
(THE TRANSFEREE COMPANY)

PREPARED BY:-

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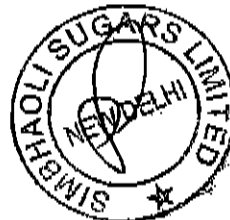
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SECTION I - APPOINTMENT FOR DETERMINATION OF EXCHANGE RATIO

This Valuation Report has been prepared by M/s Rahul Bansal & Company, Chartered Accountants to provide valuation analysis of companies involved in this amalgamation and to determine the share exchange ratio of equity shares and Redeemable preference shares of Simbhaoli Sugars Limited viz-a-viz the equity shares of Simbhaoli Spirits Limited in connection with the proposal to amalgamate Simbhaoli Sugars Limited with Simbhaoli Spirits Limited. The Appointed Date for this amalgamation has been kept at 31st March 2014.

BRIEF OF THE COMPANIES INVOLVED UNDER THIS AMALGATION

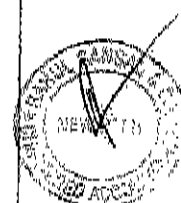
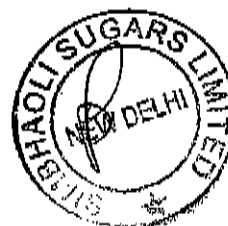
1. **SIMBHAOLI SPIRITS LIMITED** (herein after referred to as 'Transferee Company' or 'SISPL'), is a company incorporated on 4th April, 2011, under the provisions of Companies Act, 1956. The registered office of the Company is situated at Kothi No. 1 Distillery Division Compound Simbhaoli Uttar Pradesh - 245207. It is engaged in the business of manufacturing, marketing and branding of Ethanol, Extra Neutral Alcohol, Rectified spirits, Potable alcohol including India Made Foreign Liquor (IMFL), and other alcoholic and non alcoholic beverages and also processing of by-products for India as well as overseas markets. SISPL is a 100% wholly owned subsidiary of Simbhaoli Sugars Ltd.

2. **SIMBHAOLI SUGARS LIMITED** (herein after referred to 'Transferor Company' or 'SSL'), is a company incorporated on 29th June, 1936, under the provisions of Companies Act, 1956. The registered office of the Company is situated at Simbhaoli Hapur, Uttar Pradesh 245207. SSL is amongst top 10 Integrated sugar companies in India and is listed on Bombay Stock Exchange (BSE) India Limited and National Stock Exchange Limited. SSL is engaged in the business of Sugar and Ethanol and has three manufacturing facilities in Simbhaoli (Western UP), Chilwaria (Western UP) and Brijnathpur (Eastern UP). SSL has subsidiaries named as Simbhaoli Power Private Limited, Integrated Casetech Consultants Private Limited, and Simbhaoli Global Commodities DMCC, Dubai & Unworld Sugars Private Limited (50:50 Joint Venture Company)

Simbhaoli Power Private Limited (SPL) is a 51% subsidiary of SSL, set up for the purpose of operating and expanding the cogeneration businesses at Simbhaoli and Chilwaria units.

Integrated Casetech Consultants Private Limited (ICCP) is a subsidiary with 85% shares held by SSL. It offers services in areas related to process engineering, operational manpower management, maintenance of sugar mills and refinery plants, steam reduction, electrical energy conservation, agriculture and sugarcane management services etc in India and overseas.

Unworld Sugars Private Limited (USL) is a Joint Venture company (50% shareholding held by SSL) engaged in setting up a 1000 tpd refinery project near Kandla Port, Gujarat.



Simbhaoli Global Commodities DMCC (SGD) is a wholly owned subsidiary of SSL, set up in Dubai for the purpose of carrying out the International trading activities in sugar and alcohol segments.

SCOPE OF SERVICES

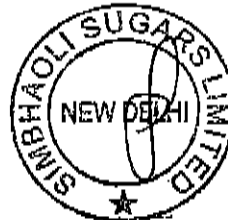
As a part of the advisory services, M/s Simbhaoli Sugars Limited has appointed M/s Rahul Bansal & Company, Chartered Accountants, to undertake the valuation of the companies involved in this amalgamation as a prelude to business consolidation. The scope of our work for the same is as under:

- Valuation of the companies involved in this amalgamation.
- Suggest a share exchange ratio for the purpose of the proposed amalgamation.

SCOPE LIMITATION

The valuation exercise was carried out under the following limitations:

- The valuation of the companies is based on various assumptions made by the respective companies and their management relating to the operations of their businesses and representation made thereto in this context. Any change in these assumptions could have an impact on the conclusion of this report.
- This valuation report has been based on the Management Certified Provisional Balance Sheet as on 31st December 2013 and Income Statement of "SSL" and "SISPL" for the period ended 31st December, 2013 (9 Months) as provided by the Key Managerial Persons of the respective companies.
- This report is prepared exclusively for the purpose of Amalgamation of "SSL" with "SISPL". The assumption contained herein, which is expressly adopted for the purpose of this Report, is based on the information made available to us by the management at the time of making of this report.
- For the purpose of fair valuation of land, factory/residential buildings, plant, machinery & equipment of sugar & ethanol manufacturing plant along with power generation facilities located across Uttar Pradesh, India (Simbhaoli, Chilwaria and Brijnathpur) of SSL, we have relied upon the valuation report dated February 2014 of the Real Estate valuer "Knight Frank India Pvt. Ltd" based in Mumbai.



SECTION II - COMPANIES ASSESSMENT**1. SIMBHAOLI SPIRITS LIMITED (Transferee Company)****1.1. BASIC INFORMATION:**

SIMBHAOLI SPIRITS LIMITED (herein after referred to as 'Transferee Company' or 'SISPL'), is a company incorporated on 4th April, 2011, under the provisions of Companies Act, 1956. The registered office of the Company is situated at Kothi No. 1 Distillery Division Compound Simbhaoli Uttar Pradesh - 245207. It is a wholly owned subsidiary of Simbhaoli Sugars Ltd and is engaged in the business of manufacturing, marketing and branding of Ethanol, Extra Neutral Alcohol, Rectified spirits, Potable alcohol including India Made Foreign Liquor (IMFL), and other alcoholic and non alcoholic beverages and also processing of by-products for India as well as overseas markets. SISPL is a wholly owned subsidiary of SSL.

1.2. CAPITAL STRUCTURE:

The Capital Structure of "SISPL" as on i.e. 31st March 2013 is as under:

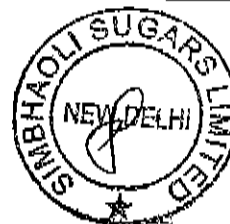
SIMBHAOLI SPIRITS LIMITED	
Particulars	Amount (in Rs.)
Authorized Share Capital	
39,000,000 Equity Shares of Rs. 10/- each	390,000,000.00
Issued, Subscribed and Paid up Share Capital	
31,800,000 Equity Shares of Rs. 10/- each	318,000,000.00

Post March 31, 2013 and till the approval of the Scheme by the Board there have been no changes to the Share Capital account.

1.3. ABSTRACT OF HISTORICAL INCOME STATEMENT

Amount in (Rs. Lacs)

Particulars	Provisional	Audited	Audited
	31.12.2013	31.03.2013	31.03.2012
Revenue From Operations	8,208.88	8,548.34	10,189.48
Other Income	127.92	79.98	72.38
Total Income	8,336.80	8,628.32	10,261.86
Expenses	4,852.47	6,258.23	5,234.43
Other Expenses	4,409.06	3,880.16	5,466.73
Total Expenses	9,261.54	10,138.39	10,701.16
Profit/(Loss) Before Tax	(924.73)	(1,510.07)	(439.30)
Deferred tax charge/(benefit)			(135.12)
Profit/(Loss) for the year	(924.73)	(1,626.83)	(304.18)



1.4. ABSTRACT HISTORICAL BALANCE SHEET

Amount in (Rs. Lacs)

Particulars	Provisional 31.12.2013	Audited 31.03.2013	Audited 31.03.2012
EQUITY & LIABILITIES			
Share Capital	3,180.00	3,180.00	5.00
Reserves & Surplus	19,304.53	20,229.26	(368.91)
Share Application Money			13,600.00
Non-Current Liabilities	966.53	1,490.65	1,899.82
Current Liabilities	10,211.54	7,903.23	6,492.03
TOTAL	33,662.60	32,803.15	21,627.94
ASSETS			
Non-Current Assets	27,455.22	27,839.73	16,331.301
Current Assets	6,207.38	4,963.42	5,296.93
TOTAL	33,662.60	32,803.15	21,627.94



2. SIMBHAOLI SUGARS LIMITED (Transferor Company)**2.1. BASIC INFORMATION**

SIMBHAOLI SUGARS LIMITED (herein after referred to 'Transferor Company' or 'SSL'), is a company incorporated on 29th June, 1936, under the provisions of Companies Act, 1956. The registered office of the Company is situated at Simbhaoli Hapur Uttar Pradesh 245207. SSL is engaged in the business of Sugar and Ethanol and has three manufacturing facilities in Simbhaoli (Western UP), Chilwaria (Western UP) and Brijnathpur (Eastern UP).

2.2. CAPITAL STRUCTURE:

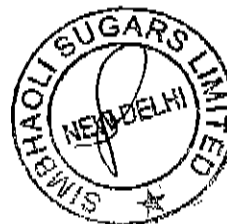
The Capital Structure of "SSL" as on 31st March 2013 is as under:

SIMBHAOLI SUGARS LIMITED	
Particulars	Amount (Rs.)
Authorized Share Capital	
35,000,000 Equity Shares of Rs. 10/- Each	350,000,000.00
4,000,000 Preference Share of Rs. 100/- Each	400,000,000.00
Issued, Subscribed and Paid up Share Capital	
Issued: 28,433,435 Equity Shares of Rs. 10/- Each	284,334,350.00
Less: Forfeited 204,625	
Subscribed & Paid up 28,228,810	
3,200,000 Redeemable Preference Share of Rs. 100/- Each	320,000,000.00

Post March 31, 2013 and till the approval of the Scheme by the Board there have been no changes to the Share Capital account.

2.3. ABSTRACT OF HISTORICAL INCOME STATEMENT (Standalone):

Particulars	Amount in (Rs. Lacs)		
	Provisional 31.12.2013	Audited 31.03.2013	Audited 31.03.2012 (18 month ended)
Revenue From Operations	57,841.71	88,493.91	121,292.04
Other Income	1,951.50	1,704.41	3,792.57
Total Income	59,793.21	90,198.32	125,084.61
Expenses	71,573.38	95,734.82	118,636.01
Other Expenses	4,291.75	10,947.88	18,388.88
Total Expenses	75,864.94	106,682.70	136,924.89
Profit/(Loss) Before Tax	(16,071.73)	1,002.11	(2,534.31)
Current Tax	23.34	200.50	378.25
Deferred tax charge/ (benefit)		4,747.83	(4,454.85)
Profit/(Loss) for this year	(16,095.07)	(3,946.22)	1,542.29



2.4. ABSTRACT OF HISTORICAL BALANCE SHEET:

Amount in (Rs. Lacs)

Particulars	Provisional 31.12.2013	Audited 31.03.2013	Audited 31.03.2012
EQUITY & LIABILITIES			
Share Capital	6,035.88	6,035.88	2,770.13
Money received against Share Warrants	-	-	133.11
Reserves & Surplus	(21,251.83)	(5,235.86)	(1,448.34)
Non Current Liabilities	10,345.27	14,555.99	20,596.31
Current Liabilities	125,017.55	148,677.33	131,364.09
TOTAL	120,146.88	164,033.34	163,415.30
ASSETS			
Non Current Assets	73,154.90	73,183.45	72,714.16
Current Assets	46,991.98	90,849.89	80,701.13
TOTAL	120,146.88	164,033.34	163,415.30

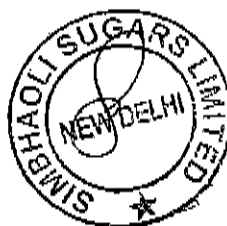
2.5. ABSTRACT OF FINANCIAL DATA OF SUBSIDIARIES OF SIMBHAOLI SUGARS LIMITED AS AT 31.12.2013 IS AS DETAILED BELOW.

Amount in (Rs. Lacs)

Particulars	Simbhaoli Power Private Limited (SPL)	Integrated Casotech consultants Private Limited (ICCP)	Uniwold Sugars Private Limited (USL)	Simbhaoli Global Commodity s. (SGD)
Revenue From Operations	1,386.55	2,478.51	-	-
Total Income	1,470.49	2,498.24	3.43	1.63
EBITDA	(154.69)	305.21	(50.81)	(0.08)
PBT	(3,628.88)	283.00	(50.81)	(0.09)
PAT	(2,446.71)	188.94	(50.81)	(0.09)
Net Worth*	923.30	719.66	14,005.59	2.89
Debt**	6,272.55	90.00	6,679.89	-
Fixed Assets	18,933.36	75.35	21,624.18	-
% Shareholding of SSL	51%	65%	50%	100%

* Net worth = Share Capital + Reserve & Surplus - Miscellaneous Expenses

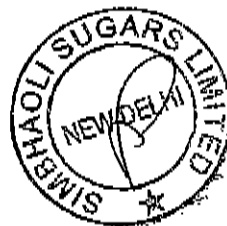
** Debt = Long term borrowing + Short term borrowing.



SECTION III - INTEGRATION via AMALGAMATION**SCHEME OF AMALGAMATION:**

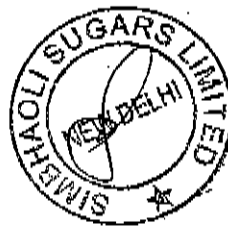
The Scheme of Amalgamation provides for the amalgamation of Simbhaoli Sugars Limited with Simbhaoli Spirits Limited pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956. The Amalgamation of Amalgamating Company with the Amalgamated Company would result, inter-alia, in the following benefits to their respective members:

- a. Greater integration and financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
- b. Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost. Benefit of operational synergies to the combined entity in areas such as sourcing of materials, product planning and development and increased revenue generation through increased sales as well as optimization, cost efficiency and business logistics, which can be put to the best advantage of all stakeholders.
- c. Consolidation of the businesses under the same leadership with individual specialization in different areas.
- d. Increased cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, improved procurement of materials and resources, and the elimination of duplication, and optimum rationalization of administrative expenses and utilization of human resources.
- e. Greater efficiency in cash management of the amalgamated entity, and pooling of cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- f. Pooling of business debt under single entity and creating a single stream of cash flows.
- g. Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.
- h. Opportunities for creating strategic partnership and flexibility of fund raising capability for future growth and expansion and to create a business structure, which is geared to take advantage of possible growth opportunities.
- i. Better financial, business and operational prospects including, but not limited to, efficient management of costs, better maintenance of the manufacturing/ bottling/ warehousing facilities and improved administrative control of the Company as whole.



SECTION IV - PERSONS FURNISHING INFORMATION DETAILS

The management of the Companies, assisted by their respective Key Managerial Personnel have furnished the required financial and other relevant information, explanations and data for the respective companies, to facilitate us in drawing up our opinion. In the course of drawing up our opinion on the exchange ratio between Transferee Company and Transferor Company, we have relied upon the management certified financial information and other documents provided to us by the respective key management of both the companies. We have also relied upon the statement made by the management regarding the objectives and rationale of consolidation of businesses (as provided in section III of this report) as well as the property valuation report by property valuer. This has helped us in determining the appropriate valuation methodologies.



SECTION V- PURPOSE & DATE OF AMALGAMATION AND EXCHANGE RATIO**PURPOSE OF AMALGAMATION**

The management of both the companies feels desirable to amalgamate the companies and to consolidate their resources and businesses. The proposed amalgamation of "SSL" with "SISPL", as envisaged in the Scheme, would prove greater integration and financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.

It is therefore, considered desirable and expedient to amalgamate the aforesaid companies and in consideration thereof issue Equity Shares in "SISPL" to the shareholders of "SSL" (other than the shares already held therein immediately before the amalgamation by Transferee Company if any) in accordance with the Scheme, pursuant to Sections 391-394 and the other relevant provisions of the Companies Act, 1956.

DATE OF EXCHANGE RATIO

It is proposed that the businesses and undertakings of "SSL" shall be amalgamated with the business and undertaking of "SISPL" with effect from the opening of business hours on 31st March 2014, as per the Scheme of Arrangement, subject to the orders of the Hon'ble High Court of Allahabad Uttar Pradesh.

In the process of amalgamation, it is necessary to determine the value of shares of both the companies to ascertain the share exchange ratio. To arrive at the value of equity shares of companies and to determine the share exchange ratio, we have relied upon the Management Certified Provisional Balance Sheet as at 31st December 2013 and Income Statement of "SSL" and "SISPL" for the 9 months period ended 31st December, 2013.



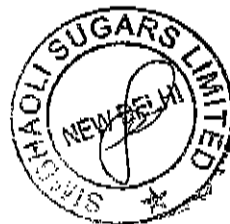
SECTION VI - METHOD OF VALUATION ADOPTED

SIMBHAOLI SPIRITS LIMITED and **SIMBHAOLI SUGARS LIMITED** have common management and are group companies. SISPL is a wholly owned subsidiary of SSL. Whereas SSL is a listed company with its shares listed at Bombay Stock Exchange Ltd and National Stock Exchange Ltd.

In general parlance there are three approaches to valuation namely **Asset Approach, Income Approach & Market Approach**. We have considered all the three approaches for the valuation purposes.

- a. **Asset Approach (Net Asset Value Methodology)** – Net Asset Value Methodology is used to measure the value of the company based on the tangible assets of the company. We have considered this methodology while undertaking valuation of both the Transferor and the Transferee companies i.e. SSL and SISPL. While applying this methodology we have relied on the fair valuation of land, factory/residential buildings, plant, machinery & equipment of sugar & ethanol manufacturing plant along with power generation facilities located across Uttar Pradesh, India (Simbhaoli, Chhilaria and Brijnathpur) report of "Knight Frank India Pvt. Ltd." dated February 2014" while valuing SSL, we have relied upon the management representation letter that there is no material change in the investment value and its fair value of the investment made by SSL in its subsidiaries like USPL, SPL, SGD. Only increase in value of investment made by SSL in ICCPL has been considered as its showing significant appreciation of Rs 573.47 Lacs due to accumulation of profits. We have observed that none of the subsidiaries possess any Real Estate or other material assets. However in case of SISPL there is not any fair value of the property value as it been represented by the management that there is not any appreciation or diminution in the value of fixed assets.
- b. **Market Value Approach** – Market value Methodology is applied only in "SSL" as the shares of SSL only are listed on BSE and NSE. We have considered the last 26 weeks weighted average price from the valuation date for this purpose. In case of Transferee company i.e. SISPL, we have not considered this method as it is a non listed company as well as comparable company analysis not a proper fit in the instant case.
- c. **Income Approach** – Under Income Methodology we have applied Discounted Cash Flow Method for Valuation of both the Companies i.e. SSL and SISPL. While applying the DCF methodology, we have separately undertaken and added the DCF of all the companies in which SSL has made investment except the company SGD as this company is not carrying any substantial business on the valuation date.

While applying the valuation methodologies we have assigned weight of 2 to Income approach, weight of 1 to Asset approach and weight of 1 to Market approach as Income approach is the most prominent approach and majorly factors in the cash flow generation ability of the companies which is the key driver of any business.



SECTION VII - EXCHANGE RATIO

On the basis of the above analysis, the Equity Swap Ratio has been arrived at and accordingly equity shares of "SISPL" (Transferee Company) shall be issued to the shareholders of "SSL" (Transferor Company) in the ratio mentioned below:

Particulars	SISPL Equity Value in Lacs	SISPL Per Share	Weight	Weighted Average Per Share Value	SSL Equity Value in Lacs	SSL Per Shares Value	Weight	Weighted Average Value Per Share
Market Price*	-	-	-	-	4,187.74	14.83	1	14.83
NAV	22,484.53	70.71	1	70.71	20,546.69	72.79	1	72.79
DCF	23,110.19	72.67	2	145.35	35,300.03	125.05	2	250.10
Value Per Share for share (Round off)								
Ratio of Exchange			3	72			4	84.50
								1.17

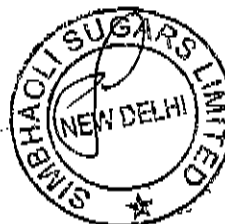
Detailed computation of valuation of SSL and SISPL is attached with this report as Annexure I and Annexure II respectively.

Note:

On the basis of the above discussions and computations and based on the values of equity shares of "SISPL" and "SSL" we are of the opinion that the Swap Ratio for the proposed Amalgamation shall be as follows:-

"SISPL" shall issue and allot 117 (One hundred and Seventeen) Equity Shares of Face Value of Rupees 10 (Rupees Ten) at a premium of Rs. 62 (Rupees Sixty Two) each in "SISPL" for every 100 (One Hundred) Equity shares of face value of Rs. 10/- (Rupees Ten) each held by the Equity shareholders of "SSL".

"SISPL" shall issue and allot 139 (One Hundred and Thirty Nine) fully paid-up Equity Share of Face Value of Rs 10 (Rupees Ten) each at a premium of Rs. 62 (Rupees Sixty Two) each in



Valuation for Amalgamation

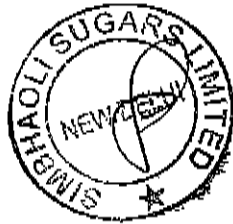
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S/SPL for every 100 (One Hundred) fully paid-up Redeemable Preference Shares of face value of Rs-100 (One Hundred) each held in SSL"

FOR RAHUL BANSAL & COMPANY
CHARTERED ACCOUNTANTS




RAHUL BANSAL
PROPRIETOR
M. NO. : 614856
FRN NO. : 023447N

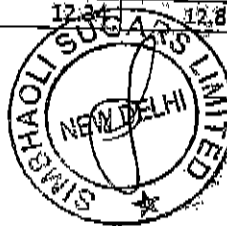


PLACE: NEW DELHI
DATE: 12th March, 2014

**Section VIII – ANNEXURE
[VALUATION COMPUTATIONS]**

Annexure I**Market Value Methodology of Simbhaoli Sugar Limited**

Date	Day	WAP	Maximum	Minimum	Average	Week
12/31/2013	Tuesday	13.87	13.55	13.10	13.33	1
12/30/2013	Monday	13.40				
12/29/2013	Sunday					
12/28/2013	Saturday					
12/27/2013	Friday	13.55				
12/26/2013	Thursday	13.10	13.39	13.09	13.24	2
12/25/2013	Wednesday					
12/24/2013	Tuesday	13.17				
12/23/2013	Monday	13.36				
12/22/2013	Sunday					
12/21/2013	Saturday		14.47	13.59	14.02	3
12/20/2013	Friday	13.24				
12/19/2013	Thursday	13.39				
12/18/2013	Wednesday	13.09				
12/17/2013	Tuesday	13.99				
12/16/2013	Monday	14.47	14.49	13.09	13.79	4
12/15/2013	Sunday					
12/14/2013	Saturday					
12/13/2013	Friday					
12/12/2013	Thursday	13.76				
12/11/2013	Wednesday	13.59	14.35	13.03	13.69	5
12/10/2013	Tuesday	13.09				
12/9/2013	Monday	13.32				
12/8/2013	Sunday					
12/7/2013	Saturday					
12/6/2013	Friday	14.49	14.36	13.32	13.84	6
12/5/2013	Thursday	13.50				
12/4/2013	Wednesday	13.46				
12/3/2013	Tuesday	13.03				
12/2/2013	Monday	13.33				
12/1/2013	Sunday		14.38	12.34	12.86	7
11/30/2013	Saturday					
11/29/2013	Friday	13.70				
11/28/2013	Thursday	13.97				
11/27/2013	Wednesday	14.35				
11/26/2013	Tuesday	14.36	14.36	13.32	13.84	6
11/25/2013	Monday	13.84				
11/24/2013	Sunday					
11/23/2013	Saturday					
11/22/2013	Friday	13.64				
11/21/2013	Thursday	13.32	13.38	12.34	12.86	7
11/20/2013	Wednesday	14.29				
11/19/2013	Tuesday	12.56				



Valuation for Amalgamation

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11/16/2013	Monday	12.34				
11/17/2013	Sunday					
11/16/2013	Saturday					
11/15/2013	Friday					
11/14/2013	Thursday	13.38				
11/13/2013	Wednesday	13.10				
11/12/2013	Tuesday	12.30				
11/11/2013	Monday	13.33				
11/10/2013	Sunday					
11/9/2013	Saturday		13.68	12.30	12.99	8
11/8/2013	Friday	13.05				
11/7/2013	Thursday	13.41				
11/6/2013	Wednesday	13.68				
11/5/2013	Tuesday	14.10				
11/4/2013	Monday					
11/3/2013	Sunday	13.65				
11/2/2013	Saturday		14.10	12.58	13.34	9
11/1/2013	Friday	13.05				
10/31/2013	Thursday	12.58				
10/30/2013	Wednesday	13.33				
10/29/2013	Tuesday	13.15				
10/28/2013	Monday	14.13				
10/27/2013	Sunday					
10/26/2013	Saturday		14.92	13.15	14.04	10
10/25/2013	Friday	14.63				
10/24/2013	Thursday	14.75				
10/23/2013	Wednesday	14.92				
10/22/2013	Tuesday	14.80				
10/21/2013	Monday	14.10				
10/20/2013	Sunday					
10/19/2013	Saturday		15.24	14.10	14.57	11
10/18/2013	Friday	14.59				
10/17/2013	Thursday	15.24				
10/16/2013	Wednesday					
10/15/2013	Tuesday					
10/14/2013	Monday					
10/13/2013	Sunday					
10/12/2013	Saturday		14.39	13.80	14.09	12
10/11/2013	Friday	13.80				
10/10/2013	Thursday	14.39				
10/9/2013	Wednesday	13.88				
10/8/2013	Tuesday					
10/7/2013	Monday	13.45				
10/6/2013	Sunday					
10/5/2013	Saturday		14.11	13.45	13.78	13
10/4/2013	Friday	13.52				
10/3/2013	Thursday	14.11				
10/2/2013	Wednesday					
10/1/2013	Tuesday	14.27				
9/30/2013	Monday	14.43	15.04	14.27	14.66	14
9/29/2013	Sunday					



Valuation for Amalgamation

Private & Confidential

9/28/2013	Saturday					
9/27/2013	Friday	14.62				
9/26/2013	Thursday	14.76				
9/25/2013	Wednesday	15.04				
9/24/2013	Tuesday	15.40				
9/23/2013	Monday	-				
9/22/2013	Sunday	-				
9/21/2013	Saturday	-	16.20	15.40	15.80	15
9/20/2013	Friday	16.20				
9/19/2013	Thursday	16.13				
9/18/2013	Wednesday	15.45				
9/17/2013	Tuesday	15.15				
9/16/2013	Monday	15.52				
9/15/2013	Sunday	-				
9/14/2013	Saturday	-	15.80	15.15	15.47	16
9/13/2013	Friday	-				
9/12/2013	Thursday	15.61				
9/11/2013	Wednesday	15.80				
9/10/2013	Tuesday	15.51				
9/9/2013	Monday	-				
9/8/2013	Sunday	-				
9/7/2013	Saturday	-	15.78	15.05	15.41	17
9/6/2013	Friday	-				
9/5/2013	Thursday	15.78				
9/4/2013	Wednesday	15.05				
9/3/2013	Tuesday	15.50				
9/2/2013	Monday	15.96				
9/1/2013	Sunday	-				
8/31/2013	Saturday	-	18.41	15.50	16.95	18
8/30/2013	Friday	18.41				
8/29/2013	Thursday	-				
8/28/2013	Wednesday	16.00				
8/27/2013	Tuesday	15.98				
8/26/2013	Monday	16.70				
8/25/2013	Sunday	-				
8/24/2013	Saturday	-	16.70	15.16	15.93	19
8/23/2013	Friday	16.40				
8/22/2013	Thursday	15.28				
8/21/2013	Wednesday	15.10				
8/20/2013	Tuesday	16.84				
8/19/2013	Monday	14.96				
8/18/2013	Sunday	-				
8/17/2013	Saturday	-	16.64	14.05	15.34	20
8/16/2013	Friday	14.05				
8/15/2013	Thursday	-				
8/14/2013	Wednesday	16.00				
8/13/2013	Tuesday	15.00				
8/12/2013	Monday	14.45				
8/11/2013	Sunday	-				
8/10/2013	Saturday	-	16.62	14.45	15.54	21
8/9/2013	Friday	-				



Valuation for Amalgamation

Private & Confidential

8/8/2013	Thursday	14.78				
8/7/2013	Wednesday	16.62				
8/6/2013	Tuesday	15.00				
8/5/2013	Monday	14.83				
8/4/2013	Sunday	-				
8/3/2013	Saturday	-	15.07	14.83	14.95	22
8/2/2013	Friday	-				
8/1/2013	Thursday	15.07				
7/31/2013	Wednesday	-				
7/30/2013	Tuesday	15.50				
7/29/2013	Monday	15.29				
7/28/2013	Sunday	-				
7/27/2013	Saturday	-	15.89	15.29	15.59	23
7/26/2013	Friday	15.89				
7/25/2013	Thursday	-				
7/24/2013	Wednesday	15.39				
7/23/2013	Tuesday	15.63				
7/22/2013	Monday	16.21				
7/21/2013	Sunday	-				
7/20/2013	Saturday	-	19.00	15.63	17.32	24
7/19/2013	Friday	19.00				
7/18/2013	Thursday	16.14				
7/17/2013	Wednesday	16.72				
7/16/2013	Tuesday	17.11				
7/15/2013	Monday	17.84				
7/14/2013	Sunday	-				
7/13/2013	Saturday	-	18.00	17.11	17.56	25
7/12/2013	Friday	18.00				
7/11/2013	Thursday	18.00				
7/10/2013	Wednesday	17.97				
7/9/2013	Tuesday	-				
7/8/2013	Monday	17.98				
7/7/2013	Sunday	-				
7/6/2013	Saturday	-	18.00	17.00	17.50	26
7/5/2013	Friday	18.00				
7/4/2013	Thursday	17.70				
7/3/2013	Wednesday	17.00				
Total of 26 Weeks			385.71			
Average of 26 Weeks			14.83			



Discounted Cash Flow Methodology of Simbhaoli Sugar Limited

FY March ending	Amount in (Rs. Lacs)						
	2014 (3M)	2015	2016	2017	2018	2019	Terminal
PARTICULARS							
Business Turnover	23,088.16	118,904.54	120,311.15	126,140.25	132,346.30	138,805.39	
Profit Before Tax	1,151.24	5,687.65	4,559.19	6,119.10	6,083.61	5,780.43	
Less: Direct Taxes Paid							
Profit After Tax	1,151.24	5,687.65	4,559.19	6,119.10	6,083.61	5,780.43	
Add: Depreciation	950.64	2,898.00	2,750.90	2,611.37	2,479.02	2,353.46	
Less: Capital Expenditure	(428.32)						
Add: Interest (Post Tax)	1,086.83	10,744.30	9,637.97	9,264.21	9,198.33	9,193.21	
Less: Change in Non Cash Working Capital	11,189.84	3,290.34	4,535.89	7,723.35	7,965.90	9,117.79	
Free Cash Flow (Rs.)	(7,572.80)	16,039.61	12,112.16	10,271.33	9,795.06	8,209.31	15,951.79
Discounting Factor	0.97	0.87	0.78	0.70	0.62	0.55	0.55
Present value of Cash flow	(7,375.94)	13,954.46	9,447.49	7,189.93	6,170.89	4,597.21	8,933.00
Enterprise Value	42,917.04						
Add: Cash 31.12.13	2,402.13						
Less: Debt+ Redeemable Preference Shares as on 31.12.13	59,185.14						
Equity Value standalone	(13,865.97)						
Add: Govt. Investment+ Others	1.61						
Add: ICCPL Value *	745.32						
Add: SGD Value *	2.89						
Add: SISPL *	23,110.18						
Add: SPL *	3,632.41						
Add: Debenture Value in SPL	2,618.19						
Add: USPL *	17,478.89						
Add: Carry Forward Losses	1,576.50						
Equity Value	35,300.03						
No. of shares	282.29						
Value Per Shares	125.05						



Calculation of Weighted Average Cost of Capital	
Cost of Equity (Ke)	13.31
Interest Rate	16.00%
Tax Rate	32%
Equity	30%
Debt	70%
WAAC	11.56%

* Detailed Computation of the investment made in subsidiaries and Joint venture company are detailed below:

Net Asset Value Methodology of Simbhaoli Sugar Limited

Particulars	Amount: in (Rs. Lacs)	
	31-12-2013	
Share capital	6,035.88	
Reserves and surplus	(21,251.83)	
Add: Increase/Decrease in Fair Value of assets	38,369.17	
Add: Increase/Decrease in Fair Value of JGCP	,573.47	
Less: redeemable preference	(3,200.00)	
Networth	20,546.69	
No of shares	282.29	
Value Per shares	72.79	



Discounted Cash Flow Methodology of Integrated Casetech Consultants Private Limited

Amount in (Rs:Lacs)

FY March ending	2014 (3M)	2015	2016	2017	2018	2019	Terminal value
PARTICULARS							
Turnover	86.93	3,199.40	3,519.34	3,871.28	4,256.41	4,604.25	
PBT	180.06	430.37	366.81	311.44	231.04	123.04	
Less : Direct Taxes: Paid	59.75	142.96	121.78	103.45	77.04	40.87	
PAT	120.31	287.41	244.83	207.99	154.00	82.17	
Add : Depreciation	0.75	10.25	6.50	6.02	5.70	4.49	
Less : Capital Expenditure	10.43	-	-	-	-	-	
Add : Interest (Post Tax)	-	-	-	-	-	-	
Less: Change In Non Cash Working Capital	103.69	30.66	16.00	17.60	19.36	21.29	
Free Cash Flow (Rs.)	6.73	267.00	235.34	196.41	141.24	65.37	380.03
Discounting Factor	0.98	0.80	0.67	0.56	0.47	0.39	0.39
Present value of Cash flow	6.44	213.60	157.68	109.99	66.38	25.49	145.21
Enterprise Value	727.79						
Add: cash 31.12.13	87.30						
Add: Investment 31.12.13	150.15						
Less: Debt as on 31.12.13	90.00						
Equity Value	875.24						
No of shares	2.36						
Value Per Share	371.18						

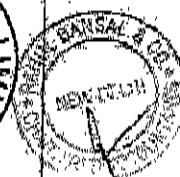
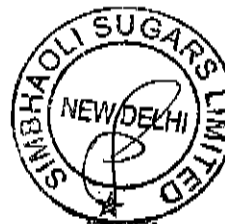
Calculation of Weighted Average Cost of Capital	
Cost of Equity (Ke)	16.50
Adjusted Ke with 3% additional risk	19.50%
Interest Rate	16.00%
Tax Rate	32%
Equity	100%
Debt	0%
WAAC	19.50%



Net Asset Value of Integrated Casotech Consultants Private Limited

Amount in (Rs. Lacs)

Net Assets Value Methodology	
Particular	31.12.13
Share capital	23.58
Reserves and surplus	696.08
Less: Prepaid expenses	1.73
Networth	717.93
No. of shares	2,36
Value Per shares	304.47

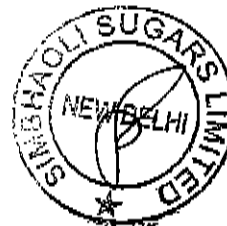


Discounted Cash Flow Methodology of Uniworld Sugars Private Limited

Amount In (Rs. Cr.)

FY March ending	2014 (31/3)	2015	2016	2017	2018	2019	Terminal
PARTICULARS							
Turnover	41.10	761.62	930.55	941.40	941.40	941.40	
PBT	(0.30)	48.41	73.09	76.24	77.99	79.69	
Less: Direct Taxes Paid	(0.07)	32.22	24.84	25.82	26.51	27.09	
PAT	(0.23)	16.19	48.25	50.33	51.48	52.61	
Add: Depreciation	3.74	11.21	11.21	11.21	11.21	11.21	
Less: Capital Expenditure	60.83	0.50	1.50	1.50	1.50	1.50	
Add: Interest (Post-Tax)	2.33	10.95	19.98	17.76	15.51	13.26	
Less: Change in Non Cash Working Capital	(123.78)	156.66	2.50	(3.23)	(3.32)	20.89	
Free Cash Flow (Rs.)	68.77	(118.82)	75.44	81.02	80.02	54.89	616.47
Discounting Factor	0.97	0.87	0.78	0.70	0.62	0.55	0.55
Present value of Cash flow	66.80	(103.37)	58.84	56.72	49.61	30.19	284.06
Enterprise Value	442.65						
Add: Cash + Investment as on 31.12.13	17.27						
Less: Debt as on 31.12.13	85.80						
Equity Value	374.32						
Equity Value in Rs.	3,743,210,102.35						
No. of shares	58,750,800.00						
Value Per Share	63.71						

Calculation of Weighted Average Cost of Capital	
Cost of Equity (Ke)	19.31
Interest Rate	14.50%
Tax Rate	32%
Equity	63%
Debt	37%
WAAC	12.01%



Discounted Cash Flow Methodology of Simbhaoli Power Private Limited

Amount in (Rs. Lacs.)

Particulars ending	2014 (5M)	2015	2016	2017	2018	2019	2020	2021	2022	Terminal
Turnover	2,435.79	3,198.50	11,882.19	14,257.22	14,756.22	15,272.69	15,850.54	16,405.31	16,979.49	-
PBT	231.50	(3,198.90)	(3,063.51)	(1,237.09)	(242.98)	872.78	2,015.68	3,091.13	4,071.86	-
Less: Direct Taxes Paid	-	-	-	-	-	174.62	403.29	812.46	812.65	-
PAT	231.50	(3,198.90)	(3,063.51)	(1,237.09)	(242.98)	698.16	1,612.38	2,448.67	3,267.01	-
Add: Depreciation	708.55	4,782.77	5,105.53	4,367.40	3,737.96	3,201.02	2,742.77	2,351.63	2,017.35	-
Less: Capital Expenditure	1,554.16	8,379.05	8,399.88	-	-	-	-	-	-	-
Add: Interest (Post Tax)	1,227.20	2,286.48	2,811.94	3,487.91	3,365.82	2,430.25	2,107.74	1,800.23	1,482.61	-
Free Cash Flow (Rs.)	613.19	(4,485.72)	(1,545.92)	6,618.21	6,680.80	6,329.41	6,492.80	6,600.43	6,759.87	37,639.49
Discounting Factor	0.97	0.84	0.73	0.63	0.55	0.48	0.42	0.36	0.31	0.31
Present value of Cash flow	592.00	(3,769.00)	(1,129.00)	4,169.00	3,773.00	3,038.00	2,714.00	2,376.00	2,095.00	11,668.00
Enterprise Value	26,527.00	-	-	-	-	-	-	-	-	-
Add: Cash+Investment as on 31.12.13	1,627.78	-	-	-	-	-	-	-	-	-
Less: Debt as on 31.12.13	20,032.18	-	-	-	-	-	-	-	-	-
Equity Value	7,122.62	-	-	-	-	-	-	-	-	-
No. of shares	34.22	-	-	-	-	-	-	-	-	-
Value Per Share	208.11	-	-	-	-	-	-	-	-	-

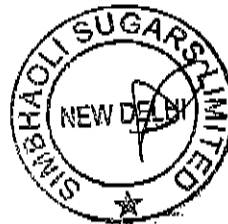
Calculation of Weighted Average Cost of Capital	
Cost of Equity (Ke)	19.58
Interest Rate	16.00%
Tax Rate	32%
Equity	50%
Debt	50%
WAAC	15.19%



Net Asset Value Methodology of Simbhaoli Global Commodities, DMCC

Amount in (Rs. Lacs)

Particulars	31.12.2013
Share capital	39.94
Reserves and surplus	(37.05)
Networth	2.89



Annexure II**Discounted Cash Flow Methodology of Simbhaoli Spirits Limited**

Amount in (Rs. Lacs)

FY March ending	2014 (3M)	2015	2016	2017	2018	2019	2020	Terminal
PARTICULARS								
Turnover	4,913.01	14,322.83	15,153.88	16,024.84	16,938.85	17,897.49	18,902.86	
PBT	1,157.01	1,370.83	1,867.46	2,358.17	2,801.41	3,289.91	3,774.93	
Less: Direct Taxes Paid			110.02	471.63	560.28	657.98	754.99	
PAT	1,157.01	1,370.83	1,757.44	1,886.53	2,241.13	2,631.93	3,019.94	
Add: Depreciation	80.01	403.16	383.00	363.85	345.66	328.38	311.96	
Less: Capital Expenditure	1.89							
Add: Interest (Post Tax)	189.58	540.86	450.11	408.38	408.38	408.38	408.38	
Less: Change in Non Cash Working Capital	939.07	428.51	1,333.34	420.45	428.95	439.73	448.80	
Free Cash Flow (Rs.)	491.64	1,886.35	1,267.22	2,238.31	2,666.21	2,828.95	3,290.48	33,621.07
Discounting Factor	0.97	0.87	0.78	0.70	0.63	0.56	0.50	0.50
Present value of Cash flow	477.43	1,641.12	980.83	1,566.82	1,616.09	1,640.21	1,645.24	18,810.54
Cumulative present value of Cash Flows	26,378.08							
Enterprise Value	26,378.08							
Add: Cash+ Investment as on 31.12.13	162.53							
Less: Debt as on 31.12.13	3,430.42							
Equity Value	23,110.19							
No. of shares	318.00							
Value Per Share	72.67							

Calculation of Weighted Average Cost of Capital	
Cost of Equity (Ke)	12.46%
Interest Rate	12.00%
Tax Rate	32%
Equity	84%
Debt	16%
WAAC	11.76%



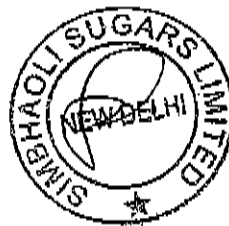
Valuation for Amalgamation

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Net Asset Value Methodology of Simbhaoli Spirits Limited

Amount in Rs. Lacs.

Particulars	31/12/2013
Share capital	3,180.00
Reserves and surplus	19,304.53
Networth	22,484.53
No. of shares	318,000
Value Per shares	70.71



Executive Summary of the valuation report issued by Knight Frank India Pvt. Ltd

Client Name	Simbhaoli Sugars Ltd.
Reg. Office Address	C-11, Inner Circle, Connaught Place, New Delhi - 110001
Purpose of Valuation	To estimate the market value of the immovable and movable assets on "going concern" and "as is where is basis"
Location	Across Uttar Pradesh, India - Simbhaoli, Chilwaria and Brijnathpur
Description	Valuation of land, factory/residential buildings, plant, machinery & equipment of sugar & ethanol manufacturing plant along with power generation facilities located across Uttar Pradesh, India (Simbhaoli, Chilwaria and Brijnathpur)
Valuation Date	December 15, 2013
Market Value	₹ 7,100.55 mn.
Valuer's Details	Pradeep Gandhi, MRICS Regional Head (West) - Research & Advisory Services Darshan Shah Lead Consultant - Research & Advisory Services

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For SIMBHAOLI SUGARS LTD.
Sandeep
SANDEEP JOSHI
Asst. Company Secretary

