

# AFCO Capital India Pvt. Ltd.

604-605, Cosmos Plaza, J. P. Road, Near D. N. Nagar Metro Station,  
Andheri (West), Mumbai - 400 053



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The Board of Directors, CIN: U74120MH2012PTC234042

Chrome Silicon Limited

6-2-913/914, Progressive Towers,  
Khairatabad, Hyderabad-500 004 Telangana

The Board of Directors

Orissa Power Consortium Limited

6-2-913/914, Progressive Towers,  
Khairatabad, Hyderabad-500 004 Telangana

The Board of Directors

VBC Renewable Energy Private Limited

Balaji Metro Towers, Narona Road

Dondaparthi, Visakhapatnam

Andhra Pradesh

**Sub:** Fairness opinion on the Equity Share Exchange ratio pursuant to the scheme of amalgamation of Orissa Power Consortium Limited ("OPCL"/1st Transferor Company), VBC Renewable Energy Private Limited ("VBCREPL"/2nd Transferor Company) with Chrome Silicon Limited ("CSL"/ Transferee Company) applicable sections of Companies Act 2013 and applicable SEBI Guidelines, Regulations including LODR Regulations, and the Circular No. **SEBI/HO/CFD/POD-2/P/CIR/2023/93** dated **June 20, 2023** , any subsequent amendments thereof ("SEBI Circular").

Dear Sirs,

We, AFCO Capital India Pvt. Ltd (AFCO), refer to our offer letter dated 14th February, 2025 which has been duly accepted by you by your mandate letter dated 15.02.2025, whereby you have appointed us as an Independent Merchant Banker for furnishing a 'Fairness Opinion' as per SEBI Circular, for the proposed Amalgamation of as per the Companies Act, 2013 as applicable to the company and shall include any statutory modifications, re-enactment or amendment thereof from time to time.

Merchant Banker- AFCO Capital India Pvt. Ltd,

AFCO Capital India Pvt. Ltd, is a Category I, Merchant Banking Company, based having office at 604-605, Cosmos Plaza, J.P Rd, Next to D.N nagar Metro Station, Andheri (W), Mumbai-400053, with SEBI Registration Code MB/INM000012555

Sources of Information

1. A copy of the Incorporation Certificate, Memorandum and Articles of Association of OPCL.
2. A copy of the Incorporation Certificate, Memorandum and Articles of Association of VBCREPL
3. A copy of the Incorporation Certificate, Memorandum and Articles of Association of CSL
4. Background information of the Company and its business.
5. Audited Financials for the F Y 2022-23, F Y 2023-24 of OPCL, VBCREPL and CSL



6. Audited Financials as on 31-12-2024 of OPCL, VBCREPL and CSL
7. Financial projections of the Company for the period from F.Y. 2024-25, F.Y.2025-26, F.Y.2026-27, F Y 2027-28 and F Y 2028-29 of OPCL, VBCREPL and CSL.
8. Such other information as we considered relevant.
9. Valuation Report dated 07.03.2025 by Mr. Artham Someswara Rao, a registered Valuer of Insolvency and Bankruptcy Board of India, having membership number as M.No. IBBI/RV/02/2019/11544.

#### Background of the companies

#### 1. INTRODUCTION & BACKGROUND

1. The Scheme of merger is presented under Sections 230 to 240 of the Companies Act, 2013 and it provides for merger of the Transferor Company in to the Transferee Company resulting in consolidation of business of both the companies into one entity and thereby strengthening the position of the Transferee Company by enabling them to harness and optimize the synergies of equipment and human resources, which is in the best interest of all the Companies and their respective shareholders.
2. The Promoters of the Transferor Company and the Transferee Companies are more or less one and the same. This Scheme of merger is being proposed broadly for competitive edge and the ease of doing businesses by these Companies by amalgamating the Transferor Companies into the Transferee Company.
3. The Transferor Companies are engaged in the business of generating non-conventional power like renewable energy.
4. The Transferee Company is also engaged in the business of manufacturing Ferro Alloys at Rudraram Village, Patancheru Mandal, Medak District, Telangana. The Company is diversified with backward integration of raw material sources. The Company's products offering includes Ferro Silicon, Silicon Fume and Metallurgical Coke.
5. The Transferee Company Chrome Silicon Ltd shares are listed in BSE LIMITED. Transferor Companies are closely held companies and are under the same management. The majority of the shareholding in both these companies is directly or indirectly held by the common set of shareholders and on the basis of extensive discussions, meetings and consultations, between the members of the Board of Directors of the companies, legal and other professional consultants it has been decided to take appropriate steps to carry on effectively and efficiently the business of Transferor Companies and the Transferee Company under one roof by amalgamation of the





Transferor Companies with the Transferee Company in the larger interest of the shareholders, creditors, and employees etc. In order to have a better, efficient and economical management control and running of the business undertakings as separate divisions for administrative convenience and to have economies of large-scale operation and benefits of diversification, it has been proposed to amalgamate the Transferor Companies with the transferee company. Further there will be a reduction in administrative cost and overheads and redundancies would be also eliminated.

6. To achieve the said objective of carrying on the business of the company in an efficient manner, it has been decided to amalgamate the Transferor Companies with the Transferee Company to ensure better diversified business opportunities and focus on cumulative and accelerated growth of the business activities in the current scenario.
7. The Board of Directors of Transferor Companies and Transferee Company are confident that the proposed amalgamation would act to the benefit of the shareholders, creditors and employees and would act in furtherance of their interests with higher growth.

## 2. BRIEF BACKGROUND OF THE COMPANIES

### Chrome Silicon Limited "CSL" Transferee

Chrome Silicon Limited was incorporated vide CIN: L27101TG1981PLC003223 on 3rd October 1981 having its registered office at Progressive Towers, 3rd Floor, 6-2-913/914, Khairatabad, Hyderabad – 500004, Telangana, India. The Company is listed on BSE Limited ("BSE") with a BSE Scrip Code 513005, INE114E01013 under X Group.

The Transferee Company is also engaged in the business of manufacturing Ferro Alloys at Rudraram Village, Patancheru Mandal, Medak District, Telangana. The Company is diversified with backward integration of raw material sources. The Company's products offering includes Ferro Silicon, Silicon Flume and Metallurgical Coke.

### BOARD OF DIRECTORS

S.No.	Name of The Director	Designation	DIN
1.	Mr. Indoori Narsing Rao	Director	01852112
2.	Ms. Priyanka Makkena	Director	09380152
3.	Mr. Hirak Kumar Basu	Director	09701496
4.	Mr. Packirsamy Raju	Director	09701389
5.	Mr. Venkateswara Rao Paladugu	Whole-time Director	00149599
6.	Mr. Srimani Mathukumilli	Director	01229624



## CAPITAL STRUCTURE

The Authorised Capital of the company is INR 20,00,00,000 and the paid-up capital is INR 16,39,43,500 (1,63,94,350 equity shares of ₹ 10/- each)

Orissa Power Consortium Limited "OPCL" / 1st Transferor

Orissa Power Consortium Limited was incorporated vide CIN: U40101OR1995PLC004059 on 29th June 1995 having its registered office at Flat No-103, 1st Floor, Plot No.40, GA Plot No-122 Kishore Life Style, Surya Nagar, Bhubaneswar Khorda-751003, Odisha, India and Corporate office at 6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad – 500 004, Telangana, India. The authorised capital of the company is ₹.100,00,00,000/- (10,00,00,000 shares of ₹ 10 each) and the paidup capital of the company is ₹.82,44,94,260 (8,24,49,426 equity shares of ₹ 10/- each). The company is in the business of generating non-conventional power like renewable energy.

## BOARD OF DIRECTORS

S.No.	Name of The Director	Designation	DIN
1.	Mr. Sribharat Mathukumilli	Managing Director	03349982
2.	Mr. Bharadwaja Mathukumilli	Director	03366172
3.	Mr. Venkatachalam Gedupudi	Director	00282267
4.	Mr. Indoori Narsinga Rao	Director	01852112
5.	Mr. Siddartha Mathukumilli	Director	07630456
6.	Mr. Kommineni Vikas	Director	02096518
7.	Mr. Biswajit Mishra	Director	07104342
8.	Mr. MSP Rama Rao	Additional Director	00007292

## CAPITAL STRUCTURE

The Present Share Capital of "OPCL" / Transferor as on 31/12/2024 is as under:  
(standalone basis)

Particulars	Amount Rs. In Lakhs
Authorised Divided in to 10,00,00,000 equity shares of Rs.10/- each	10000.00
Issued, Subscribed & Paidup : Divided into 8,24,49,426 equity shares of Rs.10/- each	8244.94






#### VBC Renewable Energy Private Limited "VBCREPL" 2nd Transferor":

VBC Renewable Energy Private Limited was incorporated vide CIN: U24100AP2013PTC088588 on 25th June 2013 having its registered office at D.No.43-29-54/16, 3rd Floor, Balaji Metro Chambers, Narona Road, Dondaparthi, Visakhapatnam – 530 016, Andhra Pradesh, India.

The company is in the business of generating non-conventional power like renewable energy.

#### BOARD OF DIRECTORS

S.No.	Name of The Director	Designation	DIN
1.	Mr. SriPattabhi Rama Rao Mathukumilli	Director	00007292
2.	Mr. Venkata Ratnam Kadiyala	Director	09166778
3.	Mr. Tejaswi Prasad Vankina	Director	06592783

#### CAPITAL STRUCTURE

The authorised capital of the company is ₹ 7,20,00,000/- (72,00,000 shares of ₹ 10 each) and the paid up capital of the company is ₹ 7,08,13,230/- (70,81,323 equity shares of ₹ 10/- each).

#### RATIONALE OF THE SCHEME

- (i) This Scheme is presented under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 for transfer by way of amalgamation of Orissa Power Consortium Limited("OPCL"/1st Transferor Company), VBC Renewable Energy Private Limited("VBCFEPL"/2nd Transferor Company) with Chrome Silicon Limited("CSL"/ Transferee Company) applicable sections of Companies Act 2013. The proposed amalgamation of Orissa Power Consortium Limited(OPCL) and VBC Renewable Energy Pvt Ltd(VBCREPL) (hereinafter referred as Power Generation Companies) with CSL (Ferro Alloys Manufacturing Company) is driven by strategic and financial synergies aimed at long-term stability and value creation for stakeholders. The key rationales for this merger are as follows:
1. Revenue Stability and Risk Mitigation
    - o CSL's business is highly dependent on power tariffs and market fluctuations in ferroalloys, making its revenue volatile.
    - o OPCL and VBCREPL, being a power generation companies, having a steady revenue stream with minimal market fluctuations.
    - o The merger will provide CSL with assured income flow.
  2. Operational Synergies and Cost Optimization
    - o Integration of OPCL's power generation with CSL's operations will result in cost efficiency and better resource utilization.
    - o The combined entity can leverage economies of scale in procurement, operations, and administration.
- (ii) In order to achieve efficiency of operations and management and with the intent of realigning the business operations undertaken by the Merged Company,






- a) The merger of undertaking through this Scheme is with a view to unlock the economic value of three the Companies.
- b) The said merger would provide greater flexibility and visibility on the operational and financial performance of both the divisions, Power and Ferro Alloys and would provide higher degree of independence as well as accountability.

**Fairness Opinion:**

As per the valuation report of the Registered Valuer Mr. Artham Someswara Rao, a registered Valuer of Insolvency and Bankruptcy Board of India, having membership number as M.No. IBBI/RV/02/2019/11544 and his Computation of Fair Share Exchange Ratio is as follows:

Valuation Approach	Transferee Company (Chrome Silicon Limited)			Transferor Company 1 (Orissa Power Consortium Limited)			Transferor Company 2 (VBC Renewable Energy Private Limited)		
	Value per Share	Weight	Weighted Value	Value per Share	Weight	Weighted Value	Value per Share	Weight	Weighted Value
Discounted Cash Flow Method	182.71	62.11%	113.48	26.24	60%	15.74	29.75	89.50%	26.63
Net Asset Value method	61.96	20.76%	12.86	35.64	40%	14.26	3.48	10.50%	0.37
Market Price Method	50.56	17.13%	8.66	--	--	--	--	--	--
Weighted Value per Share		100%	135		100%	30		100%	27
Exchange Ratio (rounded off)				2 : 9			1 : 5		

Accordingly, the swap ratio is as follows:

- a) a shareholder of 9 equity shares of the nominal value of Rs. 10/- each in Orissa Power Consortium Limited will get 2 equity shares of nominal value of Rs.10/- each in Chrome Silicon Limited (Transferee Company).
- b) a shareholder of 5 equity shares of the nominal value of Rs. 10/- each in VBC Renewable Energy Private Limited will get 1 equity shares of nominal value of Rs.10/- each in Chrome Silicon Limited (Transferee Company)

We AFCO Capital India Pvt. Ltd have reviewed the Valuation Report and believe it to be fair and reasonable from financial and commercial point of view to the holders of the equity shares of the Companies subject to our caveats and disclaimers.

**Limitation and Caveats of the Fairness Opinion**





1. It is the responsibility of the Board of Directors of the company for ensuring compliances in connection with the proposed proposal. Our role is to examine the Valuation carried out by the Registered Valuer and comment on the Fairness of the same.
2. Our fairness opinion is based on the information made available to us by the management of CSL. Any subsequent changes to the financial and other information provided to us, may affect the result of value analysis set out in this report. We have reviewed the information made available to us for overall consistency but have not carried out any detailed tests in the nature of audit to establish the accuracy of such statements and information. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the company. Our Fairness Opinion should not be construed as investment advice, specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
3. The information contained in this report is selective and is subject to updations expansions, revisions and amendment. It does not purport to contain all the Information recipients may require.
4. In rendering this Opinion, AFCO Capital India Pvt. Ltd., has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly AFCO does not assume any responsibility in respect thereof. Further AFCO has assumed that the proposal will be implemented on the terms and conditions as set out without any material changes to or waiver of its terms and conditions.  
We further declare that we do not have any direct or indirect interest in the Companies / assets valued.
5. This report is intended only for the sole use and information of the companies and its shareholders only in connection with the Amalgamation/merger including for the purpose of obtaining judicial and regulatory approvals for the same.
6. We are not responsible in any way to any other person/party for any decision of such person or party based on this report. Any person /party intending to provide finance / invest in the shares / business of any of the companies or their subsidiaries / joint venture / associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision.
7. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposal as aforesaid can be done only with our prior permission in writing.
8. Our analysis and results are also specific to the date of this report and based on information as at 31st December, 2024. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses. and any other matter, which may have an impact on our opinion, on the Equity Share Exchange Ratio for the Proposed demerger, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the proposal.

  


We have no responsibility to update this report for events and circumstances occurring after the date of this report.

It may further be noted that in no circumstances shall the liability of AFCO Capital India Pvt. Ltd (AFCO), its directors or employees related to the service provided in connection with this value analysis, exceed the amount paid to us as our fees for this opinion

We highly appreciate the co-operation and support received by us from your representatives during preparation of the said Fairness Opinion Report

Thanking you,

Yours faithfully,  
For and on behalf of  
AFCO Capital India Pvt. Ltd.



S.S.R.K.Mohan Babu  
Authorised Signatory



07.03.2025

Encl (1): Valuation Report by the Registered Valuer.