



CIN: L65493PN1990PLC058817

Registered Office: 10, Kumar Place, 2408, General Thimayya Road, Pune – 411 001, Maharashtra.

Email ID : secretarial@deltin.com, Website : www.deltacorp.in Tel No : 91-22-40794700, Fax No : 91-22-40794777

Sr No	Particulars	Page No.
1.	Notice to Secured Creditors under Section 230 of the Companies Act, 2013	2
2.	Explanatory statement under Section 230(3) read with Section 102 and other applicable provisions of the Companies Act, 2013	3-16
3.	Scheme of Amalgamation of Gauss Networks Private Limited with Delta Corp Limited and their respective shareholders and creditors	17-29
4.	Valuation report by M/s Sharp & Tannan, Chartered Accountants dated August 30, 2016	30-40
5.	Fairness Opinion issued by Systematix Corporate Services Ltd., dated August 30, 2016	41-47
6.	Unaudited provisional financial statements of the Transferor Company as on October 31, 2016 and the Transferee Company as on September 30, 2016	48-66
7.	Observation Letters received from BSE Limited and National Stock Exchange of India Limited dated December 8, 2016	67-70
8.	Complaint Report submitted to BSE Limited and National Stock Exchange of India Limited	71-74
9.	Report adopted by the directors of the Transferor Company and the Transferee Company explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular the share exchange ratio	75-77

IN THE MATTER OF THE COMPANIES ACT, 2013;
AND
IN THE MATTER OF SECTION 230 TO 232 OF THE COMPANIES ACT, 2013;
AND
IN THE MATTER OF SCHEME OF AMALGAMATION OF GAUSS NETWORKS PRIVATE LIMITED
HAVING CIN U72200MH2013PTC288316 ('GAUSS' OR 'THE TRANSFEROR COMPANY')
WITH DELTA CORP LIMITED HAVING CIN L65493PN1990PLC058817
('DCL' OR 'THE TRANSFEREE COMPANY' OR 'THE COMPANY')
AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

NOTICE TO SECURED CREDITORS UNDER SECTION 230 OF THE COMPANIES ACT, 2013

You are the Secured Creditor of Delta Corp Limited as on December 31, 2016.

Notice is hereby given in pursuance of sub section (3) of Section 230 of the Companies Act, 2013 (the Act) that as directed by Mumbai Bench of the National Company Law Tribunal, at Mumbai by an order dated January 18, 2017 under sub-section (1) of Section 230 of the Companies Act, 2013 a meeting of the members shall be held on Thursday, March 2, 2017 at 3.00 p.m. to consider the Scheme of Amalgamation of Gauss Networks Private Limited having CIN U72200MH2013PTC288316 ('Gauss' or 'the Transferor Company') with Delta Corp Limited having CIN L65493PN1990PLC058817 ('DCL' or 'the Transferee Company' or 'the Company') and their respective Shareholders and Creditors at Hotel Conrad, 7 Mangaldas Road, Sangamvadi, Pune, Maharashtra 411001.

A copy of the notice and Scheme of Amalgamation are enclosed.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be made to the National Company Law Tribunal, Bench, at Mumbai within Thirty (30) days from the date of receipt of this notice. The address of the Hon'ble Tribunal is 6th Floor, Fountain Telecom Building, 1 Mahatma Gandhi Road, Fort, Mumbai -400 001. Copy of the representation may simultaneously be sent to the Company.

In case no representation is received within the stated period of Thirty (30) days, it shall be presumed that you have no representation to make on the proposed Scheme.

Dated: January 21, 2017

Place: Mumbai

Enclosed (1) Copy of notice with statement as required under Section 230(3) of the Act.

(2) Copy of Scheme of Amalgamation

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT MUMBAI**

IN THE MATTER OF THE COMPANIES ACT, 2013

And

**In the matter of Gauss Networks Private Limited ('Gauss' or 'the Transferor Company')
and Delta Corp Limited ('DCL' or 'the Transferee Company')**

And

**In the matter of Section 230 read with Section 232 of the Companies Act, 2013
and other applicable provisions of the Companies Act, 2013**

M/s. Delta Corp Limited

... the Transferee Company / the Company

**EXPLANATORY STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH
SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE MEETING OF EQUITY SHAREHOLDERS OF DELTA
CORP LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL
AND E-VOTING**

In this statement, Gauss Networks Private Limited is hereinafter referred to as 'Gauss' or 'the Transferor Company' and Delta Corp Limited is hereinafter referred to as 'Delta' or 'the Transferee Company' or 'the Company'. The other definitions contained in the Scheme will apply to this Explanatory Statement also. The following statement as required under Section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013 sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the Directors in their capacity as members.

1. Pursuant to an Order dated January 18, 2017 passed by the National Company Law Tribunal Bench at Mumbai in the Company Scheme Application No. 2 of 2017 referred to hereinabove, a meeting of the Equity Shareholders of Delta Corp Limited is being convened and held at Hotel Conrad, 7 Mangaldas Road, Sangamvadi, Pune 411001 on Thursday, March 2, 2017 at 3.00 pm for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Amalgamation of Gauss Networks Private Limited with Delta Corp Limited and their respective shareholders and creditors ('Scheme' or 'the Scheme').
2. The draft Scheme of Amalgamation was placed before the Audit Committee and Board of Directors of the Transferee Company at their respective meetings held on August 30, 2016. In accordance with the provisions of SEBI Circular bearing no. CIR/CFD/CMD/16/2015 dated November 30, 2015, the Audit Committee of the Transferee Company vide a resolution passed on August 30, 2016 recommended the Scheme to the Board of Directors of the Company inter-alia taking into account:
 - a) The Valuation Report issued by Sharp & Tannan, Chartered Accountants dated August 30, 2016 for issue of shares pursuant to the Scheme;
 - b) The Fairness Opinion issued by Systematix Corporate Services Limited, an independent Merchant Banker dated August 30, 2016 on the fairness of the Valuation Report;
 - c) Statutory Auditors certificate dated August 30, 2016 issued by Walker Chandiok & Co LLP, Statutory Auditors of the Company, in relation to the accounting treatment prescribed in the Scheme.

Copy of the Valuation Report and Fairness Opinion is enclosed to this Notice.

3. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Transferee Company has come to the conclusion that the Scheme is in the best interest of the Company and its shareholders.

4. A copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed herewith.

5. BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:

Gauss Networks Private Limited ('Gauss' or 'the Transferor Company')

- a) The Transferor Company was incorporated under the Companies Act 1956, in the name of 'Gauss Networks Private Limited' on August 29, 2013 and its Corporate Identification Number is U72200MH2013PTC288316. Permanent Account Number of the Transferor Company is AAFCG3136K.
- b) From Incorporation, the Registered Office of the Transferor Company was situated at T 6/4, DLF Phase III, Gurgaon, Haryana - 122002. On August 1, 2015 the Transferor Company's registered office was changed to Plot No. 657, Udyog Vihar Phase 5, Gurgaon, Haryana-122015. On May 01, 2016 the Transferor Company's registered office was shifted to 349, Udyog Vihar Phase-II, Gurgaon, Haryana - 122016. On December 09, 2016, the Transferor Company has shifted its registered office at Office No. 115, 1st Floor, Bayside Mall, 35-C, Tardeo, PT. Madan Mohan Malviya Road, Mumbai, Maharashtra, India, 400034. The e-mail id for the Transferor Company is info@gaussnetworks.com.
- c) The details of the Authorised, Issued, Subscribed and Paid-up share capital of The Transferor Company as on March 31, 2016 are as under:

Particulars	Amount in ₹
Authorised Capital	
60,000 Equity Shares of ₹ 10 each	6,00,000
20,000 Preference Shares of ₹ 10 each	2,00,000
Total	8,00,000
Issued, Subscribed and Paid-up	
40,248 Equity shares of ₹ 10 each, fully paid up	4,02,480
10,753 Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid up	1,07,530
Total	5,10,010

Subsequent to the above date there is no change in the issued, subscribed and paid up share capital of the Transferor Company.

- d) The shares of the Transferor Company are not listed on any stock exchange.
- e) The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main objects of the Transferor Company are set out hereunder:
1. To carry on the business of designing, consulting, developing, marketing, hosting online computer and mobile games and other cellphone and Internet applications and any other media that may be invented in future and ecommerce including but not limited to receiving payments through payment gateways, credit cards , all other existing payment medium including new medium that may be invented in the future, making payments using both online and offline medium including but not limited to payment gateways, credit card reversal, direct bank transfer, scratch cards, mobile phone payment gateway, hosting websites, hosting all card games, inventing new card games, where users can play among themselves or with any intelligent computer logic controlled program, holding tournaments, holding training and certification, and to carry out any sale, purchase, merchandizing, gifting, consulting, leasing, hiring, advertising and marketing required for the same in India and abroad.
 2. To carry on the business of hosting offline games and other but not limited to seminar, conference, organizing real world tournaments, TV shows with participants from both online and offline media and to carry out any sale, purchase, merchandizing, gifting, consulting, leasing, hiring, advertising and marketing required for the same in India and abroad.

3. To carry on the business of manufacturing or otherwise dealing in computers, software's including development of software's, hardware's, networking of computers, advisors, consultants and licensing agents in respect of all matters relating to computer hardware, software and computer aided programs, enterprise resource planning, networking, communication network designs and maintenance, web hosting, website designing, hosting and maintenance, portals, peripherals, word processing machines, calculators, computerized systems, telecommunication, network systems, transmission, system converting all media such as fiber copper wireless, satellite and other computer based systems and instruments and their compounds, devices and spare parts and to carry on the research and development in software's and hardware's and other allied matters.
- f) There has been no change in the objects of the Transferor Company during the last five years.

Delta Corp Limited ('DCL' or 'the Transferee Company'):

- a) The Transferee Company was originally incorporated a private limited company as 'Creole Holdings Company Private Limited' on November 5, 1990 under the Companies Act, 1956, in the State of Maharashtra. With effect from June 2, 1992, the Transferee Company was converted into a deemed public limited company and name was changed to Creole Holdings Company Limited. Subsequently, on October 22, 2003 the Transferee Company was converted into a private limited company as 'Creole Holdings Company Private Limited'. On December 14, 2006, the Transferee Company was converted into a public limited company and the name was changed to Creole Holdings Company Limited. On May 18, 2007, pursuant to the terms of the scheme of amalgamation of erstwhile Arrow Webtex Limited with the Transferee Company, the name was changed to 'Arrow Webtex Limited'. Pursuant to a fresh certificate of incorporation dated October 31, 2008 issued by the Registrar of Companies, the name of the Transferee Company was changed from 'Arrow Webtex Limited' to 'Delta Corp Limited'. The Corporate Identification Number of the Transferee Company is L65493PN1990PLC058817 and its Permanent Account Number is AAACC7260M.
- b) The Registered Office of the Transferee Company was situated at Clover Classic, G-4, Ground Floor, North Main Road, Koregaon Park, Pune-411001. On August 13, 2012, the Transferee Company's registered office was shifted to Peninsula Centre No.4, Galaxy Co-Operative Housing Society, Off Dhole Patil Road, Pune – 411 001, Maharashtra. Subsequently, on July 28, 2014 it was again shifted to 10, Kumar Place, 2408, General Thimayya Road, Pune, Maharashtra – 411001. The e-mail id for the Transferee Company is secretarial@deltin.com.
- c) The details of the issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2016 are as under:

	Rupees
Authorised Share Capital	
42,05,00,000 Equity Shares of ₹ 1 each	42,05,00,000
10,00,000 10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	1,00,00,000
1,30,00,000 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	13,00,00,000
Total	56,05,00,000
Issued, Subscribed and Paid-up Share Capital	
23,06,64,104 Equity Shares of ₹ 1/- each, fully paid up	23,06,64,104
Total	23,06,64,104

Subsequent to March 31, 2016, the Transferee Company has allotted 2,80,000 Equity Shares on August 16, 2016, 2,00,000 Equity Shares on August 22, 2016 and 4,80,000 Equity Shares on January 10, 2017 pursuant to employee stock option scheme.

The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on January 20, 2017 is as under:

	Rupees
Authorised Share Capital	
42,05,00,000 Equity Shares of ₹ 1 each	42,05,00,000
10,00,000 10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	1,00,00,000
1,30,00,000 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	13,00,00,000
Total	56,05,00,000
Issued, Subscribed and Paid-up Share Capital	
23,16,24,104 Equity Shares of ₹ 1/- each fully paid up	23,16,24,104
Total	23,16,24,104

- d) The shares of the Transferee Company are listed on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE').
- e) The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The main objects of the Transferee Company are set out hereunder:
 1. To carry on all kinds of Agency business or to act as advisors and consultants on all matters and problems relating to the administration, organization, management, commencement or expansion of industry and business and of institutions, concerns, bodies, associations (incorporated or unincorporated), departments and services of Government, Public or Local Authorities, Trusts, Scientific Research and development centers.
 2. To build, construct, alter, improve, maintain, enlarge, pull down, remove or replace and to develop, work, manage, carry out and control any buildings, offices, chawls and other works and conveniences and to contribute to, subscribe or otherwise assist or take part in the construction, improvement, maintenance, development, working, management, carrying out or control thereof and to form partnerships with any other person or company in doing any of these things, and to purchase or take on lease or in exchange, hire or otherwise acquire any immovable or movable property or any rights or privileges which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company and in particular any land, buildings, easements, machinery, plant and stock in trade, and either to retain any property to be acquired for the purposes of the Company's business or to turn the same to account as may seem expedient and also to render consultancy services in relation any of the aforesaid matters.
 3. To carry on the business on shore or off shore in India or / and Abroad of Cruise ships, Hotels, Restaurants, Caterers, Café Casinos, Gaming, Entertainment, Clubs, Health Clubs, Night Clubs, Retail Shopping, Sight Seeing, Theatres, Boarding and Lodging and other vacation attractions.
- f) There has been no change in the objects of the Transferee Company during the last five years.

6. BACKGROUND OF THE SCHEME

- 6.1. The Transferee Company is engaged in the gaming and hospitality business. The Transferor Company is engaged in the business of developing software for online games of skill.
- 6.2. The Scheme provides for amalgamation of the Transferor Company with the Transferee Company and issuance of Redeemable Preference Shares and Optionally Convertible Preference Shares by the Transferee Company to the shareholders of the Transferor Company in consideration of

the amalgamation as set out in the Scheme and consequent transfer and vesting of all the assets, liabilities contracts, employees, licenses, records, approvals etc. of the Transferor Company to the Transferee Company.

- 6.3. On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up without any further act or deed.

7. RATIONALE OF THE SCHEME

- 7.1. The amalgamation of the Transferor Company with the Transferee Company would have the following benefits:

- Integration of operations; and
- Greater financial strength and flexibility for the merged entity.

8. SALIENT FEATURES OF THE SCHEME

- 8.1. Salient features of the scheme are set out as below:

- The Scheme is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (corresponding Section 230 to Section 232 of the Companies Act, 2013) and other applicable provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified and applicable, and as amended from time to time) for amalgamation of the Transferor Company with the Transferee Company.
- The Transferor Company and the Transferee Company shall make applications and / or petitions under Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Mumbai Bench ('Tribunal') for sanction of this Scheme and all matters ancillary or incidental thereto.
- 'Appointed Date' for the Scheme is April 1, 2016 or such other date as may approved by the Tribunal.
- 'Effective Date' means the date on which the certified copy of the order sanctioning this Scheme passed by the Tribunal or such other competent authority, as may be applicable, is filed with the Registrar of Companies, Maharashtra.
- Upon this Scheme becoming effective and upon amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any application or deed, issue and allot Optionally Convertible Preference Shares and Redeemable Preference Shares credited as fully paid up, to the extent indicated below, to the members of Transferor Company holding fully paid-up equity shares of Transferor Company and whose names appear in the register of members of the Transferor Company as on the Effective Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company in the following proportion:
 - (a) 1 (One) fully paid up Optionally Convertible Preference Shares of ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted for every one fully paid up equity share of ₹ 10 held in the Transferor Company.
 - (b) 1 (One) fully paid up 1% Redeemable Preference Shares of ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted for every one fully paid up equity share of ₹10 held in the Transferor Company.

- (c) 3,000 (Three Thousand) fully paid up Optionally Convertible Preference Shares of ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted to each of Mr. Mohit Aggarwal and Mr. Anuj Gupta respectively (shareholders of the Transferor Company).
- Upon the Scheme becoming effective, all the shares held by Transferee Company in the Transferor Company shall stand automatically cancelled and there shall be no further obligation in that behalf.
- On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as per the applicable accounting principles prescribed under Indian Accounting Standards (IND AS) prescribed under the Companies Act, 2013.
- All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.
- This Scheme is conditional upon and subject to the following :
 - (a) receipt of 'no objection' letter from the Stock Exchanges in terms of the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India and any amendments thereto including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - (b) the Scheme being approved by the respective requisite majorities of the members and / or creditors of the Transferor Company and the Transferee Company as may be directed by the Tribunal and/or any other competent authority and it being sanctioned by the Tribunal and/or any other competent authority, as may be applicable;
 - (c) the certified copy of the order of the Tribunal under Section 230 read with Section 232 of the Companies Act, 2013 (corresponding to Sections 391 to 394 of the Companies Act, 1956) sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra;
 - (d) no business shutdown event or material adverse effect (as agreed between the Transferor Company and the Transferee Company), shall have occurred in relation to the Transferor Company or its subsidiary; and
 - (e) the Transferee Company having acquired 2,501 equity shares and 10,753 compulsorily convertible preference shares of the Transferor Company in accordance with the terms agreed between the Transferee Company and relevant shareholders of the Transferor Company.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

9. APPROVALS

- 9.1. Pursuant to the SEBI Circulars read with Regulation 37 of the SEBI Listing Regulations, the Transferee Company had filed necessary applications before BSE and NSE seeking their no-objection to the Scheme. The Transferee Company has received the observation letters from BSE and NSE on December 8, 2016, conveying their no-objection to the Scheme ("Observation Letters"). Copies of the aforesaid Observation Letters are enclosed herewith.

9.2. BSE and NSE vide their Observation Letters dated December 8, 2016 have advised that SEBI has given following comments on the draft Scheme of Amalgamation:

- Company to ensure that information submitted by the Company, Delta Corp Limited vide email dated December 2, 2016 pertaining to Mr. Rakesh Jhunjhunwala, being non-executive director of Maneesh Pharmaceuticals Limited, which is declared a willful defaulter by RBI as of June 30, 2016, is disclosed in the scheme under the heading “action taken by SEBI / RBI” and the same is brought to the notice of shareholders and Hon’ble High Court
- The Company shall duly comply with various provisions of the Circular.

9.3. As required by the SEBI Circular, the Applicant Company has filed the Complaints Report with BSE and NSE on October 18, 2016. A copy of the aforementioned Complaints Report are enclosed herewith.

10. CAPITAL STRUCTURE PRE AND POST AMALGAMATION

10.1. Pre-amalgamation capital structure of the Transferor Company is mentioned in paragraph 5(c) above.

10.2. Pre and post-amalgamation capital structure of the Transferee Company is as follows:

Particulars	Pre Amalgamation as on December 31, 2016		Post Amalgamation	
	No. of Shares	Amount in Crs	No. of Shares	Amount in Crs
Authorised Share Capital				
Equity Shares of ₹ 1 each	42,05,00,000	42.05	42,13,00,000	42.13
10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	10,00,000	1.00	10,00,000	1.00
8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	1,30,00,000	13.00	1,30,00,000	13.00
Optionally Convertible Preference Shares of ₹ 21,667/- each	-	-	43,747	94.79
1% Redeemable Preference Shares of ₹ 21,667/- each	-	-	37,747	81.79
Issued, Subscribed and Paid-up Share Capital				
Equity Shares of ₹ 1/- each, fully paid up	23,11,44,104	23.11	23,11,44,104	23.11
Optionally Convertible Preference Shares of ₹ 21,667/- each, fully paid up	-	-	43,747	94.79
1% Redeemable Preference Shares of ₹ 21,667/- each, fully paid up	-	-	37,747	81.79

11. PRE AND POST AMALGAMATION SHAREHOLDING PATTERN

11.1. The pre amalgamation shareholding pattern of the Transferor Company as on December 31, 2016 is as follows:

Sr No	Name of shareholder	No of shares held	%
Equity Shares			
1.	Mr. Anuj Gupta	8,678	21.56%
2.	Mr. Mohit Agarwal	8,678	21.56%
3.	Mr. Alok Mittal	1,750	4.35%
4.	Bellerive Capital (BCP)	1	0.00%
5.	Mr. Gulu Mirchandani	750	1.86%
6.	Mr. Mohit Bansal	517	1.29%
7.	Mr. Mukesh Agarwal	4,000	9.94%
8.	Ms. Runjhun Gaggar	12,874	31.99%
9.	Mr. Sudarshan Lal Maini	3,000	7.45%
	TOTAL	40,248	100%
Compulsorily Convertible Preference Shares			
1.	Bellerive Capital (BCP)	10,753	100%
	TOTAL	10,753	100%

11.2. The pre and post amalgamation shareholding pattern of Transferee Company as on December 31, 2016 is as follows:

Sr No	Description	Pre Amalgamation shareholding		Post Amalgamation shareholding	
		Number of shares	% (A+B)	Number of shares	% (A+B)
(A)	PROMOTER AND PROMOTER GROUP				
(1)	Indian				
(a)	Individuals/Hindu Undivided Family	3,85,330	0.17%	3,85,330	0.17%
(b)	Bodies Corporate	2,32,120	0.10%	2,32,120	0.10%
(c)	Others	9,36,40,021	40.51%	9,36,40,021	40.51%
	Sub-Total A(1):	9,42,57,471	40.78%	9,42,57,471	40.78%
(2)	Foreign				
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	-	-	-	-
	Sub-Total A(2) :				
	Total A=A(1) + A(2)	9,42,57,471	40.78%	9,42,57,471	40.78%

Sr No	Description	Pre Amalgamation shareholding		Post Amalgamation shareholding	
		Number of shares	% (A+B)	Number of shares	% (A+B)
(B)	PUBLIC SHAREHOLDING				
(1)	INSTITUTIONS				
(a)	Mutual Funds	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternative Investment Funds	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investors	2,22,99,497	9.65%	2,22,99,497	9.65%
(f)	Financial Institutions/ Banks	2,26,776	0.10%	2,26,776	0.10%
(g)	Insurance Companies	3,67,448	0.16%	3,67,448	0.16%
(h)	Provident Funds / Pension Funds	-	-	-	-
(i)	Any other	-	-	-	-
	Sub-Total B(1) :	2,28,93,721	9.90%	2,28,93,721	9.90%
(2)	Non-Institutions				
(a)	Individuals				
	(i) Individuals holding nominal share capital upto ₹ 2 lakhs	4,18,72,570	18.12%	4,18,72,570	18.12%
	(ii) Individuals holding nominal share capital in excess of ₹ 2 lakh	4,26,77,431	18.46%	4,26,77,431	18.46%
(b)	NBFC registered with RBI	-	-	-	-
(c)	Employee Trusts	-	-	-	-
(d)	Overseas Depositories (holding DRs)	-	-	-	-
(e)	Others	2,94,42,911	12.74%	2,94,42,911	12.74%
	Sub-Total B(2) :	11,39,92,912	49.32%	11,39,92,912	49.32%
	Total B=B(1)+B(2) :	13,68,86,633	59.22%	13,68,86,633	59.22%
	Total (A+B) :	23,11,44,104	100.00%	23,11,44,104	100.00%

Pursuant to the Scheme, the Transferee Company shall issue 43,747 Optionally Convertible Preference Shares of ₹ 21,667/- each, fully paid up and 37,747 1% Redeemable Preference Shares of ₹ 21,667/- each, fully paid up to the shareholders of the Transferor Company. The said Optionally Convertible Preference Shares and 1% Redeemable Preference Shares shall be convertible into equity / redeemed, as the case may be, as per the conditions specified in the Scheme.

12. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

12.1. Save as provided in Clause 10.1(a) of the Scheme, the Directors and Key Managerial Personnel (KMP) and their respective relatives, of the Transferor Company and the Transferee Company may

be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in their respective companies, or to the extent the said directors/KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies. Save as aforesaid, none of the directors, managing director or the manager or KMP of the Transferor Company or the Transferee Company has any material interest in the Scheme.

- 12.2. The details of the present directors and KMP of the Transferor Company and their respective shareholdings in the Transferor Company and the Transferee Company as on December 31, 2016 are as follows:

Sr No	Name	Designation	Shares held in the Transferor Company	Shares held in the Transferee Company
1.	Mr. Anuj Gupta	Director	8,678	Nil
2.	Mr. Mohit Agarwal	Director	8,678	Nil
3.	Mr. Sudarshan Lal Maini	Director	3,000	Nil

- 12.3. The details of the present directors and KMP of the Transferee Company and their respective shareholdings in the Transferor Company and the Transferee Company as on January 20, 2017 are as follows:

Sr No	Name	Designation	Shares held in the Transferor Company	Shares held in the Transferee Company
1.	Mr. Jaydev Mody	Chairman	Nil	200
2.	Mr. Ashish Kapadia	Managing Director	Nil	9,25,000
3.	Mrs. Alpana Piramal Chinai	Director	Nil	3,000
4.	Mr. Rajesh Jaggi	Director	Nil	21,000
5.	Mr. Rakesh Jhunjunwala	Director	Nil	1,15,00,000
6.	Mr. Ravinder Kumar Jain	Director	Nil	Nil
7.	Dr. Vrajesh Udani	Director	Nil	60,000
8.	Mr. Hardik Dhebar	Chief Financial Officer	Nil	2,26,500
9.	Mr. Dilip Vaidya	Company Secretary	Nil	1

13. GENERAL

- 13.1. The Transferor Company and the Transferee Company have made a joint application before the National Company Law Tribunal, Mumbai Bench for the sanction of the Scheme under Section 230 read with Section 232 of the Companies Act, 2013.
- 13.2. In relation to the meeting of the Transferee Company, equity shareholders of the Transferee Company whose names are appearing in the records of the Company as on February 20, 2017 shall be eligible to attend and vote at the meeting of the equity shareholders of the Transferee Company convened at the direction of the Tribunal or cast their votes using remote e-voting facility.
- 13.3. The amount due from the Transferor Company to its unsecured creditors as on December 31, 2016 is ₹ (2,85,484/-).

- 13.4. The amount due from the Transferee Company to its unsecured creditors as on December 31, 2016 is ₹ 42,37,79,942/-.
- 13.5. The rights and interests of secured creditors and unsecured creditors of either of the Transferor Company or the Transferee Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Transferee Company will be able to meet its liabilities as they arise in the ordinary course of business.
- 13.6. Except to the extent of the shares held by the Directors and KMP stated under paragraph 12 above, none of the directors, KMP of the Transferee Company or their respective relatives is in any way connected or interested in the aforesaid resolution.
- 13.7. As on date, the Transferor Company is not related to the Transferee Company and the companies have no common directors or promoters.
- 13.8. The latest audited accounts for the year ended March 31, 2016 and latest unaudited accounts for the quarter ended September 30, 2016 of the Transferee Company indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the concerned companies would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the amalgamation will not cast any additional burden on the shareholders or creditors of either company, nor will it affect the interest of any of the shareholders or creditors.
- 13.9. There are no winding up proceedings pending against the Transferee Company as of date.
- 13.10. No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 in respect of the Transferee Company.
- 13.11. A copy of the Scheme has been filed by the Transferee Company with the Registrar of Companies, Maharashtra on January 20, 2017.
- 13.12. The Transferor Company and the Transferee Company are required to seek approvals/ sanctions/ no-objections from certain regulatory and governmental authorities for the Scheme such as the registrar of companies, regional director, official liquidator and will obtain the same at the relevant time.
- 13.13. Names and addresses of the directors and promoters of the Transferor Company are as under:

Sr No	Name of Director	Address
1.	Mr. Anuj Gupta	T-6/4, DLF City, Phase-3, Gurgaon 122002, Haryana
2.	Mr. Mohit Agarwal	L-4/9, DLF Phase-2, Gurgaon 122002, Haryana
3.	Mr. Sudarshan Lal Maini	D-III/3055, Vasant Kunj, New Delhi 110070, Delhi

Sr No	Name of Promoter	Address
1.	Mr. Anuj Gupta	T-6/4, DLF City, Phase -3, Gurgaon 122002, Haryana
2.	Mr. Mohit Agarwal	L-4/9, DLF Phase-2, Gurgaon 122002, Haryana

13.14.Names and addresses of the directors and promoters of the Transferee Company are as under:

Sr No	Name of Director	Address
1.	Mr. Jaydev Mody	West Hill, 27 Nepaeen Sea Road, Mumbai 400036.
2.	Mr. Ashish Kapadia	1, Pentacle Building, Sophia College Lane, Off Peddar Road, Mumbai 400026.
3.	Mrs. Alpana Piramal Chinai	Flat No B-31, Mayfair Gardens, Little Gibbs Road, Malabar Hill, Mumbai 400006.
4.	Mr. Rajesh Jaggi	26 Blue Haven, 2 nd Floor, Mount Pleasant Road, Malabar Hill, Mumbai 400006.
5.	Mr. Rakesh Jhunjunwala	16 C, 16 th Floor, Il Palazzo LT GL Road, M Hill, Mumbai 400006.
6.	Mr. Ravinder Kumar Jain	303 B, Bakhtavar Bldg, Shahid Bhagat Singh Road, Opp. Colaba Post Office, Colaba, Mumbai 400005.
7.	Dr. Vrajesh Udani	17, Al Jabreya Court, 69, Marine Drive, Mumbai 400020.

Sr No	Name of Promoter	Address
1.	Mr. Jaydev Mody	West Hill, 27 Nepaeen Sea Road, Mumbai 400036.
2.	Aryanish Finance and Investment Private Limited- Trustee for Aarti J Mody Trust	132, Bayside Mall, 1 st Floor, Tardeo, Haji Ali, Mumbai – 400 034.
3.	Bayside Property Developers Private Limited- Trustee for Aditi J Mody Trust	132, Bayside Mall, 1 st Floor, Tardeo, Haji Ali, Mumbai – 400 034.
4.	Delta Real Estate Consultancy Private Limited – Trustee for Anjali J Mody Trust	132, Bayside Mall, 1 st Floor, Tardeo, Haji Ali, Mumbai – 400 034.
5.	Ambika Kothari	124, Madhuli Apartment, Behind Shivsagar Estate, Dr Annie Basant Road, Worli, Mumbai-400018.
6.	Gopika Singhania	124, Madhuli Apartment, Behind Shivsagar Estate, Dr Annie Basant Road, Worli, Mumbai – 400018.
7.	Urvi Piramal A	61, Piramal House, Pochkhanawala Road, Worli, Mumbai – 400025.
8.	Kalpana Singhania	124, Madhuli Apartment, Behind Shivsagar Estate, Dr Annie Basant Road, Worli, Mumbai-400018
9.	Highland Resorts LLP	132, Bayside Mall, 1 st Floor, Haji Ali, Tardeo Road, Mumbai – 400 034.

- 13.15. The Board of Directors of the Transferor Company approved the Scheme on August 30, 2016. Details of directors of the Transferor Company who voted in favour / against / did not participate in the meeting of the Board of Directors the Transferor Company are given below:

Sr No	Name of Promoter	Voted in favour / against / did not participate
1.	Mr. Anuj Gupta	Voted in favour
2.	Mr. Mohit Agarwal	Voted in favour
3.	Mr. Sudarshan Lal Maini	Did not participate

- 13.16. The Board of Directors of the Transferee Company approved the Scheme on August 30, 2016. Details of directors of the Transferee Company who voted in favour / against / did not participate in the meeting of the Board of Directors of the Transferee Company are given below:

Sr No	Name of Director	Voted in favour / against / did not participate
1.	Mr. Rakesh Jhunjunwala	Voted in Favour
2.	Mr. Rajesh Jaggi	Voted in Favour
3.	Mr. Ravinder Kumar Jain	Voted in Favour
4.	Dr. Vrajesh Udani	Voted in Favour

- 13.17. M/s Sharp & Tannan, Chartered Accountants have valued Transferor Company at INR 2,238.71 million as on March 31, 2016 on a going concern basis for 100% equity value of the Transferor Company on a fully diluted basis. For the purpose of valuation of the Transferor Company, they have primarily relied on the Market Approach – Comparable Companies Multiple Method and benchmarked their results with the Comparable Transactions Method. Further, under the Market Approach, they have considered the comparable companies multiples and comparable transactions multiples of companies engaged in the business similar to that of the Transferor Company in India and abroad. M/s Systematix Corporate Services Limited, an independent Merchant Banker, after having reviewed the draft valuation report of M/s Sharp & Tannan, Chartered Accountants and on consideration of all the relevant factors and circumstances, opined that in their view the independent valuer's proposed valuation and share swap ratio is fair.

- 13.18. A report adopted by the directors of the Transferor Company and the Transferee Company explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters, non-promoter shareholders, laying out in particular the share exchange ratio, is attached herewith.

- 13.19. The Transferee Company does not have any depositors, debenture holders, deposit trustee and debenture trustee. The Scheme will not have any impact on the employees of the Transferee Company as they would continue to be in employment of the Transferee Company without any change in their terms of employment on account of the Scheme. Further, no change in the Board of Directors of the Transferee Company is envisaged on account of the Scheme.

- 13.20. A copy of the unaudited provisional financial statements of the Transferor Company as on October 31, 2016 and the Transferee Company as on September 30, 2016 is enclosed herewith.

- 13.21. This statement may be treated as an Explanatory Statement under Section 230(3) read with Section 102 of the Companies Act, 2013.

13.22. Inspection of the following documents specified under Rule 6(3)(ix) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 [viz; Copy of the Order dated January 18, 2017 of the Hon'ble Tribunal passed in Company Scheme Application No. 2 of 2017 directing the convening of the meeting of the Equity Shareholders of the Transferee Company, Pre and Post Merger Capital Structure and Shareholding Pattern of the Transferee Company, Memorandum and Articles of Association of the Transferor Company and the Transferee Company, Audited Financial Statements of the Transferor Company and the Transferee Company for last three financial years ended March 31, 2016, March 31, 2015 and March 31, 2014, copy of the observation letters from BSE and NSE on December 8, 2016, Copy of the Complaints Report dated October 18, 2016 filed with BSE and NSE, contracts or agreements material to the Scheme, Valuation Report dated August 30, 2016 issued by M/s Sharp & Tannan, Chartered Accountants, Fairness Opinion dated August 30, 2016 issued by M/s Systematix Corporate Services Limited and Certificate issued by the auditor dated August 30, 2016 stating that the accounting treatment proposed in the Scheme is in conformity with accounting standards prescribed under Section 133 of the Companies Act, 2013] may be carried out by the Equity Shareholders of the Transferee Company at the Registered Office of the Transferee Company on any working days prior to the date of the meeting between 11.00 am and 2.00 pm.

This Statement may be treated as the Statement under Section 230(3) read with Section 102 of the Companies Act, 2013. A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working days prior to the date of the meeting, from the Registered Office of the Applicant Company situated at 10, Kumar Place, 2408, General Thimayya Road, Pune, Maharashtra – 411001 or at the office of its Advocates M/s Hemant Sethi & Co, 1602, A Wing, Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai – 400071.

Sd/-

Jaydev Mody

Chairperson appointed for the meeting of Equity Shareholders

DIN : 00234797

Place: Mumbai

Date: January 21, 2017

SCHEME OF AMALGAMATION
OF
GAUSS NETWORKS PRIVATE LIMITED
(“GAUSS” OR “THE TRANSFEROR COMPANY”)
WITH
DELTA CORP LIMITED
(“DCL” OR “THE TRANSFeree COMPANY”)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(A) PREAMBLE

The Scheme of Amalgamation is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent notified and applicable, and as amended from time to time) for amalgamation of Gauss Networks Private Limited with Delta Corp Limited. This Scheme also provides for various other matters consequential to amalgamation or otherwise integrally connected herewith.

(B) The Transferor Company is a private limited company incorporated under the Companies Act, 1956, having company identification number U72200MH2013PTC288316, with its registered office at Office No. 115, 1st Floor, Bayside Mall, 35-C, Tardeo, Pt. Madan Mohan Malviya Road, Mumbai – 400 034, Maharashtra. The Transferor Company is engaged in the business of developing software for online games of skill.

(C) The Transferee Company is a public limited company incorporated under the Companies Act, 1956 having company identification number L65493PN1990PLC058817, with its registered office at 10, Kumar Place, 2408, General Thimayya Road, Pune, Maharashtra - 411001. The Transferee Company is listed on the BSE Limited and National Stock Exchange of India Limited. The Transferee Company is engaged in the gaming and hospitality business.

(D) RATIONALE FOR THE SCHEME

The amalgamation of the Transferor Company with the Transferee Company would have the following benefits:

- Integration of operations; and
- Greater financial strength and flexibility for the merged entity.

This Scheme of Amalgamation is divided into the following parts:

- (i) Part A deals with the definitions and share capital;
- (ii) Part B deals with terms of amalgamation of the Transferor Company with the Transferee Company;
- (iii) Part C deals with other terms and conditions applicable to this Scheme.

PART A
DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme of Amalgamation, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 “Act” or “the Act” means the Companies Act, 1956 and the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force. It is being clarified that as on the date of approval of this Scheme of Amalgamation by the Board of Directors of Gauss Networks Private Limited and Delta Corp Limited, sections 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, reference in this Scheme to particular provisions of the Act is reference to the particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such reference shall, be construed as reference to the provisions so re-enacted;
- 1.2 “Appointed Date” shall mean April 1, 2016, or such other date as may be mutually agreed between the Transferor Company and the Transferee Company, and approved by the High Court;
- 1.3 “Board of Directors” or “Board” means the board of directors of the Transferor Company with the Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- 1.4 “Court” or “High Court” means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal and the National Company Law Appellate Tribunal as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 to 240 of the Companies Act, 2013;
- 1.5 “Effective Date” means the date on which the certified copy of the order sanctioning this Scheme of Amalgamation, passed by the High Court of Judicature at Bombay or such other competent authority, as may be applicable, is filed with the Registrar of Companies, Maharashtra;
- 1.6 “DCL” or “the Transferee Company” shall have the meaning ascribed to the terms in the Preamble;
- 1.7 “Gauss” or “the Transferor Company” shall have the meaning ascribed to the terms in the Preamble;
- 1.8 “Optionally Convertible Preference Shares” means the optionally convertible preference shares of face value ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each issued by the Transferee Company on terms and conditions set out in Schedule I;
- 1.9 “Preference Shares” means the Optionally Convertible Preference Shares and the Redeemable Preference Shares;
- 1.10 “Redeemable Preference Shares” means the redeemable preference shares of face value ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each issued by the Transferee Company on terms and conditions set out in Schedule I;
- 1.11 “Scheme” or “the Scheme” or “this Scheme” means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 14 of this Scheme as approved or directed by the High Court or such other competent authority, as may be applicable;
- 1.12 “Stock Exchanges” means BSE Limited and the National Stock Exchange of India Limited;
- 1.13 “Subsidiary” means Gaussian Networks Private Limited;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income Tax Act, 1961, but shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1 The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2016 is as under:

Particulars	Amount (in ₹)
Authorised Share Capital	
420,500,000 Equity Shares of ₹ 1/- each	420,500,000
1,000,000 10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	10,000,000
13,000,000 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	130,000,000
Total	560,500,000
Issued, Subscribed and Paid-up Share Capital 230,664,104 Equity Shares of ₹ 1/- each fully paid up	230,664,104
Total	230,664,104

The shares of the Transferee Company are currently listed on the Stock Exchanges. Subsequent to March 31, 2016, the Company has allotted 2,80,000 Equity Shares on August 16, 2016 and 2,00,000 Equity Shares on August 22, 2016 pursuant to employee stock option scheme. The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on August 30, 2016 is as under:

Particulars	Amount (in ₹)
Authorised Share Capital	
420,500,000 Equity Shares of ₹ 1/- each	420,500,000
1,000,000 10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	10,000,000
13,000,000 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	130,000,000
Total	560,500,000
Issued, Subscribed and Paid-up Share Capital 231,144,104 Equity Shares of ₹ 1/- each fully paid up	231,144,104
Total	231,144,104

3.2 The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on March 31, 2016 is as under:

Particulars	Amount (in ₹)
Authorised Share Capital	
60,000 Equity Shares of ₹ 10/- each	600,000
20,000 Preference Shares of ₹ 10/- each	200,000
Total	800,000
Issued, Subscribed & Paid up Capital	
40,248 Equity Shares of ₹10/- each, fully paid up	402,480
10,753 Compulsorily Convertible Preference shares of ₹ 10/- each	107,530
Total	510,010

Subsequent to 31st March, 2016, there is no change in the issued, subscribed and paid up capital of the Transferor Company.

PART B
AMALGAMATION OF GAUSS NETWORKS PRIVATE LIMITED
WITH DELTA CORP LIMITED

4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire business and whole of the undertaking of the Transferor Company including:
- 4.1.1 all its properties and assets, (whether movable or immovable, tangible or intangible), land and building, leasehold assets and other properties, real, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, whether situated in India or abroad, including, without limitation, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), investment in its Subsidiary, cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, vehicles, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and whosoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;
- 4.1.2 all the debts, liabilities, duties and obligations of the Transferor Company of every description, raised, incurred or utilized, whether secured or unsecured, whether in Indian Rupees or foreign currency;
- 4.1.3 all licenses, permits, authorizations, rights, entitlements, and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, subsidies, benefits and approvals, advance and other taxes paid to the authorities, lease, tenancy rights, statutory permissions, consents and registrations, all rights or titles or interest in properties by virtue of any court decree or order, benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits, minimum alternate tax, etc, service tax, sales tax / value added tax and / or any other consents, approvals or powers of every kind and description;
- 4.1.4 all trade and service names and marks, patents, copyrights, brand names, domain names, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company, shall, pursuant to the Order of the High Court and pursuant to provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be transferred and/or be deemed to be transferred to and vested in the Transferee Company on a going concern basis so as to become the assets of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company and Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date.

4.2 Without prejudice to the generality of Clause 4.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

- (a) Subject to the provisions of this Scheme, the entire business and the undertaking of the Transferor Company including all debts, liabilities, duties and obligations of the Transferor Company of every description and without limitation, all the movable properties and assets of the Transferor Company comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and liabilities of the Transferee Company .
- (b) Without prejudice to the provisions of Clause 4.2. (a) above, in respect of such assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in Clause 4.2 (b) above including sundry debtors, bills, loans and advances and other current assets, if any, whether receivable in cash or kind or for the value to be received, bank balances, investments, etc., shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors or depositors or any person, as the case may be so that the said debt, loan, advance, investment, etc stands transferred and vested in the Transferee Company.
- (d) In relation to the assets belonging to the Transferor Company, which require separate documents of transfer, if any, the Transferor Company and/or the Transferee Company will execute the necessary documents, as and when required.
- (e) Any statutory licenses, registrations, incentives, tax credits, tax refunds, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents relating to and or held by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date shall stand vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company pursuant to this Scheme. The various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person, or enjoyed and availed of by the Transferor Company shall vest with and be available to the Transferee Company on the same terms and conditions.
- (f) All debts, liabilities, duties and obligations of every kind, nature and description pertaining to the Transferor Company shall also without any further act or deed, be transferred to or deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

4.3 All taxes of any nature, duties, cess or any other like payments or deductions made by the Transferor Company to any statutory authorities such as Income Tax, Sales Tax, Value Added Tax, Service Tax etc. or any tax deduction/collection at source, relating to the period after the Appointed Date and

upto the Effective Date shall be deemed to have been on account of and on behalf of the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the coming into effect of this Scheme and upon relevant proof and documents being provided to the said authorities.

- 4.4 The Transferee Company shall be entitled to file/revise its income tax returns, TDS certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of all taxes paid/withheld (whether Indian or foreign), if any, as may be required consequent to implementation of this Scheme.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1 Upon the coming into effect of this Scheme and with effect from Appointed Date and subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date shall continue in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Company, the Transferee Company had been the party or beneficiary or obligee thereof.
- 5.2 Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the assets and liabilities occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, if so required or on becoming necessary, enter into and / or issue and / or execute deeds, writings or confirmation in order to give formal effect to the provisions of this Scheme. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

6. STAFF, WORKMEN AND EMPLOYEES

- 6.1 On the Scheme becoming effective, staff and employees, if any, of the Transferor Company in service on the Effective Date, shall be deemed to have become staff and employees of the Transferee Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favorable than those subsisting as on the said date.
- 6.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, pension fund, superannuation fund or any other special fund or trusts (hereinafter referred to as "Fund" or "Funds") created or existing for the benefit of the staff, workmen and employees of the Transferor Company, if any, shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

7. LEGAL PROCEEDINGS

If any suit, appeal or other legal proceedings of whatever nature (including before any statutory or quasi-judicial authority or tribunal) is pending by or against the Transferor Company on or before the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

8. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

8.1 With effect from the Appointed Date and upto and including the Effective Date:

- 8.1.1 the Transferor Company shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the business for and on account of and for the benefit of and in trust for the Transferee Company;
- 8.1.2 all the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred by the Transferor Company, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or income or expenditure or losses of the Transferee Company, as the case may be;
- 8.1.3 any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
- 8.1.4 all taxes (including, without limitation, income tax, sales tax, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

8.2 With effect from the date of approval of this Scheme by the Board of Directors of the Transferor Company and the Transferee Company and upto and including the Effective Date:

- (a) the Transferor Company shall conduct its business and that of the Subsidiary in the ordinary and normal course, consistent with past practice and existing policies, save in so far as otherwise agreed in writing by the Transferee Company, and materially comply with all applicable laws affecting such business and operations;
- (b) the Transferor Company shall carry on its business and activities, and that of its Subsidiary, with diligence, business prudence and shall not without the prior written consent of the Transferee Company, (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business; (ii) undertake any new business or substantially expand its existing business; or (iii) undertake any other activities that have been agreed between the Transferee Company and the Transferor Company to be undertaken only with prior consent of the Transferee Company.
- (c) the Transferor Company shall not alter its, or its Subsidiary's, capital structure either by fresh issue of any securities, including any kind of shares or convertible/ non-convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner, except by and with the consent of the Transferee Company; and
- (d) the Transferor Company shall not declare or pay any dividends, whether interim or final, to their shareholders in respect of the accounting period prior to the Effective Date, except with the prior approval of the Transferee Company.

9. SAVING OF CONCLUDED TRANSACTIONS

- 9.1 The transfer and vesting of the undertaking, and the continuance of legal proceedings by or against the Transferor Company, in accordance with the Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

10. ISSUE OF SHARES

- 10.1 Upon this Scheme becoming effective and upon amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any application or deed, issue and allot Optionally Convertible Preference Shares and Redeemable Preference Shares credited as fully paid up, to the extent indicated below, to the members of Transferor Company holding fully paid-up equity shares of Transferor Company and whose names appear in the register of members of the Transferor Company as on the Effective Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company in the following proportion:

- (a) 3,000 (Three Thousand) fully paid up Optionally Convertible Preference Shares of ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted to each of Mr. Mohit Aggarwal and Mr. Anuj Gupta respectively (shareholders of the Transferor Company).
- (b) 1 (One) fully paid up Optionally Convertible Preference Shares of ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted for every one fully paid up equity share of ₹10 held in the Transferor Company.
- (c) 1 (One) fully paid up 1% Redeemable Preference Shares of ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted for every one fully paid up equity share of ₹10 held in the Transferor Company.

The key terms and conditions for the Optionally Convertible Preference Shares and Redeemable Preference Shares to be issued pursuant to above Clause are specified in Schedule I hereto.

- 10.2 Notwithstanding anything contained in Clause 10.1, upon the Scheme becoming effective:

- (a) all the shares held by Transferee Company in the Transferor Company shall stand automatically cancelled and there shall be no further obligation in that behalf; and
- (b) no shares shall be issued by the Transferee Company in respect of fractional entitlements, if any, to any member of the Transferor Company and the any fractional entitlements shall stand automatically cancelled and there shall be no further obligation in that behalf.

- 10.3 The Preference Shares to be issued to the shareholders of the Transferor Company as above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu with the existing preference shares of the Transferee Company, if any.

- 10.4 The Preference Shares of the Transferee Company shall be issued in dematerialized form to the shareholders of the Transferor Company, in to the account with the Depository Participant intimated in writing by the shareholders of the Transferor Company to the Transferee Company.

- 10.5 The Board of Directors of the Transferor Company and the Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned government/regulatory authorities for the issue and allotment of Preference Shares to the shareholders of the Transferor Company pursuant to Clause 10.1 of the Scheme.

- 10.6 Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be the due compliance of the provisions of Section 62 and Section 55 of the Companies Act, 2013 and the other

relevant and applicable provisions of the Act and other laws for the issue and allotment of shares by the Transferee Company to the shareholders of the Transferor Company, as provided in this Scheme.

10.7 The approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company under Sections 391 to 394 of the Act shall be deemed to have been the approval under Sections 13 and 14 of Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard and upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company. It is clarified that the stamp duties and fees (including registration fee) paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in the authorized share capital to that extent.

10.8 The capital clause of the memorandum of association and the articles of association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

MEMORANDUM OF ASSOCIATION

“V. The authorized share capital of the Company is ₹ 56,13,00,000/- (Rupees Fifty Six Crores Thirteen Lakhs only) divided into 421,300,000 equity shares of ₹ 1/- (Rupees One only) each aggregating to ₹ 421,300,000/-, 1,000,000 10% non-cumulative redeemable preference shares of ₹ 10/- each aggregating to ₹ 10,000,000/-, 13,000,000 8% non-cumulative redeemable preference shares of ₹ 10/- each aggregating to ₹ 130,000,000/-, with the rights, privileges and conditions attached thereto with the power to vary, modify or abrogate such rights, privileges and conditions as may be provided by the Articles of Association of the Company for the time being. The Board of Directors shall have the power to classify as and when required the shares as equity or preference shares and attach thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions and also the power to increase or reduce the capital of the Company as may be determined in accordance with the Articles of Association of the Company.”

ARTICLES OF ASSOCIATION

“The authorized share capital of the Company is ₹ 56,13,00,000/- (Rupees Fifty Six Crores Thirteen Lakhs only) divided into 421,300,000 equity shares of ₹ 1/- (Rupees One only) each aggregating to ₹ 421,300,000/-, 1,000,000 10% non-cumulative redeemable preference shares of ₹ 10/- each aggregating to ₹ 10,000,000/-, 13,000,000 8% non-cumulative redeemable preference shares of ₹ 10/- each aggregating to ₹ 130,000,000/-, with the power to increase or reduce such capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.”

11. ACCOUNTING TREATMENT

On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as per the applicable accounting principles prescribed under Indian accounting standards (IND AS) prescribed under the Act.

12. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up without any further act or deed.

PART C

OTHER TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

13. APPLICATION TO THE HIGH COURT OR SUCH OTHER COMPETENT AUTHORITY

The Transferor Company and the Transferee Company shall make all necessary application and petition under Sections 391 to 394 and other applicable provisions of the Act to the Hon'ble High Court of Judicature at Bombay, for seeking approval of the Scheme and for dissolution of the Transferor Company without winding up.

14. MODIFICATION / AMENDMENT TO THE SCHEME AND GENERAL POWER TO THE BOARD

14.1 The Transferor Company and the Transferee Company with approval of their respective Boards of Directors, may consent, from time to time, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Boards of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the Hon'ble Court or any other authorities under law may deem fit to approve of, to direct and / or impose.

14.2 The Transferor Company and the Transferee Company have the right to modify this Scheme by mutual agreement in writing.

14.3 The Transferor Company and the Transferee Company shall withdraw this Scheme only in accordance with the terms agreed in writing.

15. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- (a) receipt of 'no objection' letter from the Stock Exchanges in terms of the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India and any amendments thereto including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) the Scheme being approved by the respective requisite majorities of the members and / or creditors of the Transferor Company and the Transferee Company as may be directed by the High Court and/or any other competent authority and it being sanctioned by the High Court and/or any other competent authority, as may be applicable;
- (c) the certified copy of the order of High Court under Sections 391 to 394 of the Act sanctioning the Scheme is filed with the Registrar of Companies having jurisdiction over the Transferor Company and the Transferee Company;
- (d) no business shutdown event or material adverse effect (as agreed between the Transferor Company and the Transferee Company), shall have occurred in relation to the Transferor Company or the Subsidiary; and
- (e) the Transferee Company having acquired 2,501 equity shares and 10,753 compulsorily convertible preference shares of the Transferor Company in accordance with the terms agreed between the Transferee Company and relevant shareholders of the Transferor Company.

16. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

16.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause 14 not being obtained and/or the Scheme not being sanctioned by the High Court or such other competent authority and/or the Order not being passed as aforesaid before June 30, 2017 or such other date as the Boards of Directors of the Transferor Company and Transferee Company, or any other person authorized by the Boards of Directors of the Transferor Company and Transferee Company

respectively, may determine, the Scheme shall become null and void, and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability, or obligations which have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

16.2. In the event of this Scheme failing to take effect or if it becomes null and void no rights and liabilities of whatsoever nature shall accrue to or be incurred inter-se to or by the parties to the Scheme or any of them.

17. RESOLUTION

Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company shall constitute the aggregate of the said limits in the Transferee Company, unless otherwise agreed in any arrangement to which the Transferee Company is subject.

18. COSTS

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

19. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

20. ACTION TAKEN BY SEBI / RBI

Mr. Rakesh Jhunjunwala, a director of the Transferee Company, was a non-executive director of Maneesh Pharmaceuticals Limited, which is classified as a wilful defaulter by the Reserve Bank of India as of 31st March, 2016 and no proceedings were initiated against Mr. Rakesh Jhunjunwala. Mr. Rakesh Jhunjunwala has resigned as a director of Maneesh Pharmaceuticals Limited with effect from October 15, 2010 and is no longer associated with Maneesh Pharmaceuticals Limited.

SCHEDULE I

TERMS AND CONDITIONS OF RPS

1.	Dividend	1% (one percent) p.a.
2.	Face value	INR 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven)
3.	Term and Redemption	All RPS shall be compulsorily redeemable at the end of 12 (twelve) months from the date of issuance of the RPS.
4.	Transferability	Each RPS shall be freely transferable at the option of the holder subject to applicable laws.

TERMS AND CONDITIONS OF OCPS

1.	Dividend	0.001% p.a. on a non-cumulative basis
2.	Face value	INR 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven)
3.	Terms for conversion	<p>OCPS shall be convertible into equity shares of the Transferee Company at the option of the Transferee Company at the end of 12 (twelve) months from the date of issue of OCPS.</p> <p>(a) the term of the OCPS shall be extended to 18 (eighteen) months from the date of issue of OCPS; and / or</p> <p>(b) each OCPS holder shall be issued only 1 (one) equity share of the Transferee Company upon conversion of all the OCPS held by the OCPS holder,</p> <p>on the occurrence of events as agreed between the Transferor Company, the Transferee Company and shareholders of the Transferor Company in writing.</p>
1.	Conversion	If the OCPS are converted, then the conversion price shall be equal to the higher of:
		<p>(A) the price determined using the pricing methodology provided in Regulation 76(1)(a) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("X"); or</p> <p>(B) the price determined using the pricing methodology provided in Regulation 76(1)(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("Y"),</p> <p>each as at the Relevant Date.</p> <p>For the purpose of this conversion, the term 'Relevant Date' shall mean a date thirty days prior to the date of conversion of the OCPS</p> <p>Each OCPS shall convert into such number of equity shares of the Transferee as arrived by dividing the face value of such OCPS by the higher of X or Y.</p>

		<p>In case of fractional entitlements, all fractional entitlements for a OCPS holder shall be consolidated and the OCPS holder shall be allotted shares equal to such consolidated entitlement. If such consolidated entitlement further includes a fractional entitlement, which exceeds 0.5, such OCPS holder shall be allotted one share for such further fractional entitlement.</p> <p>The Transferee Company will convert only such number of OCPS to be issued pursuant to the Scheme such that post conversion, the Transferee Company is in compliance with the minimum public shareholding requirement, and to the extent OCPS are not converted into equity so as to meet the minimum public shareholding requirement, they shall be redeemed by the Transferee Company as per the terms of OCPS.</p>
5.	Redemption	<p>In case OCPS are not converted into equity shares by Transferee, OCPS will stand redeemable immediately at the end of 12 months from the date of issuance of OCPSs subject to terms agreed between the Transferor Company and the Transferee Company in writing.</p> <p>Provided that: the term of the OCPS shall be extended to 18 (eighteen) months from the date of issue of OCPS on the occurrence of events as agreed between the Transferor Company and the Transferee Company in writing.</p>



SHARP & TANNAN

Chartered Accountant

August 30, 2016

Strictly Privileged & Confidential

The Board of Directors

Delta Corp Limited
10, Kumar Place, 2408,
General Thimayya Road,
Pune 411 001,
Maharashtra

The Board of Directors

Gauss Networks Private Limited
349, Udyog Vihar,
Phase II Gurgaon,
Gurgaon 122 016,
Haryana

Dear Sir/Madam,

Re: Report on Valuation of Gauss Networks Private Limited ("GNPL") for the proposed amalgamation of GNPL into and with Delta Corp Limited

This is with reference to the engagement letter and discussions held, wherein we, M/s Sharp & Tannan (referred to as "**Valuer**" or "**we**" or "**us**"), have been appointed to value the equity shares of Gauss Networks Private Limited ("GNPL") for the proposed amalgamation of GNPL into and with **Delta Corp Limited ("DCL")** (hereinafter jointly referred to as "**Companies**") with effect from the **Appointed Date of April 1, 2016**.

1. BRIEF BACK GROUND

1.1 Delta Corp Limited ("DCL")

1.1.1 DCL is a gaming and entertainment company, with a dominant presence in Goa's offshore casino market. DCL is the largest and only listed gaming company in India. The equity shares of DCL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

1.1.2 The issued & paid up equity share capital of DCL as at March 31, 2016 was INR 230.66 million divided into 230,664,104 equity shares of INR 1/- each (face value) and its shareholding pattern was as follows on June 30, 2016:

Sl. No.	Category	No. of Shares	% Holding
a.	Promoter & Promoter Group	9,42,57,471	40.86%
b.	Public	13,64,06,633	59.14%
Total		23,06,64,104	



SHARP & TANNAN

Chartered Accountant

- 1.1.3 The Management of DCL represented that DCL does not have any outstanding warrants /options, as at the date hereof.
- 1.1.4 Subsequent to March 31, 2016 there is no change in the issued, subscribed and paid-up capital of DCL.
- 1.2 **Gauss Networks Private Limited ("GNPL")**
- 1.2.1 GNPL is a private limited company incorporated on August 29, 2013 and is headquartered in Gurgaon, India. Gaussian Networks Private Limited ("GNNPL") is a subsidiary of GNPL.
- 1.2.2 GNNPL is primarily engaged in the business of owning and operating Adda52.com and Adda52Rummy.com, online poker and rummy websites respectively. Both the portals offer daily cash-free "free roll" tables, real cash tables and cash tournaments. Both the gaming sites can be accessed both via desktop and the mobile web (WAP).
- 1.2.3 GNPL has developed and owns the products and its in-house technology and GNNPL is engaged in operating the portals.
- 1.2.4 The issued, subscribed & paid up share capital of GNPL as on March 31, 2016 is INR 510,010 comprising of 40,248 equity shares of INR 10/- each and 10,753 compulsorily convertible preference shares of INR 10/- each ("CCPS"). The equity share capital of GNPL on a fully diluted basis is 51,001 equity shares of INR 10/- each.
- 1.2.5 The issued, subscribed & paid up share capital of GNNPL as on March 31, 2016 is INR 360,010 comprising of 36,000 equity shares of INR 10/- each out of which 35,999 equity shares (99.99% of equity stake) are held by GNPL.
- 1.2.6 The Management of GNPL has represented that GNPL and GNNPL does not have any outstanding warrants /options, as at the date hereof.
- 1.2.7 Subsequent to March 31, 2016 there is no change in the issued, subscribed and paid-up capital of GNPL and GNNPL.

[This space is intentionally left blank]

Page 2 of 11



SHARP & TANNAN

Chartered Accountant

2. SCOPE & PURPOSE OF EXCHANGE RATIO

- 2.1 We are given to understand that the Board of Directors of the Companies proposed to undertake the amalgamation of GNPL with DCL ("Amalgamation") with effect from the Appointed Date of April 1, 2016. This is proposed to be achieved by way of a Scheme of Arrangement and Amalgamation pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 & other applicable provisions made there-under and Companies Act, 2013 ("Scheme").
- 2.2 As part of the proposed Scheme, all assets and liabilities of GNPL as on the Appointed Date shall eventually stand transferred to and vested with DCL. Further, upon Amalgamation, GNPL will cease to exist and as consideration equity shareholders of GNPL shall receive preference shares of DCL.
- 2.3 For this purpose, as requested, we have carried out valuation of equity shares of GNPL as on **March 31, 2016** in connection with the proposed Amalgamation. This Valuation Report ("Valuation Report") may be placed before the audit committee, as per the SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 and to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Scheme.
- 2.4 This Valuation Report is subject to the exclusions, limitations & disclaimers detailed hereinafter. As such the Valuation Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

3. SOURCES OF INFORMATION

- 3.1 In connection with preparing this Valuation Report, we have received & relied upon the following sources of information from the Management of the Companies:
- 3.1.1 Draft Scheme of Arrangement and Amalgamation.
- 3.1.2 Consolidated Audited annual accounts of GNPL for FY 2013-14 to FY 2014-15.
- 3.1.3 Consolidated provisional annual accounts of GNPL for FY 2015-16.
- 3.1.4 Consolidated projected annual account of GNPL for FY 2016-17.
- 3.1.5 Shareholding pattern of GNPL and GNNPL as on March 31, 2016.
- 3.1.6 Representation from the management of GNPL dated July 30, 2016.
- 3.1.7 Representation from the management of DCL dated July 30, 2016.

Page 3 of 11



SHARP & TANNAN

Chartered Accountant

3.1.8 Published and secondary source of data , whether or not made available by the companies and such other analysis, reviews and inquiries as we considered necessary.

4. SCOPE LIMITATIONS, ASSUMPTIONS, EXCLUSIONS AND DISCLAIMERS

4.1 This Valuation Report, its contents and the results herein are (i) specific to the purpose mentioned in this report; (ii) specific to the date of this Valuation Report and (iii) are based on the balance sheet of GNPL (consolidated) as at March 31, 2016. The Management has represented that the business activities of GNPL and GNNPL have been carried out in the normal and ordinary course between 31st March 2016 and date hereof and that no material adverse change has occurred in their respective operations and financial position between March 31, 2016 and date hereof.

4.2 In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of information (both written & verbal) made available to us by the Companies and (ii) the accuracy of the information that was publicly available, and formed substantial basis for this Valuation Report. We have not carried out a due diligence or audit of the Companies, nor have we independently investigated or otherwise verified the data provided by the Companies. In rendering this Valuation Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof. We do not express any opinion or offer any form of assurance that the explanations, financial information or other information as prepared and provided by the Companies is accurate and complete. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that, in case of any doubt, they have checked the relevance or materiality of any specific information with respect to the present exercise with us.

Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

4.3 Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The respective Management of the Companies has indicated to us that they have understood that any omissions, inaccuracies or mis-statements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the Valuation Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

4.4 During the course of work, we have relied upon the financial projections of GNPL (Consolidated) provided to us by the Management. The assumptions underlying the projections have not been

Page 4 of 11



SHARP & TANNAN

Chartered Accountant

reviewed or independently verified by us and accordingly there can be no assurance that these assumptions are accurate. We must emphasize that realizations of the free cash flow forecast used in the analysis will be dependent on the continuing validity of the assumptions on which they are based. The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both the most likely set of future business events and circumstances and the management's course of action related to them. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since, the projections relate to the future, actual results may be different from the projected results because events and circumstances do not occur as expected, and differences may be material.

- 4.5 Valuation work, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgement decisions, which have to be made. There can therefore be no standard formulae to establish an undisputable value, although certain formulae are helpful in assessing reasonableness. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Exchange Ratio. You acknowledge and agree that you have the final responsibility for the determination of the Exchange Ratio at which the proposed Amalgamation shall take place and factors other than this Valuation Report will need to be taken into account in determining the Exchange Ratio; these will include your own assessment of the proposed Amalgamation and may include the input of other professional advisors.
- 4.6 This report and its contents is prepared for the Companies and to be used only for the specific engagement and regulatory reporting purposes and must not be copied, disclosed or circulated or referred to or quoted in any correspondence, registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or discussion with any person. The report is confidential to the Companies and it is given on the express undertaking that will not be communicated, in whole or in part, to any third party without prior written consent of the valuer. Neither this report nor its contents may be used for any other purpose other than in connection with this proposed Amalgamation without prior written consent of the Valuer.
- 4.7 Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, neither ourselves, nor any of our partners, officers or employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We owe responsibility only to the Board of Directors of the Companies and nobody else. We are not liable to any third party in relation to the issue of this report. In no event we shall be liable for any loss, damage, cost or expense arising in

Page 5 of 11



SHARP & TANNAN

Chartered Accountant

any way from fraudulent acts, misrepresentations or wilful default on the part of the Companies, their management, directors, employees or agents.

- 4.8 A valuation of this nature is necessarily based on prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof, may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report. However, we reserve the right to amend or replace the report at any time in the event of any material change in the facts presented to us.
- 4.9 The Valuation Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited balance sheet of the Companies. Our conclusion of value assumes that the assets & liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the date hereof.
- 4.10 This Valuation Report does not look into the business / commercial reasons behind the proposed Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 4.11 This Valuation Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. In addition, this Valuation Report does not in any manner address the price at which equity shares will trade following approval of the Amalgamation and we express no opinion or recommendation as to how the shareholders or creditors of Companies should vote at their respective meeting(s) to be held in connection with the proposed Amalgamation.
- 4.12 The fee for this engagement is not contingent upon the results of this report.

[This space is intentionally left blank]

Page 6 of 11



SHARP & TANNAN

Chartered Accountant

5. VALUATION APPROACH

5.1 Approaches for Valuation

There are three generally accepted approaches to valuation:

- a. "Cost" Approach
- b. "Market" Approach
- c. "Income" Approach

a. Cost Approach

The "Cost" approach focuses on the net worth or net assets of a company. The Cost Approach to valuation includes two methods - Break Value ("BV") Method and Net Asset Value ("NAV") Method.

BV Method:

- ❖ Under the BV Method, the assets and liabilities are considered at their realizable/market value including intangible assets & contingent liabilities, if any, which are not stated in the balance sheet. From the realizable value of the assets, the potential liabilities, which would have to be paid, would be deducted and resultant figure would be the BV of the company.
- ❖ This valuation approach is mainly used in case where the asset base dominate earnings capability or in case where the valuing entity is a Holding Company deriving significant value from its Assets & Investments.

NAV Method:

- ❖ Under this method, total value of the business is based on sum of the Net Assets Value as recorded in the balance sheet.
- ❖ NAV methodology is most applicable for the business where the value lies in the underlying assets and not the ongoing operations of the business.

b. Income Approach

The "Income" approach focuses on the profit/earnings potential of the business being valued. The Income Approach to valuation includes two methods – Profit Earning Capacity Value ("PECV") Method and Discounted Cash Flow ("DCF") Method. The "Income" approach focuses on the income generated by the company as well as its future earning capability.

Page 7 of 11



SHARP & TANNAN

Chartered Accountant

PECV Method:

- ❖ The PECV method focuses on the past income generated by the company as well as the future earning capability of the business enterprise. The PECV method requires the determination parameters, which are relevant to the company whose shares are being valued. These are (i) the 'future maintainable profits', (ii) the 'appropriate income tax rate' and (iii) the 'expected rate of return'. The value is determined by capitalizing the future maintainable profits (net of tax) by the expected rate of return.

DCF Method:

- ❖ The DCF Method seeks to arrive at a value of a business based on the strength of its future cash flows. This method also captures the risk involved with these cash flows.
- ❖ Under this method, the business is valued by discounting its free cash flows for an explicit forecast period and the perpetuity value thereafter. The free cash flows to the firm ("FCFF") represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by Weighted Average Cost of Capital ("WACC"). WACC is an appropriate rate of discount to calculate the present value of the future free cash flows as it considers debt-equity risk and also debt-equity ratio of the company/industry.
- ❖ To the present value of the cash flows so arrived, adjustments are made for the value of debt, surplus/non-operating assets including investments, surplus cash & bank balance and contingent assets/liabilities and other liabilities, if any, in order to arrive at the value for the equity shareholders. The total value for the equity shareholders so arrived has to be then divided by the number of equity shares in order to work out the value per equity share of the company.

c. **Market Approach**

Market Price Method:

Under this method, the market price of an equity share as quoted on a recognized Stock Exchange is normally considered as the value of the equity shares of that company, where such quotations are arising from the shares being regularly and frequently traded. The market value generally reflects the investors' perception about the true worth of the company.

Page 8 of 11



SHARP & TANNAN

Chartered Accountant

Comparable Companies Multiple ("CoCo Multiple") Method:

- ❖ Under CoCo Multiple Method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifested through stock market valuations of listed companies.
- ❖ This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Method:

With regard to the multiples applied in an earnings based valuation, they are generally based on data from the recent transactions in a comparable sector, but with appropriate adjustment after due consideration has been given to the specific characteristics of the business being valued.

5.2 Valuation Methodologies Applied

- 5.2.1 The application of any particular method of valuation depends on the purpose for which the valuation is done. In arriving at the value of the equity shares of GNPL, from amongst the generally accepted valuation methodologies, we have applied methodologies most relevant, applicable and appropriate to the circumstances.
- 5.2.2 For valuation of GNPL we have primarily relied on the Market Approach – CCM method and have benchmarked our results with the CTM method. Under the market approach we have considered the comparable companies multiples and comparable transactions multiples of companies engaged in the business similar to that of GNPL in India and abroad.
- 5.2.3 Income Approach has not been considered on account of absence of any projected financial information for a sufficient period. Cost Approach does not capture the value based on the potential earning capacity of the company and hence, is not considered in the present case.

[This space is intentionally left blank]

Page 9 of 11



SHARP & TANNAN

Chartered Accountant

6. VALUATION OF GNPL

6.1 It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of Companies and their assets.

6.2 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not on exact science. Mathematical certainty is not demanded, nor indeed is it possible."

6.3 Considering all the relevant factors and circumstances as discussed and outlined above, we believe that the value of INR 2,238.71 million as at March 31, 2016 on a going concern basis for the 100% equity value of GNPL on a fully diluted basis is fair.

6.4 Further, we have been informed by the Management and based on the draft Scheme of Amalgamation provided to us, we understand that DCL would be acquiring the existing 10,753 compulsorily convertible preference shares and 2501 equity shares from the existing shareholders of GNPL, as part of the agreed transaction, in cash before the effective date of the Scheme of Amalgamation. The agreed consideration for the said acquisition is INR 472.98 million.

Page 10 of 11



SHARP & TANNAN

Chartered Accountant

6.5 We have been informed by the Management of DCL, the consideration for the Amalgamation of GNPL would be discharged as under:

- 1 (One) fully paid up 1% Redeemable Preference Shares of Rs. 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of DCL shall be issued and allotted for every one fully paid up equity share of Rs.10 held in GNPL.
- 1 (One) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of DCL shall be issued and allotted for every one fully paid up equity share of Rs.10 held in GNPL.
- 6,000 (Six Thousand) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of DCL shall be issued and allotted to the Founders of GNPL.
- The above Optionally Convertible Preference Shares will be converted into equity shares after 12 months from the effective date, at the price as may be determined based on Regulation 76(1)(a) or (b) of the issue of Capital and Disclosure Requirements (ICDR).

Thanking You,

Yours faithfully,

For **Sharp & Tannan**
Chartered Accountants
Firm Registration No. – 109982W



Edwin Augustine
(Partner)
Membership No. - 043385

Date: August 30, 2016

Place: Mumbai



30 August 2016
SCSL/16-17/029

To,
The Board of Directors
Delta Corp Limited
10, Kumar Place, 2408,
General Thimayya Road,
Pune 411 001, Maharashtra.

Dear Members of the Board,

Sub: Fairness opinion on the value and share swap ratio for the proposed amalgamation of Gauss Networks Private Limited into and with Delta Corp Limited as recommended by independent valuer.

Ref.: Our Offer Letter dated August 26, 2016.

The Board of Directors of Delta Corp Limited (hereinafter referred to as "DCL" or the "Company") has appointed M/s Sharp & Tannan (the "Independent Valuer") in relation to valuation of Gauss Networks Private Limited (hereinafter referred to as "GNPL") and determination of share swap ratio for the purpose of GNPL's amalgamation (the "Transaction") into and with DCL ("Purpose") with effect from the Appointed Date of April 1, 2016.

The Company has requested us to provide "fairness opinion" on the proposed share swap ratio as recommended by the Independent Valuer. This Fairness Opinion report is our deliverable against the same.

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

SOURCES OF INFORMATION

The sources of information, which have been furnished to us by the Company, are as follows:

I



- Report dated August 30, 2016 issued by the Independent Valuer containing the valuation of GNPL and share swap ratio for proposed Transaction.
- A brief profile on GNPL's business and its operations.
- Provisional financials of GNPL for year ended March 31, 2016 and estimated financials for year ending March 31, 2017.
- Draft Scheme of Arrangement and Amalgamation.
- Current shareholding pattern of GNPL.
- Audited Financials of DCL for FY2015 and FY2016.

In addition to the above, we have also obtained other necessary explanations and information, which we believed were relevant to the present exercise, from the Management.

It may be mentioned that the Management of the Company have been provided the opportunity to review the draft report (without fairness opinion) for current engagement and confirm the same with GNPL management wherever required as a part of our standard practice to make sure that factual inaccuracies are avoided in the report.

SCOPE LIMITATIONS, ASSUMPTIONS, EXCLUSIONS, LIMITATIONS AND DISCLAIMERS

This Fairness Opinion Report, its contents and the results herein are (i) specific to the purpose mentioned in this Report; (ii) specific to the date of the Report and (iii) are based on the balance sheet of GNPL (consolidated) as at March 31, 2016. The Management has represented that the business activities of GNPL have been carried out in the normal and ordinary course between 31st March 2016 and date hereof and that no material adverse change has occurred in their respective operations and financial position between March 31, 2016 and date hereof.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of information (both written & verbal) made available to us by the Companies and (ii) the accuracy of the information that was publicly available, and formed substantial basis for this Report. We have not carried out a due diligence or audit of the Companies, nor have we independently investigated or otherwise verified the data provided by the Companies. In rendering this Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof. We do not express any opinion or offer any form of assurance that the explanations, financial information



or other information as prepared and provided by the Companies is accurate and complete. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that, in case of any doubt, they have checked the relevance or materiality of any specific information with respect to the present exercise with us. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or mis-statements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Management and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

During the course of work, we have relied upon the financial projections of GNPL (Consolidated) provided to us by the Management. The assumptions underlying the projections have not been reviewed or independently verified by us and accordingly there can be no assurance that these assumptions are accurate. We must emphasize that realizations of the free cash flow forecast used in the analysis will be dependent on the continuing validity of the assumptions on which they are based. The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both the most likely set of future business events and circumstances and the management's course of action related to them. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since, the projections relate to the future, actual results may be different from the projected results because events and circumstances do not occur as expected, and differences may be material.

Valuation work, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgement decisions, which have to be made. There can therefore be no standard formulae to establish an undisputable



value, although certain formulae are helpful in assessing reasonableness. There is, therefore, no indisputable single share swap ratio.

While we have provided our fairness opinion on the share swap ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the share swap ratio. You acknowledge and agree that you have the final responsibility for the determination of the share swap ratio at which the proposed Amalgamation shall take place and factors other than this Report will need to be taken into account in determining the share swap ratio; these will include your own assessment of the proposed Amalgamation and may include the input of other professional advisors.

This report and its contents is prepared for the Company and to be used only for the specific engagement and regulatory reporting purposes and must not be copied, disclosed or circulated or referred to or quoted in any correspondence, registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or discussion with any person. The Report is confidential and it is given on the express undertaking that will not be communicated, in whole or in part, to any third party without our prior written consent. Neither this Report nor its contents may be used for any other purpose other than in connection with this proposed Transaction without our prior written consent.

Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, neither ourselves, nor any of our directors, partners, officers or employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We owe responsibility only to the Board of Directors of the Company and nobody else. We are not liable to any third party in relation to the issue of this report. In no event we shall be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or wilful default on the part of the Companies, their management, directors, employees or agents.

A valuation of this nature is necessarily based on prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof, may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report. However,



we reserve the right to amend or replace the report at any time in the event of any material change in the facts presented to us.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the balance sheet of the Companies. Our conclusion of value assumes that the assets & liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the date hereof.

This Report does not look into the business / commercial reasons behind the proposed Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. In addition, this Report does not in any manner address the price at which equity shares will trade following approval of the Transaction and we express no opinion or recommendation as to how the shareholders or creditors of Companies should vote at their respective meeting(s) to be held in connection with the proposed Transaction.

The fee for this engagement is not contingent upon the results of this report.

BACKGROUND OF THE COMPANY

Gauss Networks Private Limited ("GNPL")

GNPL is a private limited company incorporated on August 29, 2013 and is headquartered in Gurgaon, India. Gaussian Networks Private Limited ("GNNPL") is a subsidiary of GNPL.

GNPL is primarily engaged in the business of owning and operating Adda52.com and Adda52Rummy.com, online poker and rummy websites respectively. Both the portals



offer daily cash-free “free roll” tables, real cash tables and cash tournaments. Both the gaming sites can be accessed both via desktop and the mobile web (WAP).

GNPL has developed and owns the products and its in-house technology and GNNPL is engaged in operating the portals. GNNPL currently employs a team of 49 engineers.

The issued, subscribed & paid up share capital of GNPL as on March 31, 2016 is INR 510,010 comprising of 40,248 equity shares of INR 10/- each and 10,753 compulsorily convertible preference shares of INR 10/- each (“CCPS”). The equity share capital of GNPL on a fully diluted basis is 51,001 equity shares of INR 10/- each.

The Management has represented that GNPL and GNNPL do not have any outstanding warrants /options, as at the date hereof. Subsequent to March 31, 2016 there is no change in the issued, subscribed and paid-up capital of GNPL.

Delta Corp Limited (“DCL”)

DCL is a gaming and entertainment company, with a dominant presence in Goa’s offshore casino market. DCL is the largest and only listed gaming company in India. The equity shares of DCL are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).

INDEPENDENT VALUER’S RECOMMENDATION

It has been proposed by the Independent Valuer that the fair value of GNPL is INR 2,238.71 million on a going concern and fully diluted basis.

Further, the Independent Valuer has been informed by the Management and based on the draft Scheme of Amalgamation provided to the Valuer, DCL would be acquiring the existing 10,753 compulsorily convertible preference shares and 2,501 equity shares from the existing shareholders of GNPL, as part of the agreed Transaction, in cash before the effective date of the Scheme of Amalgamation. The agreed consideration for the said acquisition is INR 472.98 million.



The Independent Valuer has been informed by the Management of DCL, that the consideration for the Amalgamation of GNPL would be discharged as under:

- 1 (One) fully paid up 1% Redeemable Preference Shares of Rs. 21,667 (Twenty-One Thousand Six Hundred and Sixty-Seven) each of DCL shall be issued and allotted for every one fully paid up equity share of Rs.10 held in GNPL.
- 1 (One) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Twenty-One Thousand Six Hundred and Sixty-Seven) each of DCL shall be issued and allotted for every one fully paid up equity share of Rs.10 held in GNPL.
- 6,000 (Six Thousand) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Twenty-One Thousand Six Hundred and Sixty-Seven) each of DCL shall be issued and allotted to the Founders of GNPL.
- The above Optionally Convertible Preference Shares will be converted into equity shares after 12 months from the effective date, at the price as may be determined based on Regulation 76(1)(a) or (b) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.

OUR COMMENT ON THE INDEPENDENT VALUER'S REPORT

The fairness opinion has been prepared based on the Independent Valuer's report and our exercise of the various qualitative factors relevant to DCL and GNPL, having regard to information base, Management representations, key underlying assumptions and limitations.

On consideration of all the relevant factors and circumstances, we believe that the Independent Valuer's proposed valuation and share swap ratio is fair.

Thanking you.

For Systematix Corporate Services Ltd.


Authorised Signatory



GAUSS NETWORKS PRIVATE LIMITED

PLOT NO - 349, UDYOG VIHAR, PHASE-2, GURGAON, HARYANA - 122016

Unaudited Balance Sheet as on 31st October, 2016

Particulars	Note No.	Figures as on 31st October, 2016
I. EQUITY AND LIABILITIES		
<u>(1) Shareholder's Funds</u>		
(a) Share Capital	1	510,010
(b) Reserves and Surplus	2	156,960,396
<u>(2) Current Liabilities</u>		
(a) Other current liabilities	3	7,379,613
TOTAL		164,850,018
II. ASSETS		
<u>(1) Non-Current Assets</u>		
<u>(a) Fixed assets</u>		
(i) Gross Block	4	52,211,046
(ii) Depreciation		28,245,934
(iii) Net Block		23,965,113
Non Current Investment	5	123,138,566
Long Term Loan and Advances	6	1,826,921
Deffered Tax Asset	7	2,938,695
<u>(2) Current Assets</u>		
(a) Cash and cash equivalents	8	1,098,366
(b) Short term loans and advances	9	4,057,358
(c) Other Current Assets	10	7,824,999
TOTAL		164,850,018

For GAUSS NETWORKS PVT. LTD.

Mohit Agarwal

DIRECTOR/AUTHORISED SIGNATORY

GAUSS NETWORKS PRIVATE LIMITED**PLOT NO - 349, UDYOG VIHAR, PHASE-2, GURGAON, HARYANA - 122016****Unaudited Profit & Loss Statement for the period 01.04.2016 to 31.10.2016**

S. No.	Particulars	Note No.	Figures as on 31st October, 2016
			₹
I	Revenue from operations	11	40,711,386
	Other Income	12	163,566
	Total Revenue (I)		40,874,952
II	Expenses		
	Direct Expenses	13	1,119,503
	Employee Benefit Expenses	14	24,732,138
	Financial Cost	15	2,507
	Depreciation and Amortisation	16	10,162,806
	Other Administrative Expenses	17	2,661,566
	Total Expenses (II)		38,678,519
III	Profit/(Loss) Before Exceptional & Extraordinary Items and Tax	(I-II)	2,196,433
IV	Exceptional Items		-
V	Profit/(Loss) Before Extraordinary Items and Tax	(II-IV)	2,196,433
VI	Extraordinary Items		-
VII	Profit Before Tax	(V-VI)	2,196,433
VIII	Less : Tax Expenses		
	Current Tax		
	Deferred Tax		-
IX	Profit/(Loss) for the period from continuing operations	(VII-VIII)	2,196,433
X	Profit/(Loss) from discontinuing operations		-
XI	Tax expenses of discontinuing operations		-
XII	Profit/(Loss) from discontinuing operations after tax	(X-XI)	-
XIII	Profit/(Loss) for the period	(IX+XII)	2,196,433

For GAUSS NETWORKS PVT. LTD.

Mohit Agarwal

DIRECTOR/AUTHORISED SIGNATORY

GAUSS NETWORKS PRIVATE LIMITED
Unaudited Notes to Financial Statements for the period 01.04.2016 to 31.10.2016

Note 1: SHARE CAPITAL

	Particulars	Number	Figures as on 31st October, 2016
I) Authorised Share Capital			
Equity Shares of Rs. 10/- each		60,000	600,000
Preference Shares of Rs. 10/- each		20,000	200,000
Issued, Subscribed & Paid up Share Capital			
Equity Shares of 10/- each, fully paid up		40,248	402,480
Compulsorily Convertible Preference shares of Rs. 10/- each		10,753	107,530
			<u>510,010</u>
II) Reconciliation of the shares outstanding			
	Particulars	Figures as on 31st October, 2016	
a) EQUITY SHARE CAPITAL- AUTHORISED			
Authorised equity share capital at the beginning of the year		80,000	800,000
Authorised Capital Increased during the year		-	-
Authorised Capital at 31.10.2016		<u>80,000</u>	<u>800,000</u>
Issued Share Capital at the beginning of the year		40,248	402,480
Shares issued during the year		-	-
Total Shares outstanding at 31.10.2016		<u>40,248</u>	<u>402,480</u>
b) PREFERENCE SHARE CAPITAL- AUTHORISED			
Authorised preference share capital at the beginning of the year		20,000	200,000
Authorised Capital Increased during the year		-	-
Authorised Capital at 31.10.2016		<u>20,000</u>	<u>200,000</u>
Shares outstanding at 31.10.2016		<u>10,753</u>	<u>107,530</u>
III) Shareholders holding more than 5% equity shares			
	Particulars	Figures as on 31st October, 2016	
		% of Holding	No of Share Held
Mohit Agarwal		21.56%	8,678
Anuj Gupta		21.56%	8,678
Mukesh Agarwal		9.94%	4,000
Runjhun Gaggar		31.99%	12,874
Sudarshan Lal Maini		7.45%	3,000
IV) Shareholders holding less than 5% equity shares.			
	Particulars	Figures as on 31st October, 2016	
		% of Holding	No of Share Held
Alok Mittal		4.35%	1,750
Bellevire Capital		0.002%	1
Gulu Mirchandani		1.86%	750
Mohit Bansal		1.28%	517
V) Shareholders holding more than 5% preference shares			
	Particulars	Figures as at 31st March, 2016	
		% of Holding	No of Share Held
Bellervire Capital		100.00%	10,753

GAUSS NETWORKS PRIVATE LIMITED

Unaudited Notes to Financial Statements for the period 01.04.2016 to 31.10.2016

Note - 2 Reserves & Surplus

S. No.	Particulars	Figures as on 31st October, 2016
1	Profit & Loss Account	
	Opening Balance	18,083,913
	Add: Net Profit/(Net Loss) for the current year	2,196,433
		20,280,346
2	Share Security Premium	136,680,050
	TOTAL	156,960,396

Note - 3 Other Current Liabilities

S. No.	Particulars	Figures as on 31st October, 2016
1	Duties & Taxes	2,383,254
2	Sundry Creditors	(280,791)
3	Salary Payable	5,277,150
	TOTAL	7,379,613

Note - 5 Non-Current Investment

S. No.	Particulars	Figures as on 31st October, 2016
1	Gaussian Networks Pvt Ltd (Shares) (in unquoted equity shares being 35,999 shares of Rs. 10 each of Gaussian Networks Pvt Ltd)	69,575,000
2	HDFC Cash Management Fund	53,563,566
	Total	123,138,566

Note - 6 Long Term Loan and Advances

S. No.	Particulars	Figures as on 31st October, 2016
1	Security Deposit	
	a) Secured, Considered Good : Other Deposit	1,155,000
2	Loans & Advances to related parties	671,921
	Total	1,826,921

Note - 7 Deferred Tax Assets

S. No.	Particulars	Figures as on 31st October, 2016
1	Deferred Tax	2,938,695
	TOTAL	2,938,695

Note - 8 Cash and Cash Equivalents

S. No.	Particulars	Figures as on 31st October, 2016
1	Cash in Hand	
	Cash Balance	-
	Sub Total (A)	-
2	Balance with banks	
	- in current accounts	1,098,366
	Sub Total (B)	1,098,366
	Total (A+B)	1,098,366

Note - 9 Short Term Loans and Advances

S. No.	Particulars	Figures as on 31st October, 2016
1	Others	
	Advance to be recoverable in cash or in kind for value to be received	-
	Advance Tax	4,057,358
	TDS Recivable	
	Total	4,057,358

Note - 10 Other Current Assets

S. No.	Particulars	Figures as on 31st October, 2016
1	Sundry Debtors	7,824,999
	Total	7,824,999

GAUSS NETWORKS PRIVATE LIMITED

Unaudited Notes to Financial Statements for the period 01.04.2016 to 31.10.2016

Note - 11 Revenue from Operations

S. No.	Particulars	Figures as on 31st October 2016
1	Revenue from promotion	165,217
2	Software License Income	34,442,545
3	Website Development & Maint. Income	6,103,624
	Total	40,711,386

Note - 12 Other Income

S. No.	Particulars	Figures as on 31st October 2016
1	Profit on Sale of HDFC Cashmanagement Fund	163,566
	Total	163,566

Note - 13 Direct Expenses

S. No.	Particulars	Figures as on 31st October 2016
1	Gateway Expenses	-
2	Marketing & Business Promotion	47,000
3	Software Maintenance & Related Services	226,638
4	Consultancy Expenses	834,867
5	Website Hosting & Maintenance	10,998
	Total	1,119,503

Note - 14 Employee Benefit Expenses

S. No.	Particulars	Figures as on 31st October 2016
1	Salary & Wages	24,056,883
2	Provident Fund Expenses	672,025
3	Labour Welfare Fund	3,230
	Total	24,732,138

Note - 15 Financial Cost

S. No.	Particulars	Figures as on 31st October 2016
1	Bank Charges	2,507
	Total	2,507

Note - 16 Depreciation & Amortised Cost

S. No.	Particulars	Figures as on 31st October 2016
1	Depreciation	10,162,806
	Total	10,162,806

Note - 17 Other Administrative Expenses

S. No.	Particulars	Figures as on 31st October 2016
1	Office Rent	1,451,500
2	Office Electricity	97,304
3	Office Maintenance	210,207
4	Computer Maintenance	56,727
5	Conveyance Expenses	5,133
6	Freight & Cartage	25,000
7	Interest on Advance Tax U/s 234C	102,018
8	Interest on Service Tax	406,036
9	Interest on TDS	4,610
10	Legal & Professional Fees	150,000
11	Repair & Maintenance	650
12	Rate Fees & Taxes	40,645
13	ROC Fees and Filing Fees	6,695
14	Round Off	(1)
15	Staff Welfare Expense	64,855
16	Swachh Bharat Cess	31,916
17	Telephone and Internet Expense	7,196
18	Travelling Expenses	1,075
	Total	2,661,566

GAUSS NETWORKS PRIVATE LIMITED

Notes Forming Integral Part of the Balance Sheet as on 31st October, 2016

Note - 04 Fixed Assets

S.No.	Particulars	Gross Block			Depreciation			Net Block WDV as on 31.03.2016	
		Value at the beginning	Additions during the year	Deductions during the year	Value at the end	Value at the beginning	Additions during the year		Deductions during the year
I	<u>Tangible Assets</u>								
1	Office Equipments	228,612	-	-	228,612	83,993	38,216	-	106,403
2	Computers	1,209,589	143,875	-	1,353,464	716,523	211,546	-	425,396
	SUB TOTAL (A)	1,438,201	143,875	-	1,582,076	800,516	249,762	-	531,799
II	<u>Intangible Assets</u>								
1	Software Developments	38,319,811	12,309,159	-	50,628,970	17,282,612	9,913,044	-	23,433,314
	SUB TOTAL (B)	38,319,811	12,309,159	-	50,628,970	17,282,612	9,913,044	-	23,433,314
	Total [A+B]	39,758,012	12,453,034	-	52,211,046	18,083,128	10,162,806	-	23,965,113

ANNEXURE-A

GAUSS NETWORKS PRIVATE LIMITED**Unaudited Depreciation as per Income Tax Act for the period 01.04.2016 to 31.10.2016**

Rs.

Name of the Asset	Rate	W.D.V. as on 01.04.16	Additions during the year		Deletion during the year	Total as on 31.10.2016	Depreciation for the period 31.10.2016	W.D.V. as on 31.10.2016
			More than 6 Months	Less than 6 Months				
(i) Office Equipments	15%	191,031	-	-	-	191,031	28,654.65	162,376
(ii) Computers	60%	413,536	143,875	-	-	557,411	334,446.60	222,964
(iii) Software Development	25%	28,808,257	10,723,923	1,585,236	-	41,117,416	10,081,200	31,036,217
TOTAL		29,412,824	10,867,798	1,585,236	-	41,865,858	10,444,301	31,421,557

For GAUSS NETWORKS PVT. LTD.

Mohit Agarwal

DIRECTOR/AUTHORISED SIGNATORY


Delta Corp Limited
CIN No : L65493PN1990PLC058817
Unaudited INDAS Balance Sheet as at 30th September, 2016

₹ in Lacs)

Particulars	Note No.	As at 30th September, 2016	
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Equity Share Capital	2	2,311.44	
(b) Other Equity	3	91,017.21	93,328.65
Non-Current Liabilities			
(a) Long-Term Borrowings	4	3,394.22	
(b) Provisions	5	198.54	3,592.76
Current Liabilities			
(a) <u>Financial Liabilities</u>			
(a) Short-Term Borrowings	6	1,175.46	
(b) Trade Payables	7	1,438.24	
(c) Other Financial Liabilities	8	3,728.88	
(b) Other Current Liabilities	9	425.11	
(c) Provisions	10	95.33	
(d) Current Tax Liabilities (Net)	11	896.18	7,759.20
TOTAL			104,680.61
II. ASSETS			
Non-Current Assets			
(a) Property Plant and Equipments	12	20,378.85	
(b) Capital Work In Progress		40.96	
(c) Intangible assets		28.69	
		20,448.50	
(d) <u>Financial Assets</u>			
(i) Non Current Investments			
- Investment in Subsidiaries	13	32,244.66	
- Other Investments	14	1,221.51	
(ii) Other Financial Assets	15	1,310.73	
(e) Deferred Tax Assets (Net)	16	1,143.35	
(f) Other Non Current Assets	17	146.04	56,514.78
Current Assets			
(a) Inventories	18	1,155.71	
(b) Financial Assets			
(i) Other Investments	19	8,463.02	
(ii) Trade Receivable	20	347.71	
(iii) Cash and Cash Equivalents	21	1,344.47	
(iv) Other Bank Balances	22	62.92	
(v) Loans	23	33,236.70	
(vi) Other Financial Assets	24	1,322.16	
(c) Current Tax (Net)	25	295.32	
(d) Other Current Assets	26	1,937.80	48,165.83
TOTAL			104,680.61

For Delta Corp Limited


(Jaydev Mody)
Chairman
DIN No. 00234797


(Ashish Kapadia)
Managing Director
DIN No.02011632

Delta Corp Limited
CIN No : L65493PN1990PLC058817
INDAS Statement of Profit & Loss For The Period Ended 30th September, 2016

(₹ in Lacs)

Particulars	Note No.	For Period Ended 30th September, 2016
Income:		
Revenue from Operations	27	15,876.83
Other Income	28	215.40
Total Revenue		16,092.23
Expenses:		
Cost of Material Purchased	29	897.62
Changes in Inventories of Stock in Trade	30	16.78
Employee Benefit Expenses	31	1,971.96
Finance Costs	32	636.72
Depreciation and Amortization Expense	12	594.71
Other Expenses	33	6,137.93
Total Expenses		10,255.72
Profit Before Exceptional and Extraordinary Items and Tax		5,836.51
Exceptional Items		2.10
Profit Before Extra Ordinary Items and Tax		5,838.61
Extraordinary Items		-
Profit Before Tax		5,838.61
Tax Expenses		
- Current Tax	16	1,350.00
- Deferred Tax		157.72
- Earlier Years Tax Adjustments		-
Total Tax Expenses		1,507.72
Profit After Tax		4,330.88
Net Profit for the Year		4,330.89
Earnings Per Equity Share (Nominal Value of Re. 1/- each)		
- Basic		1.88
- Diluted		1.87

For Delta Corp Limited


(Jaydev Mody)

Chairman
DIN No. 00234797


(Ashish Kapadia)

Managing Director
DIN No.02011632

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

2

Equity Share Capital	As at 30th September, 2016	
	No.	₹ In Lacs
Authorised Shares:		
Equity Shares of ₹1/- Each	420,500,000	4,205.00
10% Non Cumulative Redeemable Preference Shares of ₹ 10/- each	1,000,000	100.00
8% Non Cumulative Redeemable Preference Shares of ₹ 10/- each	13,000,000	1,300.00
Total	434,500,000	5,605.00
Issued, Subscribed And Fully Paid-Up:		
Equity Shares Of ₹ 1/- each	231,144,104	2,311.44
Total	231,144,104	2,311.44

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

		(₹ in Lacs)
3	Other Equity	As at 30th Sept, 2016
(a)	Retained Earnings	
	Opening Balance	22,520.58
	(+) Net Profit/(Net Loss) For the Current Period	4,330.90
	(-) Dividends On Equity Shares	(462.29)
	Closing Balance	26,389.18
(b)	Capital Reserve on Amalgamation	
	Opening Balance	6,636.23
	(+) Addition During the Period	-
	(-) Written Back in Current Period	-
	Closing Balance	6,636.23
(b)	Capital Redemption Reserves	
	Opening Balance	1,404.88
	(+) Current Period Transfer	-
	(-) Written Back in Current Period	-
	Closing Balance	1,404.88
(c)	Securities Premium Account	
	Opening Balance	51,516.50
	(+) Addition During the Period	654.72
	(-) Written back During the Period	-
	Closing Balance	52,171.22
(d)	Share Options Outstanding Account	
	Opening Balance	710.31
	(+) Current Period Transfer	(203.52)
	(-) Written Back in Current Period	-
	Closing Balance	506.79
(e)	Deferred Employee Compensation	
	Opening Balance	(213.16)
	(+) Current Period Transfer	103.25
	(-) Written Back in Current Period (Net)	-
	Closing Balance	(109.91)
(f)	Transition Reserves	
	Opening Balance	(2,737.38)
	(+) Current Period Transfer	-
	(-) Written Back in Current Period (Net)	-
	Closing Balance	(2,737.38)
(g)	Other Items of Other Comprehensive Income	
	Opening Balance	940.41
	(+) Current Period Transfer	694.35
	(-) Written Back in Current Period (Net)	-
	Closing Balance	1,634.76
(h)	General Reserves	
	Opening Balance	5,121.42
	(+) Current Period Transfer	-
	(-) Transfer to Capital Redemption Reserve	-
	Closing Balance	5,121.42
Total		91,017.21

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

		(₹ in Lacs)
4	Long-Term Borrowings	As at
		30th Sept, 2016
	<u>Secured Borrowings</u>	
	Term loans	
	Term Loan From Bank	3,278.94
	Vehicle Loan	115.28
	Total	3,394.22

		(₹ in Lacs)
5	Provisions	As at
		30th Sept, 2016
	Provision for Employee Benefits (Unfunded) :	
	Gratuity	198.54
	Total	198.54

Financial Liabilities

		(₹ in Lacs)
6	Short-Term Borrowings	As at
		30th Sept, 2016
	<u>Secured Borrowings</u>	
	Bank Overdraft and Cash Credit Facility	1,114.60
	<u>Unsecured Borrowings:</u>	
	Loans from Related Parties (Repayable on Demand)	
	- Interest Free Loan	60.86
	Total	1,175.46

		(₹ in Lacs)
7	Trade Payables	As at
		30th Sept, 2016
	Others	1,438.24
	Total	1,438.24

		(₹ in Lacs)
8	Other Financial Liabilities	As at
		30th Sept, 2016
	(a) Current Maturities of Long-Term Borrowings	
	From Banks	2,656.28
	(b) Interest Accrued But Not Due on Borrowings	1.20
	(c) Advances Received from Guest	102.20
	(d) Unclaimed Dividends (*)	62.92
	(e) Other Payables	80.94
	(f) - Employee Benefits	565.02
	(g) Payable Against Capital Assets	260.32
	Total	3,728.88

(*) There are no amounts due for payment to the Investor Education and Protection Fund u/s.125 of the Companies Act, 2013.

		(₹ in Lacs)
9	Other CurrentLiabilities	As at
		30th Sept, 2016
	(a) Duties & Taxes	425.11
	Total	425.11

		(₹ in Lacs)
10	Provisions	As at
		30th Sept, 2016
	Provision for Leave Encashment	95.32
	Total	95.33

Delta Corp Limited										
Notes to the Financial Statements for the Period Ended 30th September, 2016										
12. Property, Plant and Equipments										
Tangible Assets	Land	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Computers	Office Equipments	Ships	Gaming Equipment	Total
Gross Block										
As at 1st April, 2016	2,800.00	4,591.48	2,637.63	2,978.87	469.98	364.56	534.68	7,466.00	2,516.50	24,359.70
Additions	-	243.09	28.69	12.48	-	8.47	1.10	-	442.37	736.22
Disposals	-	-	-	-	-	-	-	-	-	-
As at 30th September, 2016	2,800.00	4,834.57	2,666.32	2,991.35	469.98	373.04	535.78	7,466.00	2,958.87	25,095.92
Depreciation										
As at 1st April, 2016	-	215.96	436.75	801.07	156.83	155.97	119.32	979.45	1,260.89	4,126.23
Charge for the Period	-	38.53	90.30	143.73	23.02	29.39	19.49	168.97	77.41	590.84
Reverse Charge on Disposal	-	-	-	-	-	-	-	-	-	-
As at 30th September, 2016	-	254.48	527.06	944.80	179.84	185.36	138.81	1,148.42	1,338.30	4,717.07
Net Block										
As at 30th September, 2016	2,800.00	4,580.09	2,139.27	2,046.55	290.13	187.68	396.97	6,317.59	1,620.57	20,378.85

Delta Corp Limited	
Notes to the Financial Statements for the Period Ended 30th September, 2016	
12. Intangible Assets	(₹ in Lacs)
Intangible Assets	Total
Gross Block	
As at 1st April, 2016	31.12
Additions	7.66
Deletion/ Adjustments	-
As at 30th September, 2016	38.79
Depreciation	
As at 1st April, 2016	6.23
Charge for the Year	3.88
Deletion/ Adjustments	-
As at 30th September, 2016	10.11
Net Block	
As at 30th September, 2016	28.69

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

		(₹ in Lacs)
11	Current Tax Liabilities (Net)	As at
		30th Sept, 2016
	Provision for Taxation	896.18
	Total	896.18

		(₹ in Lacs)
13	Investment in Subsidiaries	As at
		30th Sept, 2016
1	<u>Trade Investments</u>	
(A)	<u>Unquoted Fully Paid Equity Shares</u>	
	<u>Investments in Subsidiary Companies</u>	
	Delta Pan Africa Limited	889,143 1000 Kshs 158.67
	Delta Pleasure Cruise Company Private Limited	4,350,000 10 1,394.85
	Delta Offshore Developers Limited	1,200 US\$ 100 54.20
	Daman Entertainment Private Limited	13,731 10 100.00
	Highstreet Cruises and Entertainment Private Limited	15,000,000 10 13,634.08
	Marvel Resorts Private Limited	5,000 10 310.76
	Daman Hospitality Private Limited	33,471,667 10 13,119.12
	Delta Hospitality & Entertainment Mauritius Limited	10,000 US\$ 100 1,216.48
		29,988.17
(B)	<u>Unquoted, Fully Paid, 0% Optionally Convertible Redeemable Preference Shares of Subsidiary Companies</u>	
	Delta Hospitality and Entertainment Mauritius Limited	36,200 US\$ 100 2,241.49
(C)	<u>Unquoted, Fully Paid, Fully Convertible Debentures of Subsidiary Company</u>	
	Daman Hospitality Private Limited - FCD C	1,710,495 10 15.00
	Total	32,244.66

		(₹ in Lacs)
14	Other Investments	As at
		30th Sept, 2016
1	<u>Trade Investments</u>	
(A)	<u>Unquoted Fully Paid Equity Shares</u>	
	<u>Other Companies</u>	
	Aero Port & Infrastructure Project Private Limited	43,750 10 4.38
	JM Township and Real Estate Private Limited	175,000 10 232.47
2	<u>Non Trade Investments</u>	
i)	<u>Unquoted Fully Paid Equity Shares</u>	
	Freedom Aviation Private Limited	120 10 0.01
	The Shamrao Vithal Co.op. Bank Limited	2,100 25 0.53
	The Saraswat Co.op. Bank Limited	2,500 10 0.25
	Piramal Glass Limited	19 10 -
ii)	<u>Quoted Fully Paid Equity Shares</u>	
	Arrow Textiles Limited	2 10 0.00
	Piramal Phytocare Limited	42 10 -
	Piramal Enterprise Limited	433 2 7.96
	Peninsula Land Limited	48,000 2 9.07
	Victoria Mills Limited	40 100 1.09
	<u>Unquoted, Fully Paid, 0% Optionally Convertible Redeemable Debenture</u>	
	<u>Other Company</u>	
	JM Township and Real Estate Private Limited	9,657,500 10 965.75
	Total	1,221.51

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

		(₹ in Lacs)
15	Other Financial Assets	As at 30th Sept, 2016
	Unsecured, Considered Good	
	(a) Security Deposits	378.46
	(b) Fixed Deposits	894.37
	(c) Accrued Interest on FDR	37.90
	Total	1,310.73

16 Deferred Tax

In accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has accounted for Deferred Tax during the Year. The components of Deferred Tax Assets to the extent recognized and Deferred Tax Liabilities as on 30th September, 2016 are as follows:-

		(₹ in Lacs)
	Particulars	As at 30th Sept, 2016
	Deferred Tax Liabilities:	
	Difference between Book WDV and Income Tax WDV	1,078.40
	(A)	1,078.40
	Deferred Tax Assets:	
	Difference between Book WDV and Income Tax WDV	-
	Expenses Disallowed under The Income Tax Act, 1961	165.57
	Carried Forwarded Losses	428.30
	(B)	593.87
	Mat Tax Credit	(C)
	Net Deferred Tax Liabilities/(Assets)	1,627.88
	Amount Charged to Profit and Loss Account	(1,143.35)
		157.72

Note :

The Company has recognised deferred tax assets on carried forwarded capital losses based on the virtual certainty at future taxable Long Term Capital Gain which will be sufficient to offset capital losses on which deferred tax assets has been created.

		(₹ in Lacs)
17	Other Non Current Assets	As at 30th Sept, 2016
	Capital Advances	146.04
	Total	146.04

		(₹ in Lacs)
18	Inventories	As at 30th Sept, 2016
	Valued at Cost or Net Realizable Value whichever is lower	
	Traded Goods	1,068.42
	Stores and Spares	87.29
	Total	1,155.71

				(₹ in Lacs)
19	Other Investments	Current Year Nos.	Face Value (₹ unless stated otherwise)	As at 30th Sept, 2016
	(a) Investment in Equity instruments			
	Quoted Fully Paid up Share			
	Trade Investments (at cost or fair value whichever is lower)			
	Advani Hotels and Resorts (India) Limited	16,385,315	2	8,463.02
	Total			8,463.02

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

		(₹ in Lacs)
20	Trade Receivables	As at
		30th Sept, 2016
	Trade Receivables (unsecured) consist of following : Outstanding for a Period Exceeding Six Months from the Date they are Due for Payment Considered Good	239.00
	Others (Considered Good)	239.00
	- Other Parties	108.71
	Total	347.71
		(₹ in Lacs)
21	Cash and Cash Equivalents	As at
		30th Sept, 2016
	Cash and Cash Equivalents	
	Balance with Banks	
	- On Current Account	998.42
	- Deposit with Maturity less than 3 months	1.36
	Cash on Hand	317.49
	Cheque on Hand	27.20
	Total	1,344.47
		(₹ in Lacs)
22	Other Bank Balances	As at
		30th Sept, 2016
	Other Bank Balance	
	Unclaimed Dividend Accounts	62.92
	Total	62.92
		(₹ in Lacs)
23	Loans	As at
		30th Sept, 2016
	Unsecured, Considered Good	
	Loans and Advances to Related Parties	
	Inter Corporate Deposit & Other Advances	33,236.70
	Total	33,236.70
		(₹ in Lacs)
24	Other Financial Assets	As at
		30th Sept, 2016
	(a) Unsecured, Considered Good	
	Balances with Statutory/Government Authorities	773.16
	Deposits	129.77
	Loans & Other Advances	419.23
		1,322.16
	(b) Unsecured, Considered Doubtful	
	Loan and Advances to Related Parties	
	Advances Receivable	5.09
	Provision for Doubtful Advances	(5.09)
		-
	Total	1,322.16

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

		(₹ in Lacs)
25	Current Tax (Net)	As at
		30th Sept, 2016
	Advance Tax	295.32
	Total	295.32
		(₹ in Lacs)
26	Other Current Assets	As at
		30th Sept, 2016
	Advance for Property	2.30
	Prepaid Expenses	1,105.08
	Others	830.42
	Total	1,937.80
		(₹ in Lacs)
27	Revenue From Operations	For period ended
		30th Sept, 2016
	Sale of Goods	1,827.02
	Sale of Services	14,049.81
	Total	15,876.83
		(₹ in Lacs)
28	Other Income	For period ended
		30th Sept, 2016
	<u>Interest Received on :</u>	
	- Inter Corporate Deposits	23.03
	- Fixed Deposit with Bank	33.94
	<u>Dividend Income from :</u>	
	- Current Investments	32.93
	Exchange Fluctuation Gain	13.16
	Profit On Sale of Shares/Mutual Fund	29.49
	Income on Gurantee given to Subsidiaries	58.44
	Sundry Balance Written Back (Net)	5.84
	Miscellaneous Income	18.57
	Total	215.40
		(₹ in Lacs)
29	Cost of Material Purchased	For period ended
		30th Sept, 2016
	Purchase of Traded Material	798.19
	Stores and Spares Consumed	99.43
	Total	897.62
		(₹ in Lacs)
30	Changes in Inventories of Stock in Trade	For period ended
		30th Sept, 2016
	Opening Stock	1,085.20
	Less : Closing Stocks	1,068.42
	Total	16.78
		(₹ in Lacs)
31	Employee Benefit Expenses	For period ended
		30th Sept, 2016
	Salaries, Wages & Bonus	1,552.95
	Contribution to Provident & Other Funds	92.94
	Gratuity Fund & Leave Expenses	30.60
	Employee Share based Compensation Expenses	103.25
	Staff Welfare Expenses	192.21
	Total	1,971.96
		(₹ in Lacs)
32	Finance Costs	For period ended
		30th Sept, 2016
	Interest Expenses on Term Loan	460.54
	Interest Other Than Term Loan	65.79
	Other Finance Charges	110.39

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

Total	636.72
--------------	---------------

33

		(₹ in Lacs)
Other Expenses		For period ended
		30th Sept, 2016
Advertisement Expenses		97.01
Payment to Auditors (Refer Note No.34)		9.49
Conveyance Expense		21.84
Charity and Donation (Refer Note No.41)		87.06
Director Sitting Fees		2.38
Insurance Charges		41.29
Legal & Professional Fees		365.85
Postage & Telephone		30.10
Power and Fuel		567.22
Printing And Stationery		37.75
Rates & Taxes		2,522.58
Rent		867.53
Repairs & Maintenance		
For Building		7.67
For Machinery		233.91
For Others		74.50
Sales Promotion Expenses		343.72
Travelling & Hotel Expenses		544.40
Vehicle Expenses		184.73
Miscellaneous & General Expenses		98.91
Total		6,137.93

DCS/AMAL/SD/IP/634/2016-17
December 8, 2016

The Company Secretary
Delta Corp Ltd
10, Kumar Place, 2408, General Thimayya Road,
Pune, Maharashtra- 411001

Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Amalgamation between Delta Corp Ltd and Gauss Networks Private Ltd.

We are in receipt of the Draft Scheme of Amalgamation between Delta Corp Ltd and Gauss Networks Private Ltd. As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated December 8, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- *"Company to ensure that information submitted by it vide email dated December 02, 2016, pertaining to Mr. Rakesh Jhunjhunwala, being non-executive director of Maneesh Pharmaceuticals Limited, which is declared a wilful defaulter by RBI as of June 30, 2016, is disclosed in the scheme under the heading "action taken by SEBI/RBI" and the same is brought to the notice of shareholders and Hon'ble High court."*
- *"Company shall duly comply with various provisions of the Circulars."*

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.



The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/53 E: corp.comm@bseindia.com www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188





NATIONAL STOCK EXCHANGE
OF INDIA LIMITED



Ref: NSE/LIST/96547

December 08, 2016

The Company Secretary & General Manager - Secretarial
Delta Corp Limited
Bayside Mall, 2nd floor Opp.sobo central mall,
Tardeo Road,
Haj Ali
Mumbai - 400034

Kind Attn.: Mr. Dilip Vaidya

Dear Sir,

Sub: Observation letter for draft Scheme of Amalgamation of Gauss Networks Private Limited with Delta Corp Limited and their respective shareholders and creditors.

This has reference to draft Scheme of Amalgamation of Gauss Networks Private Limited with Delta Corp Limited and their respective shareholders and creditors submitted to NSE vide your letter dated September 16, 2016.

Based on our letter reference no Ref: NSE/LIST/94013 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated December 08, 2016, has given following comments on the draft Scheme of Arrangement:

"1. Company to ensure that information submitted by the company, Delta Corp Limited vide email dated December 02, 2016, pertaining to Mr. Rakesh Jhunjhunwala, being non-executive director of Maneesh Pharmaceuticals Limited, which is declared a wilful defaulter by RBI as of June 30, 2016, is disclosed in the scheme under the heading "action taken by SEBI / RBI" and the same is brought to the notice of shareholders and Hon'ble High Court.

2. The Company shall duly comply with various provisions of the Circular."

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from December 08, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a) Copy of Scheme as approved by the High Court;
- b) Result of voting by shareholders for approving the Scheme;
- c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme,

1.

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051, India CIN: U67120MH1992PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: www.nseindia.com



Continuation Sheet

- d) Status of compliance with the Observation Letter/s of the stock exchanges.
- e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f) Complaints Report as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Kautuk Upadhyay
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm



Date: 18th October, 2016

To,
Listing Department,
The BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: 532848

Dear Sir,

Ref: Scheme of Amalgamation of Gauss Networks Private Limited ("Gauss" or "the Transferor Company") with Delta Corp Limited ("DCL" or "the Transferee Company") and their Respective Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013

Sub: Complaint report as per Annexure III of SEBI Circular no. CIR/CFD/CMD | 16 | 2015 dated November 30, 2015

With reference to our letter dated 16th September, 2016, for the proposed scheme of amalgamation of Gauss Networks Private Limited ("Gauss" or "the Transferor Company") with Delta Corp Limited ("DCL" or "the Transferee Company") and their Respective Shareholders and Creditors under regulation 37 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 please find enclosed the complaint report from 26th September, 2016 to 17th October, 2016 as per the prescribed format.

We request you to take the same on your record and acknowledge the receipt of the same.

Yours faithfully,

For Delta Corp Limited

Dilip Vaidya
Company Secretary and GM -Secretarial
FCS No.: 7750



Encl.: As above

Regd. Office : 10, Kumar Place, 2408, General Thimayya Road, Pune - 411001.

Bayside Mall, 2nd Floor,	Phone : +91 22 4079 4700
Tardeo Road, Haji Ali,	Fax : +91 22 4079 4777
Mumbai - 400 034.	Email : secretarial@deltin.com
URL : www.deltacorp.in	CIN : L65493PN1990PLC058817

Complaints Report

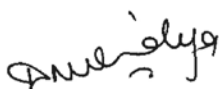
Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		

For Delta Corp Limited




Dilip Vaidya
Company Secretary and GM -Secretarial
FCS No.: 7750

Regd. Office : 10, Kumar Place, 2408, General Thimayya Road, Pune - 411001.

Bayside Mall, 2nd Floor,
Tardeo Road, Haji Ali,
Mumbai - 400 034.
URL : www.deltacorp.in

Phone : +91 22 4079 4700
Fax : +91 22 4079 4777
Email : secretarial@deltin.com
CIN : L65493PN1990PLC05817



Date: 18th October, 2016

To,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block- G,
Bandra Kurla Complex,
Bandra (East) Mumbai - 400 051.
Fax No. 26598235/8237/8347.
Symbol: DELTACORP

Dear Sir,

Ref: Scheme of Amalgamation of Gauss Networks Private Limited ("Gauss" or "the Transferor Company") with Delta Corp Limited ("DCL" or "the Transferee Company") and their Respective Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013

Sub: Complaint report as per Annexure III of SEBI Circular no. CIR/CFD/CMD | 16 | 2015 dated November 30, 2015

With reference to our letter dated 16th September, 2016, for the proposed scheme of amalgamation Gauss Networks Private Limited ("Gauss" or "the Transferor Company") with Delta Corp Limited ("DCL" or "the Transferee Company") and their Respective Shareholders and Creditors under regulation 37 of SEBI (Listing Obligations and Disclosure requirements), Regulations, 2015 please find enclosed the complaint report from September 26, 2016 to October 17, 2016 as per the prescribed format.

We request you to take the same on your record and acknowledge the receipt of the same.

Yours faithfully,

For Delta Corp Limited

Dilip Vaidya
Company Secretary and GM -Secretarial
FCS No.: 7750



Encl.: As above

Regd. Office : 10, Kumar Place, 2408, General Thimayya Road, Pune - 411001.

Bayside Mall, 2nd Floor,	Phone : +91 22 4079 4700
Tardeo Road, Haji Ali,	Fax : +91 22 4079 4777
Mumbai - 400 034.	Email : secretarial@deltin.com
URL : www.deltacorp.in	CIN : L65493PN1990PLC058817

Complaints Report

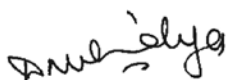
Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		

For Delta Corp Limited



Dilip Vaidya
Company Secretary and GM -Secretarial
FCS No.: 7750



Regd. Office : 10, Kumar Place, 2408, General Thimayya Road, Pune - 411001.

Bayside Mall, 2nd Floor,
Tardeo Road, Haji Ali,
Mumbai - 400 034.
URL : www.deltacorp.in

Phone : +91 22 4079 4700
Fax : +91 22 4079 4777
Email : secretarial@deltin.com
CIN : L65493PN1990PLC058817



Gauss Networks Pvt. Ltd.

E-Mail : info@gaussnetworks.com

Website : www.gaussnetworks.com

CERTIFIED TRUE COPY OF THE EXTRACTS OF THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF M/S. GAUSS NETWORKS PRIVATE LIMITED HELD ON 19TH JANUARY, 2017 AT PLOT NO 349, UDYOG VIHAR, PHASE-2, GURGAON, HARYANA - 122015.

The acquisition of the entire undertaking of the Company by Delta Corp Limited ('DCL') by way of a Scheme of Amalgamation was approved by the Board of Directors vide board resolution dated 30th August, 2016. Subsequent to the said date, provisions of Section 230 to Section 232 of the Companies Act, 2013 inter-alia governing amalgamation of companies have become operative with effect from 15th December, 2016.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting. Having regard to the aforesaid new provisions, following was discussed by the Board of Directors:

1. For the Scheme, the Valuation Report was obtained from M/s Sharp and Tannan, Chartered Accountants who had recommended the following ratio in their report dated August 30, 2016:
 - i) 1 (One) fully paid up Optionally Convertible Preference Shares ('OCPS') of Rs. 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven) each of DCL to be issued and allotted for every one fully paid up equity share of Rs. 10 held in the Company
 - ii) 1.(One) fully paid up 1% Redeemable Preference Shares ('RPS') of Rs. 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven) each of DCL to be issued and allotted for every one fully paid up equity share of Rs. 10 held in the Company
 - iii) 3,000 (Three Thousand) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven) each of DCL to be issued and allotted to each of Mr. Mohit Aggarwal and Mr. Anuj Gupta respectively (shareholders of the Company)

Fairness Opinion was also obtained from M/s Systematix Corporate Services Private Limited.

The aforesaid OCPS and RPS shall be converted into equity shares of DCL / redeemed, as the case maybe, as per the terms and conditions set out in Schedule I of the Scheme. The conversion price of OCPS will be determined according to the Regulations of the Securities and Exchange Board of India (Issue of Capital and

For GAUSS NETWORKS PVT. LTD.

Mohit Aggarwal

GAUSS NETWORKS PRIVATE LIMITED

CIN : U72200MH2013PTC288316

REGD OFFICE :- OFFICE NO. 115, 1ST FLOOR, BAYSIDE MALL, 35-C, TARDIO

DIRECTOR/AUTHORISED SIGNATORY

Disclosure Requirements) as stated in the terms and conditions set out in Schedule I of the Scheme.

2. As far as the shareholders of the Company are concerned (promoter shareholders as well as non-promoter shareholders), they will be allotted OCPS and RPS in DCL and the shares held by them in the Company will be cancelled. Further, the shareholders of the Company receiving equity shares in DCL upon conversion of OCPS into equity shares will form part of public shareholders of DCL.
3. There would not be any change in KMP of the Company pursuant to the Scheme.

~~For Gauss Networks Private Limited.~~
~~For GAUSS NETWORKS PVT. LTD.~~

mswini Agnewal

DIRECTOR/AUTHORISED SIGNATORY

Director / Authorised Signatory



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF M/S. DELTA CORP LIMITED AT ITS MEETING HELD ON 17TH JANUARY, 2017 AT BAYSIDE MALL, 2ND FLOOR, HAJI ALI, TARDEO ROAD, MUMBAI - 400 034 EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO

The acquisition of the entire undertaking of Gauss Networks Pvt Ltd ('Gauss') by way of a Scheme of Amalgamation was approved by the Board of Directors vide board resolution dated 30th August, 2016. Subsequent to the said date, provisions of Section 230 to Section 232 of the Companies Act, 2013 inter-alia governing amalgamation of companies have become operative with effect from 15th December, 2016.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid new provisions, following was discussed by the Board of Directors:

1. For the Scheme, the Valuation Report was obtained from M/s Sharp and Tannan, Chartered Accountants who had recommended the following ratio in their report dated August 30, 2016:
 - i) 1 (One) fully paid up Optionally Convertible Preference Shares ('OCPS') of Rs. 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven) each of the Company to be issued and allotted for every one fully paid up equity share of Rs.10 held in Gauss.
 - ii) 1 (One) fully paid up 1% Redeemable Preference Shares ('RPS') of Rs. 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven) each of the Company to be issued and allotted for every one fully paid up equity share of Rs.10 held in Gauss.
 - iii) 3,000 (Three Thousand) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven) each of the Company to be issued and allotted to each of Mr. Mohit Aggarwal and Mr. Anuj Gupta respectively (shareholders of Gauss)

Fairness Opinion was also obtained from M/s Systematix Corporate Services Private Limited.

The aforesaid OCPS and RPS shall be converted into equity shares of the Company / redeemed, as the case maybe, as per the terms and conditions set out in Schedule I of the Scheme. The conversion price of OCPS will be determined according to the Regulations of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) as stated in the terms and conditions set out in Schedule I of the Scheme.

2. As far as the shareholders of the Company are concerned (promoter shareholders as well as non-promoter shareholders), there will be dilution in their shareholding in the Company on conversion of OCPS into equity shares. However, the extent of dilution cannot be determined at this time as the conversion price of OCPS would only be known at the time of conversion (which will in any event be in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009). Further, the shareholders of Gauss receiving equity shares in the Company upon conversion of OCPS into equity shares will form part of public shareholders.
3. The Scheme would not have any effect on Key Managerial Personnel's of the Company

For Delta Corp Limited


Dilip Vaidya
Company Secretary & GM – Secretarial
FCS No 7750



Regd. Office : 10, Kumar Place, 2408, General Thimayya Road, Pune - 411001.

Bayside Mall, 2nd Floor,	Phone : +91 22 4079 4700
Tardeo Road, Haji Ali,	Fax : +91 22 4079 4777
Mumbai - 400 034.	Email : secretarial@deltin.com
URL : www.deltacorp.in	CIN : L65493PN1990PLC058817

this page is intentionally left blank

If, undelivered return to:

Freedom Registry Limited

Registered Office:

Plot No. 101 / 102,

19th Street, MIDC, Satpur, Nasik - 422 007

Email: support@freedomregistry.in

Phone: 0253-2354032, 2363372



CIN: L65493PN1990PLC058817

Registered Office: 10, Kumar Place, 2408, General Thimayya Road, Pune – 411 001, Maharashtra.

Email ID : secretarial@deltin.com, Website : www.deltacorp.in Tel No : 91-22-40794700, Fax No : 91-22-40794777

Sr No	Particulars	Page No.
1.	Notice to Un-secured Creditors under Section 230 of the Companies Act, 2013	2
2.	Explanatory Statement under Section 230(3) read with Section 102 and other applicable provisions of the Companies Act, 2013	3-16
3.	Scheme of Amalgamation of Gauss Networks Private Limited with Delta Corp Limited and their respective shareholders and creditors	17-29
4.	Valuation Report by M/s Sharp & Tannan, Chartered Accountants dated August 30, 2016	30-40
5.	Fairness Opinion issued by Systematix Corporate Services Ltd., dated August 30, 2016	41-47
6.	Unaudited provisional financial statements of the Transferor Company as on October 31, 2016 and the Transferee Company as on September 30, 2016	48-66
7.	Observation Letters received from BSE Limited and National Stock Exchange of India Limited dated December 8, 2016	67-70
8.	Complaint Report submitted to BSE Limited and National Stock Exchange of India Limited	71-74
9.	Report adopted by the directors of the Transferor Company and the Transferee Company explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular the share exchange ratio	75-77

IN THE MATTER OF THE COMPANIES ACT, 2013;
AND
IN THE MATTER OF SECTION 230 TO 232 OF THE COMPANIES ACT, 2013;
AND
IN THE MATTER OF SCHEME OF AMALGAMATION OF GAUSS NETWORKS PRIVATE LIMITED
HAVING CIN U72200MH2013PTC288316 ('GAUSS' OR 'THE TRANSFEROR COMPANY')
WITH DELTA CORP LIMITED HAVING CIN L65493PN1990PLC058817
('DCL' OR 'THE TRANSFEREE COMPANY' OR 'THE COMPANY')
AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

NOTICE TO UNSECURED CREDITORS UNDER SECTION 230 OF THE COMPANIES ACT, 2013

You are the Unsecured Creditor of Delta Corp Limited as on December 31, 2016.

Notice is hereby given in pursuance of sub section (3) of Section 230 of the Companies Act, 2013 (the Act) that as directed by Mumbai Bench of the National Company Law Tribunal, at Mumbai by an order dated January 18, 2017 under sub-section (1) of Section 230 of the Act, a meeting of the members shall be held on Thursday, March 2, 2017 at 3.00 p.m. to consider the Scheme of Amalgamation of Gauss Networks Private Limited having CIN U72200MH2013PTC288316 ('Gauss' or 'the Transferor Company') with Delta Corp Limited having CIN L65493PN1990PLC058817 ('DCL' or 'the Transferee Company' or 'the Company') and their respective Shareholders and Creditors at Hotel Conrad, 7 Mangaldas Road, Sangamvadi, Pune, Maharashtra 411001.

A copy of the notice and Scheme of Amalgamation are enclosed.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be made to the National Company Law Tribunal, Bench, at Mumbai within Thirty (30) days from the date of receipt of this notice. The address of the Hon'ble Tribunal is 6th Floor, Fountain Telecom Building, 1 Mahatma Gandhi Road, Fort, Mumbai - 400 001. Copy of the representation may simultaneously be sent to the Company.

In case no representation is received within the stated period of Thirty (30) days, it shall be presumed that you have no representation to make on the proposed scheme.

Dated: January 21, 2017

Place: Mumbai

Enclosed (1) Copy of notice with statement as required under Section 230(3) of the Act.

(2) Copy of Scheme of Amalgamation.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT MUMBAI**

IN THE MATTER OF THE COMPANIES ACT, 2013

And

**In the matter of Gauss Networks Private Limited ('Gauss' or 'the Transferor Company')
and Delta Corp Limited ('DCL' or 'the Transferee Company')**

And

**In the matter of Section 230 read with Section 232 of the Companies Act, 2013
and other applicable provisions of the Companies Act, 2013**

M/s. Delta Corp Limited

... the Transferee Company / the Company

**EXPLANATORY STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH
SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE MEETING OF EQUITY SHAREHOLDERS OF DELTA
CORP LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL
AND E-VOTING**

In this statement, Gauss Networks Private Limited is hereinafter referred to as 'Gauss' or 'the Transferor Company' and Delta Corp Limited is hereinafter referred to as 'Delta' or 'the Transferee Company' or 'the Company'. The other definitions contained in the Scheme will apply to this Explanatory Statement also. The following statement as required under Section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013 sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the Directors in their capacity as members.

1. Pursuant to an Order dated January 18, 2017 passed by the National Company Law Tribunal Bench at Mumbai in the Company Scheme Application No. 2 of 2017 referred to hereinabove, a meeting of the Equity Shareholders of Delta Corp Limited is being convened and held at Hotel Conrad, 7 Mangaldas Road, Sangamvadi, Pune 411001 on Thursday, March 2, 2017 at 3.00 pm for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Amalgamation of Gauss Networks Private Limited with Delta Corp Limited and their respective shareholders and creditors ('Scheme' or 'the Scheme').
2. The draft Scheme of Amalgamation was placed before the Audit Committee and Board of Directors of the Transferee Company at their respective meetings held on August 30, 2016. In accordance with the provisions of SEBI Circular bearing no. CIR/CFD/CMD/16/2015 dated November 30, 2015, the Audit Committee of the Transferee Company vide a resolution passed on August 30, 2016 recommended the Scheme to the Board of Directors of the Company inter-alia taking into account:
 - a) The Valuation Report issued by Sharp & Tannan, Chartered Accountants dated August 30, 2016 for issue of shares pursuant to the Scheme;
 - b) The Fairness Opinion issued by Systematix Corporate Services Limited, an independent Merchant Banker dated August 30, 2016 on the fairness of the Valuation Report;
 - c) Statutory Auditors certificate dated August 30, 2016 issued by Walker Chandiok & Co LLP, Statutory Auditors of the Company, in relation to the accounting treatment prescribed in the Scheme.

Copy of the Valuation Report and Fairness Opinion is enclosed to this Notice.

3. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Transferee Company has come to the conclusion that the Scheme is in the best interest of the Company and its shareholders.

4. A copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed herewith.

5. BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:

Gauss Networks Private Limited ('Gauss' or 'the Transferor Company')

- a) The Transferor Company was incorporated under the Companies Act 1956, in the name of 'Gauss Networks Private Limited' on August 29, 2013 and its Corporate Identification Number is U72200MH2013PTC288316. Permanent Account Number of the Transferor Company is AAFCG3136K.
- b) From Incorporation, the Registered Office of the Transferor Company was situated at T 6/4, DLF Phase III, Gurgaon, Haryana - 122002. On August 1, 2015 the Transferor Company's registered office was changed to Plot No. 657, Udyog Vihar Phase 5, Gurgaon, Haryana-122015. On May 01, 2016 the Transferor Company's registered office was shifted to 349, Udyog Vihar Phase-II, Gurgaon, Haryana - 122016. On December 09, 2016, the Transferor Company has shifted its registered office at Office No. 115, 1st Floor, Bayside Mall, 35-C, Tardeo, PT. Madan Mohan Malviya Road, Mumbai, Maharashtra, India, 400034. The e-mail id for the Transferor Company is info@gaussnetworks.com.
- c) The details of the Authorised, Issued, Subscribed and Paid-up share capital of The Transferor Company as on March 31, 2016 are as under:

Particulars	Amount in ₹
Authorised Capital	
60,000 Equity Shares of ₹ 10 each	6,00,000
20,000 Preference Shares of ₹ 10 each	2,00,000
Total	8,00,000
Issued, Subscribed and Paid-up	
40,248 Equity shares of ₹ 10 each, fully paid up	4,02,480
10,753 Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid up	1,07,530
Total	5,10,010

Subsequent to the above date there is no change in the issued, subscribed and paid up share capital of the Transferor Company.

- d) The shares of the Transferor Company are not listed on any stock exchange.
- e) The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main objects of the Transferor Company are set out hereunder:
1. To carry on the business of designing, consulting, developing, marketing, hosting online computer and mobile games and other cellphone and Internet applications and any other media that may be invented in future and ecommerce including but not limited to receiving payments through payment gateways, credit cards , all other existing payment medium including new medium that may be invented in the future, making payments using both online and offline medium including but not limited to payment gateways, credit card reversal, direct bank transfer, scratch cards, mobile phone payment gateway, hosting websites, hosting all card games, inventing new card games, where users can play among themselves or with any intelligent computer logic controlled program, holding tournaments, holding training and certification, and to carry out any sale, purchase, merchandizing, gifting, consulting, leasing, hiring, advertising and marketing required for the same in India and abroad.
 2. To carry on the business of hosting offline games and other but not limited to seminar, conference, organizing real world tournaments, TV shows with participants from both online and offline media and to carry out any sale, purchase, merchandizing, gifting, consulting, leasing, hiring, advertising and marketing required for the same in India and abroad.

3. To carry on the business of manufacturing or otherwise dealing in computers, software's including development of software's, hardware's, networking of computers, advisors, consultants and licensing agents in respect of all matters relating to computer hardware, software and computer aided programs, enterprise resource planning, networking, communication network designs and maintenance, web hosting, website designing, hosting and maintenance, portals, peripherals, word processing machines, calculators, computerized systems, telecommunication, network systems, transmission, system converting all media such as fiber copper wireless, satellite and other computer based systems and instruments and their compounds, devices and spare parts and to carry on the research and development in software's and hardware's and other allied matters.
- f) There has been no change in the objects of the Transferor Company during the last five years.

Delta Corp Limited ('DCL' or 'the Transferee Company'):

- a) The Transferee Company was originally incorporated a private limited company as 'Creole Holdings Company Private Limited' on November 5, 1990 under the Companies Act, 1956, in the State of Maharashtra. With effect from June 2, 1992, the Transferee Company was converted into a deemed public limited company and name was changed to Creole Holdings Company Limited. Subsequently, on October 22, 2003 the Transferee Company was converted into a private limited company as 'Creole Holdings Company Private Limited'. On December 14, 2006, the Transferee Company was converted into a public limited company and the name was changed to Creole Holdings Company Limited. On May 18, 2007, pursuant to the terms of the scheme of amalgamation of erstwhile Arrow Webtex Limited with the Transferee Company, the name was changed to 'Arrow Webtex Limited'. Pursuant to a fresh certificate of incorporation dated October 31, 2008 issued by the Registrar of Companies, the name of the Transferee Company was changed from 'Arrow Webtex Limited' to 'Delta Corp Limited'. The Corporate Identification Number of the Transferee Company is L65493PN1990PLC058817 and its Permanent Account Number is AAACC7260M.
- b) The Registered Office of the Transferee Company was situated at Clover Classic, G-4, Ground Floor, North Main Road, Koregaon Park, Pune-411001. On August 13, 2012, the Transferee Company's registered office was shifted to Peninsula Centre No.4, Galaxy Co-Operative Housing Society, Off Dhole Patil Road, Pune – 411 001, Maharashtra. Subsequently, on July 28, 2014 it was again shifted to 10, Kumar Place, 2408, General Thimayya Road, Pune, Maharashtra – 411001. The e-mail id for the Transferee Company is secretarial@deltin.com.
- c) The details of the issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2016 are as under:

	Rupees
Authorised Share Capital	
42,05,00,000 Equity Shares of ₹ 1 each	42,05,00,000
10,00,000 10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	1,00,00,000
1,30,00,000 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	13,00,00,000
Total	56,05,00,000
Issued, Subscribed and Paid-up Share Capital	
23,06,64,104 Equity Shares of ₹ 1/- each, fully paid up	23,06,64,104
Total	23,06,64,104

Subsequent to March 31, 2016, the Transferee Company has allotted 2,80,000 Equity Shares on August 16, 2016, 2,00,000 Equity Shares on August 22, 2016 and 4,80,000 Equity Shares on January 10, 2017 pursuant to employee stock option scheme.

The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on January 20, 2017 is as under:

	Rupees
Authorised Share Capital	
42,05,00,000 Equity Shares of ₹ 1 each	42,05,00,000
10,00,000 10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	1,00,00,000
1,30,00,000 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	13,00,00,000
Total	56,05,00,000
Issued, Subscribed and Paid-up Share Capital	
23,16,24,104 Equity Shares of ₹ 1/- each fully paid up	23,16,24,104
Total	23,16,24,104

- d) The shares of the Transferee Company are listed on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE').
- e) The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The main objects of the Transferee Company are set out hereunder:
 1. To carry on all kinds of Agency business or to act as advisors and consultants on all matters and problems relating to the administration, organization, management, commencement or expansion of industry and business and of institutions, concerns, bodies, associations (incorporated or unincorporated), departments and services of Government, Public or Local Authorities, Trusts, Scientific Research and development centers.
 2. To build, construct, alter, improve, maintain, enlarge, pull down, remove or replace and to develop, work, manage, carry out and control any buildings, offices, chawls and other works and conveniences and to contribute to, subscribe or otherwise assist or take part in the construction, improvement, maintenance, development, working, management, carrying out or control thereof and to form partnerships with any other person or company in doing any of these things, and to purchase or take on lease or in exchange, hire or otherwise acquire any immovable or movable property or any rights or privileges which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company and in particular any land, buildings, easements, machinery, plant and stock in trade, and either to retain any property to be acquired for the purposes of the Company's business or to turn the same to account as may seem expedient and also to render consultancy services in relation any of the aforesaid matters.
 3. To carry on the business on shore or off shore in India or / and Abroad of Cruise ships, Hotels, Restaurants, Caterers, Café Casinos, Gaming, Entertainment, Clubs, Health Clubs, Night Clubs, Retail Shopping, Sight Seeing, Theatres, Boarding and Lodging and other vacation attractions.
- f) There has been no change in the objects of the Transferee Company during the last five years.

6. BACKGROUND OF THE SCHEME

- 6.1. The Transferee Company is engaged in the gaming and hospitality business. The Transferor Company is engaged in the business of developing software for online games of skill.
- 6.2. The Scheme provides for amalgamation of the Transferor Company with the Transferee Company and issuance of Redeemable Preference Shares and Optionally Convertible Preference Shares by the Transferee Company to the shareholders of the Transferor Company in consideration of

the amalgamation as set out in the Scheme and consequent transfer and vesting of all the assets, liabilities contracts, employees, licenses, records, approvals etc. of the Transferor Company to the Transferee Company.

- 6.3. On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up without any further act or deed.

7. RATIONALE OF THE SCHEME

- 7.1. The amalgamation of the Transferor Company with the Transferee Company would have the following benefits:

- Integration of operations; and
- Greater financial strength and flexibility for the merged entity.

8. SALIENT FEATURES OF THE SCHEME

- 8.1. Salient features of the scheme are set out as below:

- The Scheme is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (corresponding Section 230 to Section 232 of the Companies Act, 2013) and other applicable provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified and applicable, and as amended from time to time) for amalgamation of the Transferor Company with the Transferee Company.
- The Transferor Company and the Transferee Company shall make applications and / or petitions under Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Mumbai Bench ('Tribunal') for sanction of this Scheme and all matters ancillary or incidental thereto.
- 'Appointed Date' for the Scheme is April 1, 2016 or such other date as may approved by the Tribunal.
- 'Effective Date' means the date on which the certified copy of the order sanctioning this Scheme passed by the Tribunal or such other competent authority, as may be applicable, is filed with the Registrar of Companies, Maharashtra.
- Upon this Scheme becoming effective and upon amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any application or deed, issue and allot Optionally Convertible Preference Shares and Redeemable Preference Shares credited as fully paid up, to the extent indicated below, to the members of Transferor Company holding fully paid-up equity shares of Transferor Company and whose names appear in the register of members of the Transferor Company as on the Effective Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company in the following proportion:
 - (a) 1 (One) fully paid up Optionally Convertible Preference Shares of ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted for every one fully paid up equity share of ₹ 10 held in the Transferor Company.
 - (b) 1 (One) fully paid up 1% Redeemable Preference Shares of ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted for every one fully paid up equity share of ₹10 held in the Transferor Company.

- (c) 3,000 (Three Thousand) fully paid up Optionally Convertible Preference Shares of ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted to each of Mr. Mohit Aggarwal and Mr. Anuj Gupta respectively (shareholders of the Transferor Company).
- Upon the Scheme becoming effective, all the shares held by Transferee Company in the Transferor Company shall stand automatically cancelled and there shall be no further obligation in that behalf.
- On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as per the applicable accounting principles prescribed under Indian Accounting Standards (IND AS) prescribed under the Companies Act, 2013.
- All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.
- This Scheme is conditional upon and subject to the following :
 - (a) receipt of 'no objection' letter from the Stock Exchanges in terms of the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India and any amendments thereto including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - (b) the Scheme being approved by the respective requisite majorities of the members and / or creditors of the Transferor Company and the Transferee Company as may be directed by the Tribunal and/or any other competent authority and it being sanctioned by the Tribunal and/or any other competent authority, as may be applicable;
 - (c) the certified copy of the order of the Tribunal under Section 230 read with Section 232 of the Companies Act, 2013 (corresponding to Sections 391 to 394 of the Companies Act, 1956) sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra;
 - (d) no business shutdown event or material adverse effect (as agreed between the Transferor Company and the Transferee Company), shall have occurred in relation to the Transferor Company or its subsidiary; and
 - (e) the Transferee Company having acquired 2,501 equity shares and 10,753 compulsorily convertible preference shares of the Transferor Company in accordance with the terms agreed between the Transferee Company and relevant shareholders of the Transferor Company.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

9. APPROVALS

- 9.1. Pursuant to the SEBI Circulars read with Regulation 37 of the SEBI Listing Regulations, the Transferee Company had filed necessary applications before BSE and NSE seeking their no-objection to the Scheme. The Transferee Company has received the observation letters from BSE and NSE on December 8, 2016, conveying their no-objection to the Scheme ("Observation Letters"). Copies of the aforesaid Observation Letters are enclosed herewith.

9.2. BSE and NSE vide their Observation Letters dated December 8, 2016 have advised that SEBI has given following comments on the draft Scheme of Amalgamation:

- Company to ensure that information submitted by the Company, Delta Corp Limited vide email dated December 2, 2016 pertaining to Mr. Rakesh Jhunjhunwala, being non-executive director of Maneesh Pharmaceuticals Limited, which is declared a willful defaulter by RBI as of June 30, 2016, is disclosed in the scheme under the heading “action taken by SEBI / RBI” and the same is brought to the notice of shareholders and Hon’ble High Court
- The Company shall duly comply with various provisions of the Circular.

9.3. As required by the SEBI Circular, the Applicant Company has filed the Complaints Report with BSE and NSE on October 18, 2016. A copy of the aforementioned Complaints Report are enclosed herewith.

10. CAPITAL STRUCTURE PRE AND POST AMALGAMATION

10.1. Pre-amalgamation capital structure of the Transferor Company is mentioned in paragraph 5(c) above.

10.2. Pre and post-amalgamation capital structure of the Transferee Company is as follows:

Particulars	Pre Amalgamation as on December 31, 2016		Post Amalgamation	
	No. of Shares	Amount in Crs	No. of Shares	Amount in Crs
Authorised Share Capital				
Equity Shares of ₹ 1 each	42,05,00,000	42.05	42,13,00,000	42.13
10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	10,00,000	1.00	10,00,000	1.00
8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	1,30,00,000	13.00	1,30,00,000	13.00
Optionally Convertible Preference Shares of ₹ 21,667/- each	-	-	43,747	94.79
1% Redeemable Preference Shares of ₹ 21,667/- each	-	-	37,747	81.79
Issued, Subscribed and Paid-up Share Capital				
Equity Shares of ₹ 1/- each, fully paid up	23,11,44,104	23.11	23,11,44,104	23.11
Optionally Convertible Preference Shares of ₹ 21,667/- each, fully paid up	-	-	43,747	94.79
1% Redeemable Preference Shares of ₹ 21,667/- each, fully paid up	-	-	37,747	81.79

11. PRE AND POST AMALGAMATION SHAREHOLDING PATTERN

11.1. The pre amalgamation shareholding pattern of the Transferor Company as on December 31, 2016 is as follows:

Sr No	Name of shareholder	No of shares held	%
Equity Shares			
1.	Mr. Anuj Gupta	8,678	21.56%
2.	Mr. Mohit Agarwal	8,678	21.56%
3.	Mr. Alok Mittal	1,750	4.35%
4.	Bellerive Capital (BCP)	1	0.00%
5.	Mr. Gulu Mirchandani	750	1.86%
6.	Mr. Mohit Bansal	517	1.29%
7.	Mr. Mukesh Agarwal	4,000	9.94%
8.	Ms. Runjhun Gaggar	12,874	31.99%
9.	Mr. Sudarshan Lal Maini	3,000	7.45%
	TOTAL	40,248	100%
Compulsorily Convertible Preference Shares			
1.	Bellerive Capital (BCP)	10,753	100%
	TOTAL	10,753	100%

11.2. The pre and post amalgamation shareholding pattern of Transferee Company as on December 31, 2016 is as follows:

Sr No	Description	Pre Amalgamation shareholding		Post Amalgamation shareholding	
		Number of shares	% (A+B)	Number of shares	% (A+B)
(A)	PROMOTER AND PROMOTER GROUP				
(1)	Indian				
(a)	Individuals/Hindu Undivided Family	3,85,330	0.17%	3,85,330	0.17%
(b)	Bodies Corporate	2,32,120	0.10%	2,32,120	0.10%
(c)	Others	9,36,40,021	40.51%	9,36,40,021	40.51%
	Sub-Total A(1):	9,42,57,471	40.78%	9,42,57,471	40.78%
(2)	Foreign				
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	-	-	-	-
	Sub-Total A(2) :				
	Total A=A(1) + A(2)	9,42,57,471	40.78%	9,42,57,471	40.78%

Sr No	Description	Pre Amalgamation shareholding		Post Amalgamation shareholding	
		Number of shares	% (A+B)	Number of shares	% (A+B)
(B)	PUBLIC SHAREHOLDING				
(1)	INSTITUTIONS				
(a)	Mutual Funds	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternative Investment Funds	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investors	2,22,99,497	9.65%	2,22,99,497	9.65%
(f)	Financial Institutions/ Banks	2,26,776	0.10%	2,26,776	0.10%
(g)	Insurance Companies	3,67,448	0.16%	3,67,448	0.16%
(h)	Provident Funds / Pension Funds	-	-	-	-
(i)	Any other	-	-	-	-
	Sub-Total B(1) :	2,28,93,721	9.90%	2,28,93,721	9.90%
(2)	Non-Institutions				
(a)	Individuals				
	(i) Individuals holding nominal share capital upto ₹ 2 lakhs	4,18,72,570	18.12%	4,18,72,570	18.12%
	(ii) Individuals holding nominal share capital in excess of ₹ 2 lakh	4,26,77,431	18.46%	4,26,77,431	18.46%
(b)	NBFC registered with RBI	-	-	-	-
(c)	Employee Trusts	-	-	-	-
(d)	Overseas Depositories (holding DRs)	-	-	-	-
(e)	Others	2,94,42,911	12.74%	2,94,42,911	12.74%
	Sub-Total B(2) :	11,39,92,912	49.32%	11,39,92,912	49.32%
	Total B=B(1)+B(2) :	13,68,86,633	59.22%	13,68,86,633	59.22%
	Total (A+B) :	23,11,44,104	100.00%	23,11,44,104	100.00%

Pursuant to the Scheme, the Transferee Company shall issue 43,747 Optionally Convertible Preference Shares of ₹ 21,667/- each, fully paid up and 37,747 1% Redeemable Preference Shares of ₹ 21,667/- each, fully paid up to the shareholders of the Transferor Company. The said Optionally Convertible Preference Shares and 1% Redeemable Preference Shares shall be convertible into equity / redeemed, as the case may be, as per the conditions specified in the Scheme.

12. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

12.1. Save as provided in Clause 10.1(a) of the Scheme, the Directors and Key Managerial Personnel (KMP) and their respective relatives, of the Transferor Company and the Transferee Company may

be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in their respective companies, or to the extent the said directors/KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies. Save as aforesaid, none of the directors, managing director or the manager or KMP of the Transferor Company or the Transferee Company has any material interest in the Scheme.

- 12.2. The details of the present directors and KMP of the Transferor Company and their respective shareholdings in the Transferor Company and the Transferee Company as on December 31, 2016 are as follows:

Sr No	Name	Designation	Shares held in the Transferor Company	Shares held in the Transferee Company
1.	Mr. Anuj Gupta	Director	8,678	Nil
2.	Mr. Mohit Agarwal	Director	8,678	Nil
3.	Mr. Sudarshan Lal Maini	Director	3,000	Nil

- 12.3. The details of the present directors and KMP of the Transferee Company and their respective shareholdings in the Transferor Company and the Transferee Company as on January 20, 2017 are as follows:

Sr No	Name	Designation	Shares held in the Transferor Company	Shares held in the Transferee Company
1.	Mr. Jaydev Mody	Chairman	Nil	200
2.	Mr. Ashish Kapadia	Managing Director	Nil	9,25,000
3.	Mrs. Alpana Piramal Chinai	Director	Nil	3,000
4.	Mr. Rajesh Jaggi	Director	Nil	21,000
5.	Mr. Rakesh Jhunjunwala	Director	Nil	1,15,00,000
6.	Mr. Ravinder Kumar Jain	Director	Nil	Nil
7.	Dr. Vrajesh Udani	Director	Nil	60,000
8.	Mr. Hardik Dhebar	Chief Financial Officer	Nil	2,26,500
9.	Mr. Dilip Vaidya	Company Secretary	Nil	1

13. GENERAL

- 13.1. The Transferor Company and the Transferee Company have made a joint application before the National Company Law Tribunal, Mumbai Bench for the sanction of the Scheme under Section 230 read with Section 232 of the Companies Act, 2013.
- 13.2. In relation to the meeting of the Transferee Company, equity shareholders of the Transferee Company whose names are appearing in the records of the Company as on February 20, 2017 shall be eligible to attend and vote at the meeting of the equity shareholders of the Transferee Company convened at the direction of the Tribunal or cast their votes using remote e-voting facility.
- 13.3. The amount due from the Transferor Company to its unsecured creditors as on December 31, 2016 is ₹ (2,85,484/-).

- 13.4. The amount due from the Transferee Company to its unsecured creditors as on December 31, 2016 is ₹ 42,37,79,942/-.
- 13.5. The rights and interests of secured creditors and unsecured creditors of either of the Transferor Company or the Transferee Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Transferee Company will be able to meet its liabilities as they arise in the ordinary course of business.
- 13.6. Except to the extent of the shares held by the Directors and KMP stated under paragraph 12 above, none of the directors, KMP of the Transferee Company or their respective relatives is in any way connected or interested in the aforesaid resolution.
- 13.7. As on date, the Transferor Company is not related to the Transferee Company and the companies have no common directors or promoters.
- 13.8. The latest audited accounts for the year ended March 31, 2016 and latest unaudited accounts for the quarter ended September 30, 2016 of the Transferee Company indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the concerned companies would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the amalgamation will not cast any additional burden on the shareholders or creditors of either company, nor will it affect the interest of any of the shareholders or creditors.
- 13.9. There are no winding up proceedings pending against the Transferee Company as of date.
- 13.10. No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 in respect of the Transferee Company.
- 13.11. A copy of the Scheme has been filed by the Transferee Company with the Registrar of Companies, Maharashtra on January 20, 2017.
- 13.12. The Transferor Company and the Transferee Company are required to seek approvals/ sanctions/ no-objections from certain regulatory and governmental authorities for the Scheme such as the registrar of companies, regional director, official liquidator and will obtain the same at the relevant time.
- 13.13. Names and addresses of the directors and promoters of the Transferor Company are as under:

Sr No	Name of Director	Address
1.	Mr. Anuj Gupta	T-6/4, DLF City, Phase-3, Gurgaon 122002, Haryana
2.	Mr. Mohit Agarwal	L-4/9, DLF Phase-2, Gurgaon 122002, Haryana
3.	Mr. Sudarshan Lal Maini	D-III/3055, Vasant Kunj, New Delhi 110070, Delhi

Sr No	Name of Promoter	Address
1.	Mr. Anuj Gupta	T-6/4, DLF City, Phase -3, Gurgaon 122002, Haryana
2.	Mr. Mohit Agarwal	L-4/9, DLF Phase-2, Gurgaon 122002, Haryana

13.14.Names and addresses of the directors and promoters of the Transferee Company are as under:

Sr No	Name of Director	Address
1.	Mr. Jaydev Mody	West Hill, 27 Nepaeen Sea Road, Mumbai 400036.
2.	Mr. Ashish Kapadia	1, Pentacle Building, Sophia College Lane, Off Peddar Road, Mumbai 400026.
3.	Mrs. Alpana Piramal Chinai	Flat No B-31, Mayfair Gardens, Little Gibbs Road, Malabar Hill, Mumbai 400006.
4.	Mr. Rajesh Jaggi	26 Blue Haven, 2 nd Floor, Mount Pleasant Road, Malabar Hill, Mumbai 400006.
5.	Mr. Rakesh Jhunjunwala	16 C, 16 th Floor, Il Palazzo LT GL Road, M Hill, Mumbai 400006.
6.	Mr. Ravinder Kumar Jain	303 B, Bakhtavar Bldg, Shahid Bhagat Singh Road, Opp. Colaba Post Office, Colaba, Mumbai 400005.
7.	Dr. Vrajesh Udani	17, Al Jabreya Court, 69, Marine Drive, Mumbai 400020.

Sr No	Name of Promoter	Address
1.	Mr. Jaydev Mody	West Hill, 27 Nepaeen Sea Road, Mumbai 400036.
2.	Aryanish Finance and Investment Private Limited- Trustee for Aarti J Mody Trust	132, Bayside Mall, 1 st Floor, Tardeo, Haji Ali, Mumbai – 400 034.
3.	Bayside Property Developers Private Limited- Trustee for Aditi J Mody Trust	132, Bayside Mall, 1 st Floor, Tardeo, Haji Ali, Mumbai – 400 034.
4.	Delta Real Estate Consultancy Private Limited – Trustee for Anjali J Mody Trust	132, Bayside Mall, 1 st Floor, Tardeo, Haji Ali, Mumbai – 400 034.
5.	Ambika Kothari	124, Madhuli Apartment, Behind Shivsagar Estate, Dr Annie Basant Road, Worli, Mumbai-400018.
6.	Gopika Singhania	124, Madhuli Apartment, Behind Shivsagar Estate, Dr Annie Basant Road, Worli, Mumbai – 400018.
7.	Urvi Piramal A	61, Piramal House, Pochkhanawala Road, Worli, Mumbai – 400025.
8.	Kalpana Singhania	124, Madhuli Apartment, Behind Shivsagar Estate, Dr Annie Basant Road, Worli, Mumbai-400018
9.	Highland Resorts LLP	132, Bayside Mall, 1 st Floor, Haji Ali, Tardeo Road, Mumbai – 400 034.

13.15. The Board of Directors of the Transferor Company approved the Scheme on August 30, 2016. Details of directors of the Transferor Company who voted in favour / against / did not participate in the meeting of the Board of Directors the Transferor Company are given below:

Sr No	Name of Promoter	Voted in favour / against / did not participate
1.	Mr. Anuj Gupta	Voted in favour
2.	Mr. Mohit Agarwal	Voted in favour
3.	Mr. Sudarshan Lal Maini	Did not participate

13.16. The Board of Directors of the Transferee Company approved the Scheme on August 30, 2016. Details of directors of the Transferee Company who voted in favour / against / did not participate in the meeting of the Board of Directors of the Transferee Company are given below:

Sr No	Name of Director	Voted in favour / against / did not participate
1.	Mr. Rakesh Jhunjunwala	Voted in Favour
2.	Mr. Rajesh Jaggi	Voted in Favour
3.	Mr. Ravinder Kumar Jain	Voted in Favour
4.	Dr. Vrajesh Udani	Voted in Favour

13.17. M/s Sharp & Tannan, Chartered Accountants have valued Transferor Company at INR 2,238.71 million as on March 31, 2016 on a going concern basis for 100% equity value of the Transferor Company on a fully diluted basis. For the purpose of valuation of the Transferor Company, they have primarily relied on the Market Approach – Comparable Companies Multiple Method and benchmarked their results with the Comparable Transactions Method. Further, under the Market Approach, they have considered the comparable companies multiples and comparable transactions multiples of companies engaged in the business similar to that of the Transferor Company in India and abroad. M/s Systematix Corporate Services Limited, an independent Merchant Banker, after having reviewed the draft valuation report of M/s Sharp & Tannan, Chartered Accountants and on consideration of all the relevant factors and circumstances, opined that in their view the independent valuer's proposed valuation and share swap ratio is fair.

13.18. A report adopted by the directors of the Transferor Company and the Transferee Company explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters, non-promoter shareholders, laying out in particular the share exchange ratio, is attached herewith.

13.19. The Transferee Company does not have any depositors, debenture holders, deposit trustee and debenture trustee. The Scheme will not have any impact on the employees of the Transferee Company as they would continue to be in employment of the Transferee Company without any change in their terms of employment on account of the Scheme. Further, no change in the Board of Directors of the Transferee Company is envisaged on account of the Scheme.

13.20. A copy of the unaudited provisional financial statements of the Transferor Company as on October 31, 2016 and the Transferee Company as on September 30, 2016 is enclosed herewith.

13.21. This statement may be treated as an Explanatory Statement under Section 230(3) read with Section 102 of the Companies Act, 2013.

13.22. Inspection of the following documents specified under Rule 6(3)(ix) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 [viz; Copy of the Order dated January 18, 2017 of the Hon'ble Tribunal passed in Company Scheme Application No. 2 of 2017 directing the convening of the meeting of the Equity Shareholders of the Transferee Company, Pre and Post Merger Capital Structure and Shareholding Pattern of the Transferee Company, Memorandum and Articles of Association of the Transferor Company and the Transferee Company, Audited Financial Statements of the Transferor Company and the Transferee Company for last three financial years ended March 31, 2016, March 31, 2015 and March 31, 2014, copy of the observation letters from BSE and NSE on December 8, 2016, Copy of the Complaints Report dated October 18, 2016 filed with BSE and NSE, contracts or agreements material to the Scheme, Valuation Report dated August 30, 2016 issued by M/s Sharp & Tannan, Chartered Accountants, Fairness Opinion dated August 30, 2016 issued by M/s Systematix Corporate Services Limited and Certificate issued by the auditor dated August 30, 2016 stating that the accounting treatment proposed in the Scheme is in conformity with accounting standards prescribed under Section 133 of the Companies Act, 2013] may be carried out by the Equity Shareholders of the Transferee Company at the Registered Office of the Transferee Company on any working days prior to the date of the meeting between 11.00 am and 2.00 pm.

This Statement may be treated as the Statement under Section 230(3) read with Section 102 of the Companies Act, 2013. A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working days prior to the date of the meeting, from the Registered Office of the Applicant Company situated at 10, Kumar Place, 2408, General Thimayya Road, Pune, Maharashtra – 411001 or at the office of its Advocates M/s Hemant Sethi & Co, 1602, A Wing, Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai – 400071.

Sd/-

Jaydev Mody

Chairperson appointed for the meeting of Equity Shareholders

DIN : 00234797

Place: Mumbai

Date: January 21, 2017

SCHEME OF AMALGAMATION
OF
GAUSS NETWORKS PRIVATE LIMITED
(“GAUSS” OR “THE TRANSFEROR COMPANY”)
WITH
DELTA CORP LIMITED
(“DCL” OR “THE TRANSFeree COMPANY”)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(A) PREAMBLE

The Scheme of Amalgamation is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent notified and applicable, and as amended from time to time) for amalgamation of Gauss Networks Private Limited with Delta Corp Limited. This Scheme also provides for various other matters consequential to amalgamation or otherwise integrally connected herewith.

(B) The Transferor Company is a private limited company incorporated under the Companies Act, 1956, having company identification number U72200MH2013PTC288316, with its registered office at Office No. 115, 1st Floor, Bayside Mall, 35-C, Tardeo, Pt. Madan Mohan Malviya Road, Mumbai – 400 034, Maharashtra. The Transferor Company is engaged in the business of developing software for online games of skill.

(C) The Transferee Company is a public limited company incorporated under the Companies Act, 1956 having company identification number L65493PN1990PLC058817, with its registered office at 10, Kumar Place, 2408, General Thimayya Road, Pune, Maharashtra - 411001. The Transferee Company is listed on the BSE Limited and National Stock Exchange of India Limited. The Transferee Company is engaged in the gaming and hospitality business.

(D) RATIONALE FOR THE SCHEME

The amalgamation of the Transferor Company with the Transferee Company would have the following benefits:

- Integration of operations; and
- Greater financial strength and flexibility for the merged entity.

This Scheme of Amalgamation is divided into the following parts:

- (i) Part A deals with the definitions and share capital;
- (ii) Part B deals with terms of amalgamation of the Transferor Company with the Transferee Company;
- (iii) Part C deals with other terms and conditions applicable to this Scheme.

PART A
DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme of Amalgamation, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 “Act” or “the Act” means the Companies Act, 1956 and the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force. It is being clarified that as on the date of approval of this Scheme of Amalgamation by the Board of Directors of Gauss Networks Private Limited and Delta Corp Limited, sections 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, reference in this Scheme to particular provisions of the Act is reference to the particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such reference shall, be construed as reference to the provisions so re-enacted;
- 1.2 “Appointed Date” shall mean April 1, 2016, or such other date as may be mutually agreed between the Transferor Company and the Transferee Company, and approved by the High Court;
- 1.3 “Board of Directors” or “Board” means the board of directors of the Transferor Company with the Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- 1.4 “Court” or “High Court” means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal and the National Company Law Appellate Tribunal as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 to 240 of the Companies Act, 2013;
- 1.5 “Effective Date” means the date on which the certified copy of the order sanctioning this Scheme of Amalgamation, passed by the High Court of Judicature at Bombay or such other competent authority, as may be applicable, is filed with the Registrar of Companies, Maharashtra;
- 1.6 “DCL” or “the Transferee Company” shall have the meaning ascribed to the terms in the Preamble;
- 1.7 “Gauss” or “the Transferor Company” shall have the meaning ascribed to the terms in the Preamble;
- 1.8 “Optionally Convertible Preference Shares” means the optionally convertible preference shares of face value ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each issued by the Transferee Company on terms and conditions set out in Schedule I;
- 1.9 “Preference Shares” means the Optionally Convertible Preference Shares and the Redeemable Preference Shares;
- 1.10 “Redeemable Preference Shares” means the redeemable preference shares of face value ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each issued by the Transferee Company on terms and conditions set out in Schedule I;
- 1.11 “Scheme” or “the Scheme” or “this Scheme” means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 14 of this Scheme as approved or directed by the High Court or such other competent authority, as may be applicable;
- 1.12 “Stock Exchanges” means BSE Limited and the National Stock Exchange of India Limited;
- 1.13 “Subsidiary” means Gaussian Networks Private Limited;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income Tax Act, 1961, but shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1 The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2016 is as under:

Particulars	Amount (in ₹)
Authorised Share Capital	
420,500,000 Equity Shares of ₹ 1/- each	420,500,000
1,000,000 10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	10,000,000
13,000,000 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	130,000,000
Total	560,500,000
Issued, Subscribed and Paid-up Share Capital 230,664,104 Equity Shares of ₹ 1/- each fully paid up	230,664,104
Total	230,664,104

The shares of the Transferee Company are currently listed on the Stock Exchanges. Subsequent to March 31, 2016, the Company has allotted 2,80,000 Equity Shares on August 16, 2016 and 2,00,000 Equity Shares on August 22, 2016 pursuant to employee stock option scheme. The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on August 30, 2016 is as under:

Particulars	Amount (in ₹)
Authorised Share Capital	
420,500,000 Equity Shares of ₹ 1/- each	420,500,000
1,000,000 10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	10,000,000
13,000,000 8% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	130,000,000
Total	560,500,000
Issued, Subscribed and Paid-up Share Capital 231,144,104 Equity Shares of ₹ 1/- each fully paid up	231,144,104
Total	231,144,104

3.2 The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on March 31, 2016 is as under:

Particulars	Amount (in ₹)
Authorised Share Capital	
60,000 Equity Shares of ₹ 10/- each	600,000
20,000 Preference Shares of ₹ 10/- each	200,000
Total	800,000
Issued, Subscribed & Paid up Capital	
40,248 Equity Shares of ₹10/- each, fully paid up	402,480
10,753 Compulsorily Convertible Preference shares of ₹ 10/- each	107,530
Total	510,010

Subsequent to 31st March, 2016, there is no change in the issued, subscribed and paid up capital of the Transferor Company.

PART B
AMALGAMATION OF GAUSS NETWORKS PRIVATE LIMITED
WITH DELTA CORP LIMITED

4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire business and whole of the undertaking of the Transferor Company including:
- 4.1.1 all its properties and assets, (whether movable or immovable, tangible or intangible), land and building, leasehold assets and other properties, real, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, whether situated in India or abroad, including, without limitation, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), investment in its Subsidiary, cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, vehicles, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and whosoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;
- 4.1.2 all the debts, liabilities, duties and obligations of the Transferor Company of every description, raised, incurred or utilized, whether secured or unsecured, whether in Indian Rupees or foreign currency;
- 4.1.3 all licenses, permits, authorizations, rights, entitlements, and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, subsidies, benefits and approvals, advance and other taxes paid to the authorities, lease, tenancy rights, statutory permissions, consents and registrations, all rights or titles or interest in properties by virtue of any court decree or order, benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits, minimum alternate tax, etc, service tax, sales tax / value added tax and / or any other consents, approvals or powers of every kind and description;
- 4.1.4 all trade and service names and marks, patents, copyrights, brand names, domain names, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company, shall, pursuant to the Order of the High Court and pursuant to provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be transferred and/or be deemed to be transferred to and vested in the Transferee Company on a going concern basis so as to become the assets of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company and Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date.

4.2 Without prejudice to the generality of Clause 4.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

- (a) Subject to the provisions of this Scheme, the entire business and the undertaking of the Transferor Company including all debts, liabilities, duties and obligations of the Transferor Company of every description and without limitation, all the movable properties and assets of the Transferor Company comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and liabilities of the Transferee Company .
- (b) Without prejudice to the provisions of Clause 4.2. (a) above, in respect of such assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in Clause 4.2 (b) above including sundry debtors, bills, loans and advances and other current assets, if any, whether receivable in cash or kind or for the value to be received, bank balances, investments, etc., shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors or depositors or any person, as the case may be so that the said debt, loan, advance, investment, etc stands transferred and vested in the Transferee Company.
- (d) In relation to the assets belonging to the Transferor Company, which require separate documents of transfer, if any, the Transferor Company and/or the Transferee Company will execute the necessary documents, as and when required.
- (e) Any statutory licenses, registrations, incentives, tax credits, tax refunds, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents relating to and or held by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date shall stand vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company pursuant to this Scheme. The various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person, or enjoyed and availed of by the Transferor Company shall vest with and be available to the Transferee Company on the same terms and conditions.
- (f) All debts, liabilities, duties and obligations of every kind, nature and description pertaining to the Transferor Company shall also without any further act or deed, be transferred to or deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

4.3 All taxes of any nature, duties, cess or any other like payments or deductions made by the Transferor Company to any statutory authorities such as Income Tax, Sales Tax, Value Added Tax, Service Tax etc. or any tax deduction/collection at source, relating to the period after the Appointed Date and

upto the Effective Date shall be deemed to have been on account of and on behalf of the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the coming into effect of this Scheme and upon relevant proof and documents being provided to the said authorities.

- 4.4 The Transferee Company shall be entitled to file/revise its income tax returns, TDS certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of all taxes paid/withheld (whether Indian or foreign), if any, as may be required consequent to implementation of this Scheme.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1 Upon the coming into effect of this Scheme and with effect from Appointed Date and subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date shall continue in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Company, the Transferee Company had been the party or beneficiary or obligee thereof.
- 5.2 Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the assets and liabilities occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, if so required or on becoming necessary, enter into and / or issue and / or execute deeds, writings or confirmation in order to give formal effect to the provisions of this Scheme. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

6. STAFF, WORKMEN AND EMPLOYEES

- 6.1 On the Scheme becoming effective, staff and employees, if any, of the Transferor Company in service on the Effective Date, shall be deemed to have become staff and employees of the Transferee Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favorable than those subsisting as on the said date.
- 6.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, pension fund, superannuation fund or any other special fund or trusts (hereinafter referred to as "Fund" or "Funds") created or existing for the benefit of the staff, workmen and employees of the Transferor Company, if any, shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

7. LEGAL PROCEEDINGS

If any suit, appeal or other legal proceedings of whatever nature (including before any statutory or quasi-judicial authority or tribunal) is pending by or against the Transferor Company on or before the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

8. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

8.1 With effect from the Appointed Date and upto and including the Effective Date:

8.1.1 the Transferor Company shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the business for and on account of and for the benefit of and in trust for the Transferee Company;

8.1.2 all the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred by the Transferor Company, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or income or expenditure or losses of the Transferee Company, as the case may be;

8.1.3 any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and

8.1.4 all taxes (including, without limitation, income tax, sales tax, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

8.2 With effect from the date of approval of this Scheme by the Board of Directors of the Transferor Company and the Transferee Company and upto and including the Effective Date:

(a) the Transferor Company shall conduct its business and that of the Subsidiary in the ordinary and normal course, consistent with past practice and existing policies, save in so far as otherwise agreed in writing by the Transferee Company, and materially comply with all applicable laws affecting such business and operations;

(b) the Transferor Company shall carry on its business and activities, and that of its Subsidiary, with diligence, business prudence and shall not without the prior written consent of the Transferee Company, (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business; (ii) undertake any new business or substantially expand its existing business; or (iii) undertake any other activities that have been agreed between the Transferee Company and the Transferor Company to be undertaken only with prior consent of the Transferee Company.

(c) the Transferor Company shall not alter its, or its Subsidiary's, capital structure either by fresh issue of any securities, including any kind of shares or convertible/ non-convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner, except by and with the consent of the Transferee Company; and

(d) the Transferor Company shall not declare or pay any dividends, whether interim or final, to their shareholders in respect of the accounting period prior to the Effective Date, except with the prior approval of the Transferee Company.

9. SAVING OF CONCLUDED TRANSACTIONS

- 9.1 The transfer and vesting of the undertaking, and the continuance of legal proceedings by or against the Transferor Company, in accordance with the Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

10. ISSUE OF SHARES

- 10.1 Upon this Scheme becoming effective and upon amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any application or deed, issue and allot Optionally Convertible Preference Shares and Redeemable Preference Shares credited as fully paid up, to the extent indicated below, to the members of Transferor Company holding fully paid-up equity shares of Transferor Company and whose names appear in the register of members of the Transferor Company as on the Effective Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company in the following proportion:

- (a) 3,000 (Three Thousand) fully paid up Optionally Convertible Preference Shares of ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted to each of Mr. Mohit Aggarwal and Mr. Anuj Gupta respectively (shareholders of the Transferor Company).
- (b) 1 (One) fully paid up Optionally Convertible Preference Shares of ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted for every one fully paid up equity share of ₹10 held in the Transferor Company.
- (c) 1 (One) fully paid up 1% Redeemable Preference Shares of ₹ 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted for every one fully paid up equity share of ₹10 held in the Transferor Company.

The key terms and conditions for the Optionally Convertible Preference Shares and Redeemable Preference Shares to be issued pursuant to above Clause are specified in Schedule I hereto.

- 10.2 Notwithstanding anything contained in Clause 10.1, upon the Scheme becoming effective:

- (a) all the shares held by Transferee Company in the Transferor Company shall stand automatically cancelled and there shall be no further obligation in that behalf; and
- (b) no shares shall be issued by the Transferee Company in respect of fractional entitlements, if any, to any member of the Transferor Company and the any fractional entitlements shall stand automatically cancelled and there shall be no further obligation in that behalf.

- 10.3 The Preference Shares to be issued to the shareholders of the Transferor Company as above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu with the existing preference shares of the Transferee Company, if any.

- 10.4 The Preference Shares of the Transferee Company shall be issued in dematerialized form to the shareholders of the Transferor Company, in to the account with the Depository Participant intimated in writing by the shareholders of the Transferor Company to the Transferee Company.

- 10.5 The Board of Directors of the Transferor Company and the Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned government/regulatory authorities for the issue and allotment of Preference Shares to the shareholders of the Transferor Company pursuant to Clause 10.1 of the Scheme.

- 10.6 Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be the due compliance of the provisions of Section 62 and Section 55 of the Companies Act, 2013 and the other

relevant and applicable provisions of the Act and other laws for the issue and allotment of shares by the Transferee Company to the shareholders of the Transferor Company, as provided in this Scheme.

10.7 The approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company under Sections 391 to 394 of the Act shall be deemed to have been the approval under Sections 13 and 14 of Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard and upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company. It is clarified that the stamp duties and fees (including registration fee) paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in the authorized share capital to that extent.

10.8 The capital clause of the memorandum of association and the articles of association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

MEMORANDUM OF ASSOCIATION

“V. The authorized share capital of the Company is ₹ 56,13,00,000/- (Rupees Fifty Six Crores Thirteen Lakhs only) divided into 421,300,000 equity shares of ₹ 1/- (Rupees One only) each aggregating to ₹ 421,300,000/-, 1,000,000 10% non-cumulative redeemable preference shares of ₹ 10/- each aggregating to ₹ 10,000,000/-, 13,000,000 8% non-cumulative redeemable preference shares of ₹ 10/- each aggregating to ₹ 130,000,000/-, with the rights, privileges and conditions attached thereto with the power to vary, modify or abrogate such rights, privileges and conditions as may be provided by the Articles of Association of the Company for the time being. The Board of Directors shall have the power to classify as and when required the shares as equity or preference shares and attach thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions and also the power to increase or reduce the capital of the Company as may be determined in accordance with the Articles of Association of the Company.”

ARTICLES OF ASSOCIATION

“The authorized share capital of the Company is ₹ 56,13,00,000/- (Rupees Fifty Six Crores Thirteen Lakhs only) divided into 421,300,000 equity shares of ₹ 1/- (Rupees One only) each aggregating to ₹ 421,300,000/-, 1,000,000 10% non-cumulative redeemable preference shares of ₹ 10/- each aggregating to ₹ 10,000,000/-, 13,000,000 8% non-cumulative redeemable preference shares of ₹ 10/- each aggregating to ₹ 130,000,000/-, with the power to increase or reduce such capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.”

11. ACCOUNTING TREATMENT

On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as per the applicable accounting principles prescribed under Indian accounting standards (IND AS) prescribed under the Act.

12. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up without any further act or deed.

PART C

OTHER TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

13. APPLICATION TO THE HIGH COURT OR SUCH OTHER COMPETENT AUTHORITY

The Transferor Company and the Transferee Company shall make all necessary application and petition under Sections 391 to 394 and other applicable provisions of the Act to the Hon'ble High Court of Judicature at Bombay, for seeking approval of the Scheme and for dissolution of the Transferor Company without winding up.

14. MODIFICATION / AMENDMENT TO THE SCHEME AND GENERAL POWER TO THE BOARD

14.1 The Transferor Company and the Transferee Company with approval of their respective Boards of Directors, may consent, from time to time, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Boards of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the Hon'ble Court or any other authorities under law may deem fit to approve of, to direct and / or impose.

14.2 The Transferor Company and the Transferee Company have the right to modify this Scheme by mutual agreement in writing.

14.3 The Transferor Company and the Transferee Company shall withdraw this Scheme only in accordance with the terms agreed in writing.

15. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- (a) receipt of 'no objection' letter from the Stock Exchanges in terms of the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India and any amendments thereto including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) the Scheme being approved by the respective requisite majorities of the members and / or creditors of the Transferor Company and the Transferee Company as may be directed by the High Court and/or any other competent authority and it being sanctioned by the High Court and/or any other competent authority, as may be applicable;
- (c) the certified copy of the order of High Court under Sections 391 to 394 of the Act sanctioning the Scheme is filed with the Registrar of Companies having jurisdiction over the Transferor Company and the Transferee Company;
- (d) no business shutdown event or material adverse effect (as agreed between the Transferor Company and the Transferee Company), shall have occurred in relation to the Transferor Company or the Subsidiary; and
- (e) the Transferee Company having acquired 2,501 equity shares and 10,753 compulsorily convertible preference shares of the Transferor Company in accordance with the terms agreed between the Transferee Company and relevant shareholders of the Transferor Company.

16. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

16.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause 14 not being obtained and/or the Scheme not being sanctioned by the High Court or such other competent authority and/or the Order not being passed as aforesaid before June 30, 2017 or such other date as the Boards of Directors of the Transferor Company and Transferee Company, or any other person authorized by the Boards of Directors of the Transferor Company and Transferee Company

respectively, may determine, the Scheme shall become null and void, and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability, or obligations which have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

16.2. In the event of this Scheme failing to take effect or if it becomes null and void no rights and liabilities of whatsoever nature shall accrue to or be incurred inter-se to or by the parties to the Scheme or any of them.

17. RESOLUTION

Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company shall constitute the aggregate of the said limits in the Transferee Company, unless otherwise agreed in any arrangement to which the Transferee Company is subject.

18. COSTS

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

19. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

20. ACTION TAKEN BY SEBI / RBI

Mr. Rakesh Jhunjunwala, a director of the Transferee Company, was a non-executive director of Maneesh Pharmaceuticals Limited, which is classified as a wilful defaulter by the Reserve Bank of India as of 31st March, 2016 and no proceedings were initiated against Mr. Rakesh Jhunjunwala. Mr. Rakesh Jhunjunwala has resigned as a director of Maneesh Pharmaceuticals Limited with effect from October 15, 2010 and is no longer associated with Maneesh Pharmaceuticals Limited.

SCHEDULE I

TERMS AND CONDITIONS OF RPS

1.	Dividend	1% (one percent) p.a.
2.	Face value	INR 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven)
3.	Term and Redemption	All RPS shall be compulsorily redeemable at the end of 12 (twelve) months from the date of issuance of the RPS.
4.	Transferability	Each RPS shall be freely transferable at the option of the holder subject to applicable laws.

TERMS AND CONDITIONS OF OCPS

1.	Dividend	0.001% p.a. on a non-cumulative basis
2.	Face value	INR 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven)
3.	Terms for conversion	<p>OCPS shall be convertible into equity shares of the Transferee Company at the option of the Transferee Company at the end of 12 (twelve) months from the date of issue of OCPS.</p> <p>(a) the term of the OCPS shall be extended to 18 (eighteen) months from the date of issue of OCPS; and / or</p> <p>(b) each OCPS holder shall be issued only 1 (one) equity share of the Transferee Company upon conversion of all the OCPS held by the OCPS holder,</p> <p>on the occurrence of events as agreed between the Transferor Company, the Transferee Company and shareholders of the Transferor Company in writing.</p>
1.	Conversion	If the OCPS are converted, then the conversion price shall be equal to the higher of:
		<p>(A) the price determined using the pricing methodology provided in Regulation 76(1)(a) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("X"); or</p> <p>(B) the price determined using the pricing methodology provided in Regulation 76(1)(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("Y"),</p> <p>each as at the Relevant Date.</p> <p>For the purpose of this conversion, the term 'Relevant Date' shall mean a date thirty days prior to the date of conversion of the OCPS</p> <p>Each OCPS shall convert into such number of equity shares of the Transferee as arrived by dividing the face value of such OCPS by the higher of X or Y.</p>

		<p>In case of fractional entitlements, all fractional entitlements for a OCPS holder shall be consolidated and the OCPS holder shall be allotted shares equal to such consolidated entitlement. If such consolidated entitlement further includes a fractional entitlement, which exceeds 0.5, such OCPS holder shall be allotted one share for such further fractional entitlement.</p> <p>The Transferee Company will convert only such number of OCPS to be issued pursuant to the Scheme such that post conversion, the Transferee Company is in compliance with the minimum public shareholding requirement, and to the extent OCPS are not converted into equity so as to meet the minimum public shareholding requirement, they shall be redeemed by the Transferee Company as per the terms of OCPS.</p>
5.	Redemption	<p>In case OCPS are not converted into equity shares by Transferee, OCPS will stand redeemable immediately at the end of 12 months from the date of issuance of OCPSs subject to terms agreed between the Transferor Company and the Transferee Company in writing.</p> <p>Provided that: the term of the OCPS shall be extended to 18 (eighteen) months from the date of issue of OCPS on the occurrence of events as agreed between the Transferor Company and the Transferee Company in writing.</p>



SHARP & TANNAN

Chartered Accountant

August 30, 2016

Strictly Privileged & Confidential

The Board of Directors

Delta Corp Limited
10, Kumar Place, 2408,
General Thimayya Road,
Pune 411 001,
Maharashtra

The Board of Directors

Gauss Networks Private Limited
349, Udyog Vihar,
Phase II Gurgaon,
Gurgaon 122 016,
Haryana

Dear Sir/Madam,

Re: Report on Valuation of Gauss Networks Private Limited ("GNPL") for the proposed amalgamation of GNPL into and with Delta Corp Limited

This is with reference to the engagement letter and discussions held, wherein we, M/s Sharp & Tannan (referred to as "**Valuer**" or "**we**" or "**us**"), have been appointed to value the equity shares of Gauss Networks Private Limited ("GNPL") for the proposed amalgamation of GNPL into and with **Delta Corp Limited ("DCL")** (hereinafter jointly referred to as "**Companies**") with effect from the **Appointed Date of April 1, 2016**.

1. BRIEF BACK GROUND

1.1 Delta Corp Limited ("DCL")

1.1.1 DCL is a gaming and entertainment company, with a dominant presence in Goa's offshore casino market. DCL is the largest and only listed gaming company in India. The equity shares of DCL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

1.1.2 The issued & paid up equity share capital of DCL as at March 31, 2016 was INR 230.66 million divided into 230,664,104 equity shares of INR 1/- each (face value) and its shareholding pattern was as follows on June 30, 2016:

Sl. No.	Category	No. of Shares	% Holding
a.	Promoter & Promoter Group	9,42,57,471	40.86%
b.	Public	13,64,06,633	59.14%
Total		23,06,64,104	



SHARP & TANNAN

Chartered Accountant

- 1.1.3 The Management of DCL represented that DCL does not have any outstanding warrants /options, as at the date hereof.
- 1.1.4 Subsequent to March 31, 2016 there is no change in the issued, subscribed and paid-up capital of DCL.
- 1.2 **Gauss Networks Private Limited ("GNPL")**
- 1.2.1 GNPL is a private limited company incorporated on August 29, 2013 and is headquartered in Gurgaon, India. Gaussian Networks Private Limited ("GNNPL") is a subsidiary of GNPL.
- 1.2.2 GNNPL is primarily engaged in the business of owning and operating Adda52.com and Adda52Rummy.com, online poker and rummy websites respectively. Both the portals offer daily cash-free "free roll" tables, real cash tables and cash tournaments. Both the gaming sites can be accessed both via desktop and the mobile web (WAP).
- 1.2.3 GNPL has developed and owns the products and its in-house technology and GNNPL is engaged in operating the portals.
- 1.2.4 The issued, subscribed & paid up share capital of GNPL as on March 31, 2016 is INR 510,010 comprising of 40,248 equity shares of INR 10/- each and 10,753 compulsorily convertible preference shares of INR 10/- each ("CCPS"). The equity share capital of GNPL on a fully diluted basis is 51,001 equity shares of INR 10/- each.
- 1.2.5 The issued, subscribed & paid up share capital of GNNPL as on March 31, 2016 is INR 360,010 comprising of 36,000 equity shares of INR 10/- each out of which 35,999 equity shares (99.99% of equity stake) are held by GNPL.
- 1.2.6 The Management of GNPL has represented that GNPL and GNNPL does not have any outstanding warrants /options, as at the date hereof.
- 1.2.7 Subsequent to March 31, 2016 there is no change in the issued, subscribed and paid-up capital of GNPL and GNNPL.

[This space is intentionally left blank]

Page 2 of 11



SHARP & TANNAN

Chartered Accountant

2. SCOPE & PURPOSE OF EXCHANGE RATIO

- 2.1 We are given to understand that the Board of Directors of the Companies proposed to undertake the amalgamation of GNPL with DCL ("Amalgamation") with effect from the Appointed Date of April 1, 2016. This is proposed to be achieved by way of a Scheme of Arrangement and Amalgamation pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 & other applicable provisions made there-under and Companies Act, 2013 ("Scheme").
- 2.2 As part of the proposed Scheme, all assets and liabilities of GNPL as on the Appointed Date shall eventually stand transferred to and vested with DCL. Further, upon Amalgamation, GNPL will cease to exist and as consideration equity shareholders of GNPL shall receive preference shares of DCL.
- 2.3 For this purpose, as requested, we have carried out valuation of equity shares of GNPL as on **March 31, 2016** in connection with the proposed Amalgamation. This Valuation Report ("**Valuation Report**") may be placed before the audit committee, as per the SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 and to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Scheme.
- 2.4 This Valuation Report is subject to the exclusions, limitations & disclaimers detailed hereinafter. As such the Valuation Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

3. SOURCES OF INFORMATION

- 3.1 In connection with preparing this Valuation Report, we have received & relied upon the following sources of information from the Management of the Companies:
- 3.1.1 Draft Scheme of Arrangement and Amalgamation.
- 3.1.2 Consolidated Audited annual accounts of GNPL for FY 2013-14 to FY 2014-15.
- 3.1.3 Consolidated provisional annual accounts of GNPL for FY 2015-16.
- 3.1.4 Consolidated projected annual account of GNPL for FY 2016-17.
- 3.1.5 Shareholding pattern of GNPL and GNNPL as on March 31, 2016.
- 3.1.6 Representation from the management of GNPL dated July 30, 2016.
- 3.1.7 Representation from the management of DCL dated July 30, 2016.

Page 3 of 11



SHARP & TANNAN

Chartered Accountant

3.1.8 Published and secondary source of data , whether or not made available by the companies and such other analysis, reviews and inquiries as we considered necessary.

4. SCOPE LIMITATIONS, ASSUMPTIONS, EXCLUSIONS AND DISCLAIMERS

4.1 This Valuation Report, its contents and the results herein are (i) specific to the purpose mentioned in this report; (ii) specific to the date of this Valuation Report and (iii) are based on the balance sheet of GNPL (consolidated) as at March 31, 2016. The Management has represented that the business activities of GNPL and GNNPL have been carried out in the normal and ordinary course between 31st March 2016 and date hereof and that no material adverse change has occurred in their respective operations and financial position between March 31, 2016 and date hereof.

4.2 In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of information (both written & verbal) made available to us by the Companies and (ii) the accuracy of the information that was publicly available, and formed substantial basis for this Valuation Report. We have not carried out a due diligence or audit of the Companies, nor have we independently investigated or otherwise verified the data provided by the Companies. In rendering this Valuation Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof. We do not express any opinion or offer any form of assurance that the explanations, financial information or other information as prepared and provided by the Companies is accurate and complete. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that, in case of any doubt, they have checked the relevance or materiality of any specific information with respect to the present exercise with us.

Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

4.3 Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The respective Management of the Companies has indicated to us that they have understood that any omissions, inaccuracies or mis-statements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the Valuation Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

4.4 During the course of work, we have relied upon the financial projections of GNPL (Consolidated) provided to us by the Management. The assumptions underlying the projections have not been

Page 4 of 11



SHARP & TANNAN

Chartered Accountant

reviewed or independently verified by us and accordingly there can be no assurance that these assumptions are accurate. We must emphasize that realizations of the free cash flow forecast used in the analysis will be dependent on the continuing validity of the assumptions on which they are based. The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both the most likely set of future business events and circumstances and the management's course of action related to them. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since, the projections relate to the future, actual results may be different from the projected results because events and circumstances do not occur as expected, and differences may be material.

- 4.5 Valuation work, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgement decisions, which have to be made. There can therefore be no standard formulae to establish an undisputable value, although certain formulae are helpful in assessing reasonableness. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Exchange Ratio. You acknowledge and agree that you have the final responsibility for the determination of the Exchange Ratio at which the proposed Amalgamation shall take place and factors other than this Valuation Report will need to be taken into account in determining the Exchange Ratio; these will include your own assessment of the proposed Amalgamation and may include the input of other professional advisors.
- 4.6 This report and its contents is prepared for the Companies and to be used only for the specific engagement and regulatory reporting purposes and must not be copied, disclosed or circulated or referred to or quoted in any correspondence, registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or discussion with any person. The report is confidential to the Companies and it is given on the express undertaking that will not be communicated, in whole or in part, to any third party without prior written consent of the valuer. Neither this report nor its contents may be used for any other purpose other than in connection with this proposed Amalgamation without prior written consent of the Valuer.
- 4.7 Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, neither ourselves, nor any of our partners, officers or employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We owe responsibility only to the Board of Directors of the Companies and nobody else. We are not liable to any third party in relation to the issue of this report. In no event we shall be liable for any loss, damage, cost or expense arising in

Page 5 of 11



SHARP & TANNAN

Chartered Accountant

any way from fraudulent acts, misrepresentations or wilful default on the part of the Companies, their management, directors, employees or agents.

- 4.8 A valuation of this nature is necessarily based on prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof, may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report. However, we reserve the right to amend or replace the report at any time in the event of any material change in the facts presented to us.
- 4.9 The Valuation Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited balance sheet of the Companies. Our conclusion of value assumes that the assets & liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the date hereof.
- 4.10 This Valuation Report does not look into the business / commercial reasons behind the proposed Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 4.11 This Valuation Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. In addition, this Valuation Report does not in any manner address the price at which equity shares will trade following approval of the Amalgamation and we express no opinion or recommendation as to how the shareholders or creditors of Companies should vote at their respective meeting(s) to be held in connection with the proposed Amalgamation.
- 4.12 The fee for this engagement is not contingent upon the results of this report.

[This space is intentionally left blank]

Page 6 of 11



SHARP & TANNAN

Chartered Accountant

5. VALUATION APPROACH

5.1 Approaches for Valuation

There are three generally accepted approaches to valuation:

- a. "Cost" Approach
- b. "Market" Approach
- c. "Income" Approach

a. Cost Approach

The "Cost" approach focuses on the net worth or net assets of a company. The Cost Approach to valuation includes two methods - Break Value ("BV") Method and Net Asset Value ("NAV") Method.

BV Method:

- ❖ Under the BV Method, the assets and liabilities are considered at their realizable/market value including intangible assets & contingent liabilities, if any, which are not stated in the balance sheet. From the realizable value of the assets, the potential liabilities, which would have to be paid, would be deducted and resultant figure would be the BV of the company.
- ❖ This valuation approach is mainly used in case where the asset base dominate earnings capability or in case where the valuing entity is a Holding Company deriving significant value from its Assets & Investments.

NAV Method:

- ❖ Under this method, total value of the business is based on sum of the Net Assets Value as recorded in the balance sheet.
- ❖ NAV methodology is most applicable for the business where the value lies in the underlying assets and not the ongoing operations of the business.

b. Income Approach

The "Income" approach focuses on the profit/earnings potential of the business being valued. The Income Approach to valuation includes two methods – Profit Earning Capacity Value ("PECV") Method and Discounted Cash Flow ("DCF") Method. The "Income" approach focuses on the income generated by the company as well as its future earning capability.

Page 7 of 11



SHARP & TANNAN

Chartered Accountant

PECV Method:

- ❖ The PECV method focuses on the past income generated by the company as well as the future earning capability of the business enterprise. The PECV method requires the determination parameters, which are relevant to the company whose shares are being valued. These are (i) the 'future maintainable profits', (ii) the 'appropriate income tax rate' and (iii) the 'expected rate of return'. The value is determined by capitalizing the future maintainable profits (net of tax) by the expected rate of return.

DCF Method:

- ❖ The DCF Method seeks to arrive at a value of a business based on the strength of its future cash flows. This method also captures the risk involved with these cash flows.
- ❖ Under this method, the business is valued by discounting its free cash flows for an explicit forecast period and the perpetuity value thereafter. The free cash flows to the firm ("FCFF") represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by Weighted Average Cost of Capital ("WACC"). WACC is an appropriate rate of discount to calculate the present value of the future free cash flows as it considers debt-equity risk and also debt-equity ratio of the company/industry.
- ❖ To the present value of the cash flows so arrived, adjustments are made for the value of debt, surplus/non-operating assets including investments, surplus cash & bank balance and contingent assets/liabilities and other liabilities, if any, in order to arrive at the value for the equity shareholders. The total value for the equity shareholders so arrived has to be then divided by the number of equity shares in order to work out the value per equity share of the company.

c. **Market Approach**

Market Price Method:

Under this method, the market price of an equity share as quoted on a recognized Stock Exchange is normally considered as the value of the equity shares of that company, where such quotations are arising from the shares being regularly and frequently traded. The market value generally reflects the investors' perception about the true worth of the company.

Page 8 of 11



SHARP & TANNAN

Chartered Accountant

Comparable Companies Multiple ("CoCo Multiple") Method:

- ❖ Under CoCo Multiple Method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifested through stock market valuations of listed companies.
- ❖ This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Method:

With regard to the multiples applied in an earnings based valuation, they are generally based on data from the recent transactions in a comparable sector, but with appropriate adjustment after due consideration has been given to the specific characteristics of the business being valued.

5.2 Valuation Methodologies Applied

- 5.2.1 The application of any particular method of valuation depends on the purpose for which the valuation is done. In arriving at the value of the equity shares of GNPL, from amongst the generally accepted valuation methodologies, we have applied methodologies most relevant, applicable and appropriate to the circumstances.
- 5.2.2 For valuation of GNPL we have primarily relied on the Market Approach – CCM method and have benchmarked our results with the CTM method. Under the market approach we have considered the comparable companies multiples and comparable transactions multiples of companies engaged in the business similar to that of GNPL in India and abroad.
- 5.2.3 Income Approach has not been considered on account of absence of any projected financial information for a sufficient period. Cost Approach does not capture the value based on the potential earning capacity of the company and hence, is not considered in the present case.

[This space is intentionally left blank]

Page 9 of 11



SHARP & TANNAN

Chartered Accountant

6. VALUATION OF GNPL

6.1 It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of Companies and their assets.

6.2 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not on exact science. Mathematical certainty is not demanded, nor indeed is it possible."

6.3 Considering all the relevant factors and circumstances as discussed and outlined above, we believe that the value of INR 2,238.71 million as at March 31, 2016 on a going concern basis for the 100% equity value of GNPL on a fully diluted basis is fair.

6.4 Further, we have been informed by the Management and based on the draft Scheme of Amalgamation provided to us, we understand that DCL would be acquiring the existing 10,753 compulsorily convertible preference shares and 2501 equity shares from the existing shareholders of GNPL, as part of the agreed transaction, in cash before the effective date of the Scheme of Amalgamation. The agreed consideration for the said acquisition is INR 472.98 million.

Page 10 of 11



SHARP & TANNAN

Chartered Accountant

6.5 We have been informed by the Management of DCL, the consideration for the Amalgamation of GNPL would be discharged as under:

- 1 (One) fully paid up 1% Redeemable Preference Shares of Rs. 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of DCL shall be issued and allotted for every one fully paid up equity share of Rs.10 held in GNPL.
- 1 (One) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of DCL shall be issued and allotted for every one fully paid up equity share of Rs.10 held in GNPL.
- 6,000 (Six Thousand) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of DCL shall be issued and allotted to the Founders of GNPL.
- The above Optionally Convertible Preference Shares will be converted into equity shares after 12 months from the effective date, at the price as may be determined based on Regulation 76(1)(a) or (b) of the issue of Capital and Disclosure Requirements (ICDR).

Thanking You,

Yours faithfully,

For **Sharp & Tannan**
Chartered Accountants
Firm Registration No. – 109982W



Edwin Augustine
(Partner)
Membership No. - 043385

Date: August 30, 2016

Place: Mumbai



30 August 2016
SCSL/16-17/029

To,
The Board of Directors
Delta Corp Limited
10, Kumar Place, 2408,
General Thimayya Road,
Pune 411 001, Maharashtra.

Dear Members of the Board,

Sub: Fairness opinion on the value and share swap ratio for the proposed amalgamation of Gauss Networks Private Limited into and with Delta Corp Limited as recommended by independent valuer.

Ref.: Our Offer Letter dated August 26, 2016.

The Board of Directors of Delta Corp Limited (hereinafter referred to as "DCL" or the "Company") has appointed M/s Sharp & Tannan (the "Independent Valuer") in relation to valuation of Gauss Networks Private Limited (hereinafter referred to as "GNPL") and determination of share swap ratio for the purpose of GNPL's amalgamation (the "Transaction") into and with DCL ("Purpose") with effect from the Appointed Date of April 1, 2016.

The Company has requested us to provide "fairness opinion" on the proposed share swap ratio as recommended by the Independent Valuer. This Fairness Opinion report is our deliverable against the same.

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

SOURCES OF INFORMATION

The sources of information, which have been furnished to us by the Company, are as follows:

I



- Report dated August 30, 2016 issued by the Independent Valuer containing the valuation of GNPL and share swap ratio for proposed Transaction.
- A brief profile on GNPL's business and its operations.
- Provisional financials of GNPL for year ended March 31, 2016 and estimated financials for year ending March 31, 2017.
- Draft Scheme of Arrangement and Amalgamation.
- Current shareholding pattern of GNPL.
- Audited Financials of DCL for FY2015 and FY2016.

In addition to the above, we have also obtained other necessary explanations and information, which we believed were relevant to the present exercise, from the Management.

It may be mentioned that the Management of the Company have been provided the opportunity to review the draft report (without fairness opinion) for current engagement and confirm the same with GNPL management wherever required as a part of our standard practice to make sure that factual inaccuracies are avoided in the report.

SCOPE LIMITATIONS, ASSUMPTIONS, EXCLUSIONS, LIMITATIONS AND DISCLAIMERS

This Fairness Opinion Report, its contents and the results herein are (i) specific to the purpose mentioned in this Report; (ii) specific to the date of the Report and (iii) are based on the balance sheet of GNPL (consolidated) as at March 31, 2016. The Management has represented that the business activities of GNPL have been carried out in the normal and ordinary course between 31st March 2016 and date hereof and that no material adverse change has occurred in their respective operations and financial position between March 31, 2016 and date hereof.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of information (both written & verbal) made available to us by the Companies and (ii) the accuracy of the information that was publicly available, and formed substantial basis for this Report. We have not carried out a due diligence or audit of the Companies, nor have we independently investigated or otherwise verified the data provided by the Companies. In rendering this Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof. We do not express any opinion or offer any form of assurance that the explanations, financial information



or other information as prepared and provided by the Companies is accurate and complete. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that, in case of any doubt, they have checked the relevance or materiality of any specific information with respect to the present exercise with us. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or mis-statements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Management and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

During the course of work, we have relied upon the financial projections of GNPL (Consolidated) provided to us by the Management. The assumptions underlying the projections have not been reviewed or independently verified by us and accordingly there can be no assurance that these assumptions are accurate. We must emphasize that realizations of the free cash flow forecast used in the analysis will be dependent on the continuing validity of the assumptions on which they are based. The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both the most likely set of future business events and circumstances and the management's course of action related to them. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since, the projections relate to the future, actual results may be different from the projected results because events and circumstances do not occur as expected, and differences may be material.

Valuation work, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgement decisions, which have to be made. There can therefore be no standard formulae to establish an undisputable



value, although certain formulae are helpful in assessing reasonableness. There is, therefore, no indisputable single share swap ratio.

While we have provided our fairness opinion on the share swap ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the share swap ratio. You acknowledge and agree that you have the final responsibility for the determination of the share swap ratio at which the proposed Amalgamation shall take place and factors other than this Report will need to be taken into account in determining the share swap ratio; these will include your own assessment of the proposed Amalgamation and may include the input of other professional advisors.

This report and its contents is prepared for the Company and to be used only for the specific engagement and regulatory reporting purposes and must not be copied, disclosed or circulated or referred to or quoted in any correspondence, registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or discussion with any person. The Report is confidential and it is given on the express undertaking that will not be communicated, in whole or in part, to any third party without our prior written consent. Neither this Report nor its contents may be used for any other purpose other than in connection with this proposed Transaction without our prior written consent.

Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, neither ourselves, nor any of our directors, partners, officers or employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We owe responsibility only to the Board of Directors of the Company and nobody else. We are not liable to any third party in relation to the issue of this report. In no event we shall be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or wilful default on the part of the Companies, their management, directors, employees or agents.

A valuation of this nature is necessarily based on prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof, may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report. However,



we reserve the right to amend or replace the report at any time in the event of any material change in the facts presented to us.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the balance sheet of the Companies. Our conclusion of value assumes that the assets & liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the date hereof.

This Report does not look into the business / commercial reasons behind the proposed Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. In addition, this Report does not in any manner address the price at which equity shares will trade following approval of the Transaction and we express no opinion or recommendation as to how the shareholders or creditors of Companies should vote at their respective meeting(s) to be held in connection with the proposed Transaction.

The fee for this engagement is not contingent upon the results of this report.

BACKGROUND OF THE COMPANY

Gauss Networks Private Limited ("GNPL")

GNPL is a private limited company incorporated on August 29, 2013 and is headquartered in Gurgaon, India. Gaussian Networks Private Limited ("GNNPL") is a subsidiary of GNPL.

GNPL is primarily engaged in the business of owning and operating Adda52.com and Adda52Rummy.com, online poker and rummy websites respectively. Both the portals



offer daily cash-free “free roll” tables, real cash tables and cash tournaments. Both the gaming sites can be accessed both via desktop and the mobile web (WAP).

GNPL has developed and owns the products and its in-house technology and GNNPL is engaged in operating the portals. GNNPL currently employs a team of 49 engineers.

The issued, subscribed & paid up share capital of GNPL as on March 31, 2016 is INR 510,010 comprising of 40,248 equity shares of INR 10/- each and 10,753 compulsorily convertible preference shares of INR 10/- each (“CCPS”). The equity share capital of GNPL on a fully diluted basis is 51,001 equity shares of INR 10/- each.

The Management has represented that GNPL and GNNPL do not have any outstanding warrants /options, as at the date hereof. Subsequent to March 31, 2016 there is no change in the issued, subscribed and paid-up capital of GNPL.

Delta Corp Limited (“DCL”)

DCL is a gaming and entertainment company, with a dominant presence in Goa’s offshore casino market. DCL is the largest and only listed gaming company in India. The equity shares of DCL are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).

INDEPENDENT VALUER’S RECOMMENDATION

It has been proposed by the Independent Valuer that the fair value of GNPL is INR 2,238.71 million on a going concern and fully diluted basis.

Further, the Independent Valuer has been informed by the Management and based on the draft Scheme of Amalgamation provided to the Valuer, DCL would be acquiring the existing 10,753 compulsorily convertible preference shares and 2,501 equity shares from the existing shareholders of GNPL, as part of the agreed Transaction, in cash before the effective date of the Scheme of Amalgamation. The agreed consideration for the said acquisition is INR 472.98 million.



The Independent Valuer has been informed by the Management of DCL, that the consideration for the Amalgamation of GNPL would be discharged as under:

- 1 (One) fully paid up 1% Redeemable Preference Shares of Rs. 21,667 (Twenty-One Thousand Six Hundred and Sixty-Seven) each of DCL shall be issued and allotted for every one fully paid up equity share of Rs.10 held in GNPL.
- 1 (One) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Twenty-One Thousand Six Hundred and Sixty-Seven) each of DCL shall be issued and allotted for every one fully paid up equity share of Rs.10 held in GNPL.
- 6,000 (Six Thousand) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Twenty-One Thousand Six Hundred and Sixty-Seven) each of DCL shall be issued and allotted to the Founders of GNPL.
- The above Optionally Convertible Preference Shares will be converted into equity shares after 12 months from the effective date, at the price as may be determined based on Regulation 76(1)(a) or (b) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.

OUR COMMENT ON THE INDEPENDENT VALUER'S REPORT

The fairness opinion has been prepared based on the Independent Valuer's report and our exercise of the various qualitative factors relevant to DCL and GNPL, having regard to information base, Management representations, key underlying assumptions and limitations.

On consideration of all the relevant factors and circumstances, we believe that the Independent Valuer's proposed valuation and share swap ratio is fair.

Thanking you.

For Systematix Corporate Services Ltd.


Authorised Signatory



GAUSS NETWORKS PRIVATE LIMITED

PLOT NO - 349, UDYOG VIHAR, PHASE-2, GURGAON, HARYANA - 122016

Unaudited Balance Sheet as on 31st October, 2016

Particulars	Note No.	Figures as on 31st October, 2016
I. EQUITY AND LIABILITIES		
<u>(1) Shareholder's Funds</u>		
(a) Share Capital	1	510,010
(b) Reserves and Surplus	2	156,960,396
<u>(2) Current Liabilities</u>		
(a) Other current liabilities	3	7,379,613
TOTAL		164,850,018
II. ASSETS		
<u>(1) Non-Current Assets</u>		
<u>(a) Fixed assets</u>		
(i) Gross Block	4	52,211,046
(ii) Depreciation		28,245,934
(iii) Net Block		23,965,113
Non Current Investment	5	123,138,566
Long Term Loan and Advances	6	1,826,921
Deffered Tax Asset	7	2,938,695
<u>(2) Current Assets</u>		
(a) Cash and cash equivalents	8	1,098,366
(b) Short term loans and advances	9	4,057,358
(c) Other Current Assets	10	7,824,999
TOTAL		164,850,018

For GAUSS NETWORKS PVT. LTD.

Mohit Agarwal

DIRECTOR/AUTHORISED SIGNATORY

GAUSS NETWORKS PRIVATE LIMITED**PLOT NO - 349, UDYOG VIHAR, PHASE-2, GURGAON, HARYANA - 122016****Unaudited Profit & Loss Statement for the period 01.04.2016 to 31.10.2016**

S. No.	Particulars	Note No.	Figures as on 31st October, 2016
			₹
I	Revenue from operations	11	40,711,386
	Other Income	12	163,566
	Total Revenue (I)		40,874,952
II	Expenses		
	Direct Expenses	13	1,119,503
	Employee Benefit Expenses	14	24,732,138
	Financial Cost	15	2,507
	Depreciation and Amortisation	16	10,162,806
	Other Administrative Expenses	17	2,661,566
	Total Expenses (II)		38,678,519
III	Profit/(Loss) Before Exceptional & Extraordinary Items and Tax	(I-II)	2,196,433
IV	Exceptional Items		-
V	Profit/(Loss) Before Extraordinary Items and Tax	(II-IV)	2,196,433
VI	Extraordinary Items		-
VII	Profit Before Tax	(V-VI)	2,196,433
VIII	Less : Tax Expenses		
	Current Tax		
	Deferred Tax		-
IX	Profit/(Loss) for the period from continuing operations	(VII-VIII)	2,196,433
X	Profit/(Loss) from discontinuing operations		-
XI	Tax expenses of discontinuing operations		-
XII	Profit/(Loss) from discontinuing operations after tax	(X-XI)	-
XIII	Profit/(Loss) for the period	(IX+XII)	2,196,433

For GAUSS NETWORKS PVT. LTD.

Mohit Agarwal

DIRECTOR/AUTHORISED SIGNATORY

GAUSS NETWORKS PRIVATE LIMITED
Unaudited Notes to Financial Statements for the period 01.04.2016 to 31.10.2016

Note 1: SHARE CAPITAL

	Particulars	Number	Figures as on 31st October, 2016
I) Authorised Share Capital			
Equity Shares of Rs. 10/- each		60,000	600,000
Preference Shares of Rs. 10/- each		20,000	200,000
Issued, Subscribed & Paid up Share Capital			
Equity Shares of 10/- each, fully paid up		40,248	402,480
Compulsorily Convertible Preference shares of Rs. 10/- each		10,753	107,530
			<u>510,010</u>
II) Reconciliation of the shares outstanding			
	Particulars	Figures as on 31st October, 2016	
a) EQUITY SHARE CAPITAL- AUTHORISED			
Authorised equity share capital at the beginning of the year	80,000	800,000	
Authorised Capital Increased during the year	-	-	
Authorised Capital at 31.10.2016	<u>80,000</u>	<u>800,000</u>	
Issued Share Capital at the beginning of the year	40,248	402,480	
Shares issued during the year	-	-	
Total Shares outstanding at 31.10.2016	<u>40,248</u>	<u>402,480</u>	
b) PREFERENCE SHARE CAPITAL- AUTHORISED			
Authorised preference share capital at the beginning of the year	20,000	200,000	
Authorised Capital Increased during the year	-	-	
Authorised Capital at 31.10.2016	<u>20,000</u>	<u>200,000</u>	
Shares outstanding at 31.10.2016	<u>10,753</u>	<u>107,530</u>	
III) Shareholders holding more than 5% equity shares			
	Particulars	Figures as on 31st October, 2016	
		% of Holding	No of Share Held
Mohit Agarwal	21.56%	8,678	
Anuj Gupta	21.56%	8,678	
Mukesh Agarwal	9.94%	4,000	
Runjhun Gaggar	31.99%	12,874	
Sudarshan Lal Maini	7.45%	3,000	
IV) Shareholders holding less than 5% equity shares.			
	Particulars	Figures as on 31st October, 2016	
		% of Holding	No of Share Held
Alok Mittal	4.35%	1,750	
Bellevire Capital	0.002%	1	
Gulu Mirchandani	1.86%	750	
Mohit Bansal	1.28%	517	
V) Shareholders holding more than 5% preference shares			
	Particulars	Figures as at 31st March, 2016	
		% of Holding	No of Share Held
Bellervire Capital	100.00%	10,753	

GAUSS NETWORKS PRIVATE LIMITED

Unaudited Notes to Financial Statements for the period 01.04.2016 to 31.10.2016

Note - 2 Reserves & Surplus

S. No.	Particulars	Figures as on 31st October, 2016
1	Profit & Loss Account	
	Opening Balance	18,083,913
	Add: Net Profit/(Net Loss) for the current year	2,196,433
		20,280,346
2	Share Security Premium	136,680,050
	TOTAL	156,960,396

Note - 3 Other Current Liabilities

S. No.	Particulars	Figures as on 31st October, 2016
1	Duties & Taxes	2,383,254
2	Sundry Creditors	(280,791)
3	Salary Payable	5,277,150
	TOTAL	7,379,613

Note - 5 Non-Current Investment

S. No.	Particulars	Figures as on 31st October, 2016
1	Gaussian Networks Pvt Ltd (Shares) (in unquoted equity shares being 35,999 shares of Rs. 10 each of Gaussian Networks Pvt Ltd)	69,575,000
2	HDFC Cash Management Fund	53,563,566
	Total	123,138,566

Note - 6 Long Term Loan and Advances

S. No.	Particulars	Figures as on 31st October, 2016
1	Security Deposit	
	a) Secured, Considered Good : Other Deposit	1,155,000
2	Loans & Advances to related parties	671,921
	Total	1,826,921

Note - 7 Deferred Tax Assets

S. No.	Particulars	Figures as on 31st October, 2016
1	Deferred Tax	2,938,695
	TOTAL	2,938,695

Note - 8 Cash and Cash Equivalents

S. No.	Particulars	Figures as on 31st October, 2016
1	Cash in Hand	
	Cash Balance	-
	Sub Total (A)	-
2	Balance with banks	
	- in current accounts	1,098,366
	Sub Total (B)	1,098,366
	Total (A+B)	1,098,366

Note - 9 Short Term Loans and Advances

S. No.	Particulars	Figures as on 31st October, 2016
1	Others	
	Advance to be recoverable in cash or in kind for value to be received	-
	Advance Tax	4,057,358
	TDS Recivable	
	Total	4,057,358

Note - 10 Other Current Assets

S. No.	Particulars	Figures as on 31st October, 2016
1	Sundry Debtors	7,824,999
	Total	7,824,999

GAUSS NETWORKS PRIVATE LIMITED

Unaudited Notes to Financial Statements for the period 01.04.2016 to 31.10.2016

Note - 11 Revenue from Operations

S. No.	Particulars	Figures as on 31st October 2016
1	Revenue from promotion	165,217
2	Software License Income	34,442,545
3	Website Development & Maint. Income	6,103,624
	Total	40,711,386

Note - 12 Other Income

S. No.	Particulars	Figures as on 31st October 2016
1	Profit on Sale of HDFC Cashmanagement Fund	163,566
	Total	163,566

Note - 13 Direct Expenses

S. No.	Particulars	Figures as on 31st October 2016
1	Gateway Expenses	-
2	Marketing & Business Promotion	47,000
3	Software Maintenance & Related Services	226,638
4	Consultancy Expenses	834,867
5	Website Hosting & Maintenance	10,998
	Total	1,119,503

Note - 14 Employee Benefit Expenses

S. No.	Particulars	Figures as on 31st October 2016
1	Salary & Wages	24,056,883
2	Provident Fund Expenses	672,025
3	Labour Welfare Fund	3,230
	Total	24,732,138

Note - 15 Financial Cost

S. No.	Particulars	Figures as on 31st October 2016
1	Bank Charges	2,507
	Total	2,507

Note - 16 Depreciation & Amortised Cost

S. No.	Particulars	Figures as on 31st October 2016
1	Depreciation	10,162,806
	Total	10,162,806

Note - 17 Other Administrative Expenses

S. No.	Particulars	Figures as on 31st October 2016
1	Office Rent	1,451,500
2	Office Electricity	97,304
3	Office Maintenance	210,207
4	Computer Maintanance	56,727
5	Conveyance Expenses	5,133
6	Freight & Cartage	25,000
7	Interest on Advance Tax U/s 234C	102,018
8	Interest on Service Tax	406,036
9	Interest on TDS	4,610
10	Legal & Professional Fees	150,000
11	Repair & Maintenance	650
12	Rate Fees & Taxes	40,645
13	ROC Fees and Filling Fees	6,695
14	Round Off	(1)
15	Staff Welfare Expense	64,855
16	Swachh Bharat Cess	31,916
17	Telephone and Internet Expense	7,196
18	Travelling Expenses	1,075
	Total	2,661,566

GAUSS NETWORKS PRIVATE LIMITED

Notes Forming Integral Part of the Balance Sheet as on 31st October, 2016

Note - 04 Fixed Assets

S.No.	Particulars	Gross Block			Depreciation			Net Block WDV as on 31.03.2016	
		Value at the beginning	Additions during the year	Deductions during the year	Value at the end	Value at the beginning	Additions during the year		Deductions during the year
I	<u>Tangible Assets</u>								
1	Office Equipments	228,612	-	-	228,612	83,993	38,216	-	122,209
2	Computers	1,209,589	143,875	-	1,353,464	716,523	211,546	-	928,069
	SUB TOTAL (A)	1,438,201	143,875	-	1,582,076	800,516	249,762	-	1,050,278
II	<u>Intangible Assets</u>								
1	Software Developments	38,319,811	12,309,159	-	50,628,970	17,282,612	9,913,044	-	27,195,656
	SUB TOTAL (B)	38,319,811	12,309,159	-	50,628,970	17,282,612	9,913,044	-	27,195,656
	Total [A+B]	39,758,012	12,453,034	-	52,211,046	18,083,128	10,162,806	-	28,245,934
									23,965,113

ANNEXURE-A

GAUSS NETWORKS PRIVATE LIMITED**Unaudited Depreciation as per Income Tax Act for the period 01.04.2016 to 31.10.2016**

Rs.

Name of the Asset	Rate	W.D.V. as on 01.04.16	Additions during the year		Deletion during the year	Total as on 31.10.2016	Depreciation for the period 31.10.2016	W.D.V. as on 31.10.2016
			More than 6 Months	Less than 6 Months				
(i) Office Equipments	15%	191,031	-	-	-	191,031	28,654.65	162,376
(ii) Computers	60%	413,536	143,875	-	-	557,411	334,446.60	222,964
(iii) Software Development	25%	28,808,257	10,723,923	1,585,236	-	41,117,416	10,081,200	31,036,217
TOTAL		29,412,824	10,867,798	1,585,236	-	41,865,858	10,444,301	31,421,557

For GAUSS NETWORKS PVT. LTD.

Mohit Agarwal

DIRECTOR/AUTHORISED SIGNATORY


Delta Corp Limited
CIN No : L65493PN1990PLC058817
Unaudited INDAS Balance Sheet as at 30th September, 2016

₹ in Lacs)

Particulars	Note No.	As at 30th September, 2016	
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Equity Share Capital	2	2,311.44	
(b) Other Equity	3	91,017.21	93,328.65
Non-Current Liabilities			
(a) Long-Term Borrowings	4	3,394.22	
(b) Provisions	5	198.54	3,592.76
Current Liabilities			
(a) <u>Financial Liabilities</u>			
(a) Short-Term Borrowings	6	1,175.46	
(b) Trade Payables	7	1,438.24	
(c) Other Financial Liabilities	8	3,728.88	
(b) Other Current Liabilities	9	425.11	
(c) Provisions	10	95.33	
(d) Current Tax Liabilities (Net)	11	896.18	7,759.20
TOTAL			104,680.61
II. ASSETS			
Non-Current Assets			
(a) Property Plant and Equipments	12	20,378.85	
(b) Capital Work In Progress		40.96	
(c) Intangible assets		28.69	
		20,448.50	
(d) <u>Financial Assets</u>			
(i) Non Current Investments			
- Investment in Subsidiaries	13	32,244.66	
- Other Investments	14	1,221.51	
(ii) Other Financial Assets	15	1,310.73	
(e) Deferred Tax Assets (Net)	16	1,143.35	
(f) Other Non Current Assets	17	146.04	56,514.78
Current Assets			
(a) Inventories	18	1,155.71	
(b) Financial Assets			
(i) Other Investments	19	8,463.02	
(ii) Trade Receivable	20	347.71	
(iii) Cash and Cash Equivalents	21	1,344.47	
(iv) Other Bank Balances	22	62.92	
(v) Loans	23	33,236.70	
(vi) Other Financial Assets	24	1,322.16	
(c) Current Tax (Net)	25	295.32	
(d) Other Current Assets	26	1,937.80	48,165.83
TOTAL			104,680.61

For Delta Corp Limited


(Jaydev Mody)
Chairman
DIN No. 00234797


(Ashish Kapadia)
Managing Director
DIN No.02011632

Delta Corp Limited
CIN No : L65493PN1990PLC058817
INDAS Statement of Profit & Loss For The Period Ended 30th September, 2016

(₹ in Lacs)

Particulars	Note No.	For Period Ended 30th September, 2016
Income:		
Revenue from Operations	27	15,876.83
Other Income	28	215.40
Total Revenue		16,092.23
Expenses:		
Cost of Material Purchased	29	897.62
Changes in Inventories of Stock in Trade	30	16.78
Employee Benefit Expenses	31	1,971.96
Finance Costs	32	636.72
Depreciation and Amortization Expense	12	594.71
Other Expenses	33	6,137.93
Total Expenses		10,255.72
Profit Before Exceptional and Extraordinary Items and Tax		5,836.51
Exceptional Items		2.10
Profit Before Extra Ordinary Items and Tax		5,838.61
Extraordinary Items		-
Profit Before Tax		5,838.61
Tax Expenses		
- Current Tax		1,350.00
- Deferred Tax	16	157.72
- Earlier Years Tax Adjustments		-
Total Tax Expenses		1,507.72
Profit After Tax		4,330.88
Net Profit for the Year		4,330.89
Earnings Per Equity Share (Nominal Value of Re. 1/- each)		
- Basic		1.88
- Diluted		1.87

For Delta Corp Limited


(Jaydev Mody)

Chairman
DIN No. 00234797


(Ashish Kapadia)

Managing Director
DIN No.02011632

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

2

Equity Share Capital	As at 30th September, 2016	
	No.	₹ In Lacs
Authorised Shares:		
Equity Shares of ₹1/- Each	420,500,000	4,205.00
10% Non Cumulative Redeemable Preference Shares of ₹ 10/- each	1,000,000	100.00
8% Non Cumulative Redeemable Preference Shares of ₹ 10/- each	13,000,000	1,300.00
Total	434,500,000	5,605.00
Issued, Subscribed And Fully Paid-Up:		
Equity Shares Of ₹ 1/- each	231,144,104	2,311.44
Total	231,144,104	2,311.44

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

		(₹ in Lacs)
3	Other Equity	As at 30th Sept, 2016
(a)	Retained Earnings	
	Opening Balance	22,520.58
	(+) Net Profit/(Net Loss) For the Current Period	4,330.90
	(-) Dividends On Equity Shares	(462.29)
	Closing Balance	26,389.18
(b)	Capital Reserve on Amalgamation	
	Opening Balance	6,636.23
	(+) Addition During the Period	-
	(-) Written Back in Current Period	-
	Closing Balance	6,636.23
(b)	Capital Redemption Reserves	
	Opening Balance	1,404.88
	(+) Current Period Transfer	-
	(-) Written Back in Current Period	-
	Closing Balance	1,404.88
(c)	Securities Premium Account	
	Opening Balance	51,516.50
	(+) Addition During the Period	654.72
	(-) Written back During the Period	-
	Closing Balance	52,171.22
(d)	Share Options Outstanding Account	
	Opening Balance	710.31
	(+) Current Period Transfer	(203.52)
	(-) Written Back in Current Period	-
	Closing Balance	506.79
(e)	Deferred Employee Compensation	
	Opening Balance	(213.16)
	(+) Current Period Transfer	103.25
	(-) Written Back in Current Period (Net)	-
	Closing Balance	(109.91)
(f)	Transition Reserves	
	Opening Balance	(2,737.38)
	(+) Current Period Transfer	-
	(-) Written Back in Current Period (Net)	-
	Closing Balance	(2,737.38)
(g)	Other Items of Other Comprehensive Income	
	Opening Balance	940.41
	(+) Current Period Transfer	694.35
	(-) Written Back in Current Period (Net)	-
	Closing Balance	1,634.76
(h)	General Reserves	
	Opening Balance	5,121.42
	(+) Current Period Transfer	-
	(-) Transfer to Capital Redemption Reserve	-
	Closing Balance	5,121.42
Total		91,017.21

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

		(₹ in Lacs)
4	Long-Term Borrowings	As at
		30th Sept, 2016
	<u>Secured Borrowings</u>	
	Term loans	
	Term Loan From Bank	3,278.94
	Vehicle Loan	115.28
	Total	3,394.22

		(₹ in Lacs)
5	Provisions	As at
		30th Sept, 2016
	Provision for Employee Benefits (Unfunded) :	
	Gratuity	198.54
	Total	198.54

Financial Liabilities

		(₹ in Lacs)
6	Short-Term Borrowings	As at
		30th Sept, 2016
	<u>Secured Borrowings</u>	
	Bank Overdraft and Cash Credit Facility	1,114.60
	<u>Unsecured Borrowings:</u>	
	Loans from Related Parties (Repayable on Demand)	
	- Interest Free Loan	60.86
	Total	1,175.46

		(₹ in Lacs)
7	Trade Payables	As at
		30th Sept, 2016
	Others	1,438.24
	Total	1,438.24

		(₹ in Lacs)
8	Other Financial Liabilities	As at
		30th Sept, 2016
	(a) Current Maturities of Long-Term Borrowings	
	From Banks	2,656.28
	(b) Interest Accrued But Not Due on Borrowings	1.20
	(c) Advances Received from Guest	102.20
	(d) Unclaimed Dividends (*)	62.92
	(e) Other Payables	80.94
	(f) - Employee Benefits	565.02
	(g) Payable Against Capital Assets	260.32
	Total	3,728.88

(*) There are no amounts due for payment to the Investor Education and Protection Fund u/s.125 of the Companies Act, 2013.

		(₹ in Lacs)
9	Other Current Liabilities	As at
		30th Sept, 2016
	(a) Duties & Taxes	425.11
	Total	425.11

		(₹ in Lacs)
10	Provisions	As at
		30th Sept, 2016
	Provision for Leave Encashment	95.32
	Total	95.33

Delta Corp Limited										
Notes to the Financial Statements for the Period Ended 30th September, 2016										
12. Property, Plant and Equipments										
Tangible Assets	Land	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Computers	Office Equipments	Ships	Gaming Equipment	Total
Gross Block										
As at 1st April, 2016	2,800.00	4,591.48	2,637.63	2,978.87	469.98	364.56	534.68	7,466.00	2,516.50	24,359.70
Additions	-	243.09	28.69	12.48	-	8.47	1.10	-	442.37	736.22
Disposals	-	-	-	-	-	-	-	-	-	-
As at 30th September, 2016	2,800.00	4,834.57	2,666.32	2,991.35	469.98	373.04	535.78	7,466.00	2,958.87	25,095.92
Depreciation										
As at 1st April, 2016	-	215.96	436.75	801.07	156.83	155.97	119.32	979.45	1,260.89	4,126.23
Charge for the Period	-	38.53	90.30	143.73	23.02	29.39	19.49	168.97	77.41	590.84
Reverse Charge on Disposal	-	-	-	-	-	-	-	-	-	-
As at 30th September, 2016	-	254.48	527.06	944.80	179.84	185.36	138.81	1,148.42	1,338.30	4,717.07
Net Block										
As at 30th September, 2016	2,800.00	4,580.09	2,139.27	2,046.55	290.13	187.68	396.97	6,317.59	1,620.57	20,378.85

Delta Corp Limited	
Notes to the Financial Statements for the Period Ended 30th September, 2016	
12. Intangible Assets	(₹ in Lacs)
Intangible Assets	Total
Gross Block	
As at 1st April, 2016	31.12
Additions	7.66
Deletion/ Adjustments	-
As at 30th September, 2016	38.79
Depreciation	
As at 1st April, 2016	6.23
Charge for the Year	3.88
Deletion/ Adjustments	-
As at 30th September, 2016	10.11
Net Block	
As at 30th September, 2016	28.69

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

		(₹ in Lacs)
11	Current Tax Liabilities (Net)	As at
		30th Sept, 2016
	Provision for Taxation	896.18
	Total	896.18

		(₹ in Lacs)
13	Investment in Subsidiaries	As at
		30th Sept, 2016
1	<u>Trade Investments</u>	
(A)	<u>Unquoted Fully Paid Equity Shares</u>	
	<u>Investments in Subsidiary Companies</u>	
	Delta Pan Africa Limited	889,143 1000 Kshs 158.67
	Delta Pleasure Cruise Company Private Limited	4,350,000 10 1,394.85
	Delta Offshore Developers Limited	1,200 US\$ 100 54.20
	Daman Entertainment Private Limited	13,731 10 100.00
	Highstreet Cruises and Entertainment Private Limited	15,000,000 10 13,634.08
	Marvel Resorts Private Limited	5,000 10 310.76
	Daman Hospitality Private Limited	33,471,667 10 13,119.12
	Delta Hospitality & Entertainment Mauritius Limited	10,000 US\$ 100 1,216.48
		29,988.17
(B)	<u>Unquoted, Fully Paid, 0% Optionally Convertible Redeemable Preference Shares of Subsidiary Companies</u>	
	Delta Hospitality and Entertainment Mauritius Limited	36,200 US\$ 100 2,241.49
(C)	<u>Unquoted, Fully Paid, Fully Convertible Debentures of Subsidiary Company</u>	
	Daman Hospitality Private Limited - FCD C	1,710,495 10 15.00
	Total	32,244.66

		(₹ in Lacs)
14	Other Investments	As at
		30th Sept, 2016
1	<u>Trade Investments</u>	
(A)	<u>Unquoted Fully Paid Equity Shares</u>	
	<u>Other Companies</u>	
	Aero Port & Infrastructure Project Private Limited	43,750 10 4.38
	JM Township and Real Estate Private Limited	175,000 10 232.47
2	<u>Non Trade Investments</u>	
i)	<u>Unquoted Fully Paid Equity Shares</u>	
	Freedom Aviation Private Limited	120 10 0.01
	The Shamrao Vithal Co.op. Bank Limited	2,100 25 0.53
	The Saraswat Co.op. Bank Limited	2,500 10 0.25
	Piramal Glass Limited	19 10 -
ii)	<u>Quoted Fully Paid Equity Shares</u>	
	Arrow Textiles Limited	2 10 0.00
	Piramal Phytocare Limited	42 10 -
	Piramal Enterprise Limited	433 2 7.96
	Peninsula Land Limited	48,000 2 9.07
	Victoria Mills Limited	40 100 1.09
	<u>Unquoted, Fully Paid, 0% Optionally Convertible Redeemable Debenture</u>	
	<u>Other Company</u>	
	JM Township and Real Estate Private Limited	9,657,500 10 965.75
	Total	1,221.51

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

		(₹ in Lacs)
15	Other Financial Assets	As at 30th Sept, 2016
	Unsecured, Considered Good	
	(a) Security Deposits	378.46
	(b) Fixed Deposits	894.37
	(c) Accrued Interest on FDR	37.90
	Total	1,310.73

16 Deferred Tax

In accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has accounted for Deferred Tax during the Year. The components of Deferred Tax Assets to the extent recognized and Deferred Tax Liabilities as on 30th September, 2016 are as follows:-

		(₹ in Lacs)
	Particulars	As at 30th Sept, 2016
	Deferred Tax Liabilities:	
	Difference between Book WDV and Income Tax WDV	1,078.40
	(A)	1,078.40
	Deferred Tax Assets:	
	Difference between Book WDV and Income Tax WDV	-
	Expenses Disallowed under The Income Tax Act, 1961	165.57
	Carried Forwarded Losses	428.30
	(B)	593.87
	Mat Tax Credit	(C)
	Net Deferred Tax Liabilities/(Assets)	1,627.88
	Amount Charged to Profit and Loss Account	(1,143.35)
		157.72

Note :

The Company has recognised deferred tax assets on carried forwarded capital losses based on the virtual certainty at future taxable Long Term Capital Gain which will be sufficient to offset capital losses on which deferred tax assets has been created.

		(₹ in Lacs)
17	Other Non Current Assets	As at 30th Sept, 2016
	Capital Advances	146.04
	Total	146.04

		(₹ in Lacs)
18	Inventories	As at 30th Sept, 2016
	Valued at Cost or Net Realizable Value whichever is lower	
	Traded Goods	1,068.42
	Stores and Spares	87.29
	Total	1,155.71

				(₹ in Lacs)
19	Other Investments	Current Year Nos.	Face Value (₹ unless stated otherwise)	As at 30th Sept, 2016
	(a) Investment in Equity instruments			
	Quoted Fully Paid up Share			
	Trade Investments (at cost or fair value whichever is lower)			
	Advani Hotels and Resorts (India) Limited	16,385,315	2	8,463.02
	Total			8,463.02

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

		(₹ in Lacs)
20	Trade Receivables	As at
		30th Sept, 2016
	Trade Receivables (unsecured) consist of following : Outstanding for a Period Exceeding Six Months from the Date they are Due for Payment Considered Good	239.00
	Others (Considered Good)	239.00
	- Other Parties	108.71
	Total	347.71
		(₹ in Lacs)
21	Cash and Cash Equivalents	As at
		30th Sept, 2016
	Cash and Cash Equivalents	
	Balance with Banks	
	- On Current Account	998.42
	- Deposit with Maturity less than 3 months	1.36
	Cash on Hand	317.49
	Cheque on Hand	27.20
	Total	1,344.47
		(₹ in Lacs)
22	Other Bank Balances	As at
		30th Sept, 2016
	Other Bank Balance	
	Unclaimed Dividend Accounts	62.92
	Total	62.92
		(₹ in Lacs)
23	Loans	As at
		30th Sept, 2016
	Unsecured, Considered Good	
	Loans and Advances to Related Parties	
	Inter Corporate Deposit & Other Advances	33,236.70
	Total	33,236.70
		(₹ in Lacs)
24	Other Financial Assets	As at
		30th Sept, 2016
	(a) Unsecured, Considered Good	
	Balances with Statutory/Government Authorities	773.16
	Deposits	129.77
	Loans & Other Advances	419.23
		1,322.16
	(b) Unsecured, Considered Doubtful	
	Loan and Advances to Related Parties	
	Advances Receivable	5.09
	Provision for Doubtful Advances	(5.09)
	Total	1,322.16

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

		(₹ in Lacs)
25	Current Tax (Net)	As at
		30th Sept, 2016
	Advance Tax	295.32
	Total	295.32
		(₹ in Lacs)
26	Other Current Assets	As at
		30th Sept, 2016
	Advance for Property	2.30
	Prepaid Expenses	1,105.08
	Others	830.42
	Total	1,937.80
		(₹ in Lacs)
27	Revenue From Operations	For period ended
		30th Sept, 2016
	Sale of Goods	1,827.02
	Sale of Services	14,049.81
	Total	15,876.83
		(₹ in Lacs)
28	Other Income	For period ended
		30th Sept, 2016
	<u>Interest Received on :</u>	
	- Inter Corporate Deposits	23.03
	- Fixed Deposit with Bank	33.94
	<u>Dividend Income from :</u>	
	- Current Investments	32.93
	Exchange Fluctuation Gain	13.16
	Profit On Sale of Shares/Mutual Fund	29.49
	Income on Gurantee given to Subsidiaries	58.44
	Sundry Balance Written Back (Net)	5.84
	Miscellaneous Income	18.57
	Total	215.40
		(₹ in Lacs)
29	Cost of Material Purchased	For period ended
		30th Sept, 2016
	Purchase of Traded Material	798.19
	Stores and Spares Consumed	99.43
	Total	897.62
		(₹ in Lacs)
30	Changes in Inventories of Stock in Trade	For period ended
		30th Sept, 2016
	Opening Stock	1,085.20
	Less : Closing Stocks	1,068.42
	Total	16.78
		(₹ in Lacs)
31	Employee Benefit Expenses	For period ended
		30th Sept, 2016
	Salaries, Wages & Bonus	1,552.95
	Contribution to Provident & Other Funds	92.94
	Gratuity Fund & Leave Expenses	30.60
	Employee Share based Compensation Expenses	103.25
	Staff Welfare Expenses	192.21
	Total	1,971.96
		(₹ in Lacs)
32	Finance Costs	For period ended
		30th Sept, 2016
	Interest Expenses on Term Loan	460.54
	Interest Other Than Term Loan	65.79
	Other Finance Charges	110.39

Delta Corp Limited

Notes to the Financial Statements for the Period Ended 30th September, 2016

Total	636.72
--------------	---------------

33

		(₹ in Lacs)
Other Expenses		For period ended
		30th Sept, 2016
Advertisement Expenses		97.01
Payment to Auditors (Refer Note No.34)		9.49
Conveyance Expense		21.84
Charity and Donation (Refer Note No.41)		87.06
Director Sitting Fees		2.38
Insurance Charges		41.29
Legal & Professional Fees		365.85
Postage & Telephone		30.10
Power and Fuel		567.22
Printing And Stationery		37.75
Rates & Taxes		2,522.58
Rent		867.53
Repairs & Maintenance		
For Building		7.67
For Machinery		233.91
For Others		74.50
Sales Promotion Expenses		343.72
Travelling & Hotel Expenses		544.40
Vehicle Expenses		184.73
Miscellaneous & General Expenses		98.91
Total		6,137.93

DCS/AMAL/SD/IP/634/2016-17
December 8, 2016

The Company Secretary
Delta Corp Ltd
10, Kumar Place, 2408, General Thimayya Road,
Pune, Maharashtra- 411001

Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Amalgamation between Delta Corp Ltd and Gauss Networks Private Ltd.

We are in receipt of the Draft Scheme of Amalgamation between Delta Corp Ltd and Gauss Networks Private Ltd. As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated December 8, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- *"Company to ensure that information submitted by it vide email dated December 02, 2016, pertaining to Mr. Rakesh Jhunjhunwala, being non-executive director of Maneesh Pharmaceuticals Limited, which is declared a wilful defaulter by RBI as of June 30, 2016, is disclosed in the scheme under the heading "action taken by SEBI/RBI" and the same is brought to the notice of shareholders and Hon'ble High court."*
- *"Company shall duly comply with various provisions of the Circulars."*

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.



The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/53 E: corp.comm@bseindia.com www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188





NATIONAL STOCK EXCHANGE
OF INDIA LIMITED



Ref: NSE/LIST/96547

December 08, 2016

The Company Secretary & General Manager - Secretarial
Delta Corp Limited
Bayside Mall, 2nd floor Opp.sobo central mall,
Tardeo Road,
Haj Ali
Mumbai - 400034

Kind Attn.: Mr. Dilip Vaidya

Dear Sir,

Sub: Observation letter for draft Scheme of Amalgamation of Gauss Networks Private Limited with Delta Corp Limited and their respective shareholders and creditors.

This has reference to draft Scheme of Amalgamation of Gauss Networks Private Limited with Delta Corp Limited and their respective shareholders and creditors submitted to NSE vide your letter dated September 16, 2016.

Based on our letter reference no Ref: NSE/LIST/94013 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated December 08, 2016, has given following comments on the draft Scheme of Arrangement:

"1. Company to ensure that information submitted by the company, Delta Corp Limited vide email dated December 02, 2016, pertaining to Mr. Rakesh Jhunjhunwala, being non-executive director of Maneesh Pharmaceuticals Limited, which is declared a wilful defaulter by RBI as of June 30, 2016, is disclosed in the scheme under the heading "action taken by SEBI / RBI" and the same is brought to the notice of shareholders and Hon'ble High Court.

2. The Company shall duly comply with various provisions of the Circular."

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from December 08, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a) Copy of Scheme as approved by the High Court;
- b) Result of voting by shareholders for approving the Scheme;
- c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme,

1.

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051, India CIN: U67120MH1992PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: www.nseindia.com



Continuation Sheet

- d) Status of compliance with the Observation Letter/s of the stock exchanges.
- e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f) Complaints Report as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Kautuk Upadhyay
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm



Date: 18th October, 2016

To,
Listing Department,
The BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: 532848

Dear Sir,

Ref: Scheme of Amalgamation of Gauss Networks Private Limited ("Gauss" or "the Transferor Company") with Delta Corp Limited ("DCL" or "the Transferee Company") and their Respective Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013

Sub: Complaint report as per Annexure III of SEBI Circular no. CIR/CFD/CMD | 16 | 2015 dated November 30, 2015

With reference to our letter dated 16th September, 2016, for the proposed scheme of amalgamation of Gauss Networks Private Limited ("Gauss" or "the Transferor Company") with Delta Corp Limited ("DCL" or "the Transferee Company") and their Respective Shareholders and Creditors under regulation 37 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 please find enclosed the complaint report from 26th September, 2016 to 17th October, 2016 as per the prescribed format.

We request you to take the same on your record and acknowledge the receipt of the same.

Yours faithfully,

For Delta Corp Limited

Dilip Vaidya
Company Secretary and GM -Secretarial
FCS No.: 7750



Encl.: As above

Regd. Office : 10, Kumar Place, 2408, General Thimayya Road, Pune - 411001.

Bayside Mall, 2nd Floor,	Phone : +91 22 4079 4700
Tardeo Road, Haji Ali,	Fax : +91 22 4079 4777
Mumbai - 400 034.	Email : secretarial@deltin.com
URL : www.deltacorp.in	CIN : L65493PN1990PLC058817

Complaints Report

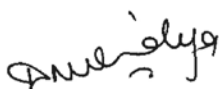
Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		

For Delta Corp Limited




Dilip Vaidya
Company Secretary and GM -Secretarial
FCS No.: 7750

Regd. Office : 10, Kumar Place, 2408, General Thimayya Road, Pune - 411001.

Bayside Mall, 2nd Floor,	Phone : +91 22 4079 4700
Tardeo Road, Haji Ali,	Fax : +91 22 4079 4777
Mumbai - 400 034.	Email : secretarial@deltin.com
URL : www.deltacorp.in	CIN : L65493PN1990PLC05817



Date: 18th October, 2016

To,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block- G,
Bandra Kurla Complex,
Bandra (East) Mumbai - 400 051.
Fax No. 26598235/8237/8347.
Symbol: DELTACORP

Dear Sir,

Ref: Scheme of Amalgamation of Gauss Networks Private Limited ("Gauss" or "the Transferor Company") with Delta Corp Limited ("DCL" or "the Transferee Company") and their Respective Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013

Sub: Complaint report as per Annexure III of SEBI Circular no. CIR/CFD/CMD | 16 | 2015 dated November 30, 2015

With reference to our letter dated 16th September, 2016, for the proposed scheme of amalgamation Gauss Networks Private Limited ("Gauss" or "the Transferor Company") with Delta Corp Limited ("DCL" or "the Transferee Company") and their Respective Shareholders and Creditors under regulation 37 of SEBI (Listing Obligations and Disclosure requirements), Regulations, 2015 please find enclosed the complaint report from September 26, 2016 to October 17, 2016 as per the prescribed format.

We request you to take the same on your record and acknowledge the receipt of the same.

Yours faithfully,

For Delta Corp Limited

Dilip Vaidya
Company Secretary and GM -Secretarial
FCS No.: 7750



Encl.: As above

Regd. Office : 10, Kumar Place, 2408, General Thimayya Road, Pune - 411001.

Bayside Mall, 2nd Floor,	Phone : +91 22 4079 4700
Tardeo Road, Haji Ali,	Fax : +91 22 4079 4777
Mumbai - 400 034.	Email : secretarial@deltin.com
URL : www.deltacorp.in	CIN : L65493PN1990PLC058817

Complaints Report

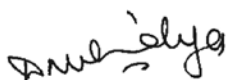
Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		

For Delta Corp Limited



Dilip Vaidya
Company Secretary and GM -Secretarial
FCS No.: 7750



Regd. Office : 10, Kumar Place, 2408, General Thimayya Road, Pune - 411001.

Bayside Mall, 2nd Floor,	Phone : +91 22 4079 4700
Tardeo Road, Haji Ali,	Fax : +91 22 4079 4777
Mumbai - 400 034.	Email : secretarial@deltin.com
URL : www.deltacorp.in	CIN : L65493PN1990PLC058817



Gauss Networks Pvt. Ltd.

E-Mail : info@gaussnetworks.com

Website : www.gaussnetworks.com

CERTIFIED TRUE COPY OF THE EXTRACTS OF THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF M/S. GAUSS NETWORKS PRIVATE LIMITED HELD ON 19TH JANUARY, 2017 AT PLOT NO 349, UDYOG VIHAR, PHASE-2, GURGAON, HARYANA - 122015.

The acquisition of the entire undertaking of the Company by Delta Corp Limited ('DCL') by way of a Scheme of Amalgamation was approved by the Board of Directors vide board resolution dated 30th August, 2016. Subsequent to the said date, provisions of Section 230 to Section 232 of the Companies Act, 2013 inter-alia governing amalgamation of companies have become operative with effect from 15th December, 2016.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting. Having regard to the aforesaid new provisions, following was discussed by the Board of Directors:

1. For the Scheme, the Valuation Report was obtained from M/s Sharp and Tannan, Chartered Accountants who had recommended the following ratio in their report dated August 30, 2016:
 - i) 1 (One) fully paid up Optionally Convertible Preference Shares ('OCPS') of Rs. 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven) each of DCL to be issued and allotted for every one fully paid up equity share of Rs. 10 held in the Company
 - ii) 1.(One) fully paid up 1% Redeemable Preference Shares ('RPS') of Rs. 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven) each of DCL to be issued and allotted for every one fully paid up equity share of Rs. 10 held in the Company
 - iii) 3,000 (Three Thousand) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven) each of DCL to be issued and allotted to each of Mr. Mohit Aggarwal and Mr. Anuj Gupta respectively (shareholders of the Company)

Fairness Opinion was also obtained from M/s Systematix Corporate Services Private Limited.

The aforesaid OCPS and RPS shall be converted into equity shares of DCL / redeemed, as the case maybe, as per the terms and conditions set out in Schedule I of the Scheme. The conversion price of OCPS will be determined according to the Regulations of the Securities and Exchange Board of India (Issue of Capital and

For GAUSS NETWORKS PVT. LTD.

Mohit Aggarwal

GAUSS NETWORKS PRIVATE LIMITED

CIN : U72200MH2013PTC288316

REGD OFFICE :- OFFICE NO. 115, 1ST FLOOR, BAYSIDE MALL, 35-C, TARDFO

DIRECTOR/AUTHORISED SIGNATORY

Disclosure Requirements) as stated in the terms and conditions set out in Schedule I of the Scheme.

2. As far as the shareholders of the Company are concerned (promoter shareholders as well as non-promoter shareholders), they will be allotted OCPS and RPS in DCL and the shares held by them in the Company will be cancelled. Further, the shareholders of the Company receiving equity shares in DCL upon conversion of OCPS into equity shares will form part of public shareholders of DCL.
3. There would not be any change in KMP of the Company pursuant to the Scheme.

~~For Gauss Networks Private Limited.~~
~~For GAUSS NETWORKS PVT. LTD.~~

mswini Agnewal

DIRECTOR/AUTHORISED SIGNATORY

Director / Authorised Signatory



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF M/S. DELTA CORP LIMITED AT ITS MEETING HELD ON 17TH JANUARY, 2017 AT BAYSIDE MALL, 2ND FLOOR, HAJI ALI, TARDEO ROAD, MUMBAI - 400 034 EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO

The acquisition of the entire undertaking of Gauss Networks Pvt Ltd ('Gauss') by way of a Scheme of Amalgamation was approved by the Board of Directors vide board resolution dated 30th August, 2016. Subsequent to the said date, provisions of Section 230 to Section 232 of the Companies Act, 2013 inter-alia governing amalgamation of companies have become operative with effect from 15th December, 2016.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid new provisions, following was discussed by the Board of Directors:

1. For the Scheme, the Valuation Report was obtained from M/s Sharp and Tannan, Chartered Accountants who had recommended the following ratio in their report dated August 30, 2016:
 - i) 1 (One) fully paid up Optionally Convertible Preference Shares ('OCPS') of Rs. 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven) each of the Company to be issued and allotted for every one fully paid up equity share of Rs.10 held in Gauss.
 - ii) 1 (One) fully paid up 1% Redeemable Preference Shares ('RPS') of Rs. 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven) each of the Company to be issued and allotted for every one fully paid up equity share of Rs.10 held in Gauss.
 - iii) 3,000 (Three Thousand) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven) each of the Company to be issued and allotted to each of Mr. Mohit Aggarwal and Mr. Anuj Gupta respectively (shareholders of Gauss)

Fairness Opinion was also obtained from M/s Systematix Corporate Services Private Limited.

The aforesaid OCPS and RPS shall be converted into equity shares of the Company / redeemed, as the case maybe, as per the terms and conditions set out in Schedule I of the Scheme. The conversion price of OCPS will be determined according to the Regulations of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) as stated in the terms and conditions set out in Schedule I of the Scheme.

2. As far as the shareholders of the Company are concerned (promoter shareholders as well as non-promoter shareholders), there will be dilution in their shareholding in the Company on conversion of OCPS into equity shares. However, the extent of dilution cannot be determined at this time as the conversion price of OCPS would only be known at the time of conversion (which will in any event be in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009). Further, the shareholders of Gauss receiving equity shares in the Company upon conversion of OCPS into equity shares will form part of public shareholders.
3. The Scheme would not have any effect on Key Managerial Personnel's of the Company

For Delta Corp Limited


Dilip Vaidya
Company Secretary & GM – Secretarial
FCS No 7750



Regd. Office : 10, Kumar Place, 2408, General Thimayya Road, Pune - 411001.

Bayside Mall, 2nd Floor,	Phone : +91 22 4079 4700
Tardeo Road, Haji Ali,	Fax : +91 22 4079 4777
Mumbai - 400 034.	Email : secretarial@deltin.com
URL : www.deltacorp.in	CIN : L65493PN1990PLC058817

this page is intentionally left blank

If, undelivered return to:

Freedom Registry Limited

Registered Office:

Plot No. 101 / 102,

19th Street, MIDC, Satpur, Nasik - 422 007

Email: support@freedomregistry.in

Phone: 0253-2354032, 2363372