

SSPA & CO.

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STRICTLY PRIVATE & CONFIDENTIAL

December 06, 2024

To,
The Board of Directors,
Delta Corp Limited
10, Kumar Place,
2408, General Thimayya Road,
Pune - 411001

To,
The Board of Directors,
Delta Penland Private Limited
Delta House, Plot No. 12
Hornby Vellard Est A. B. Road
Worli, Mumbai 400018

To,
The Board of Directors,
Deltin Hotels & Resorts Private Limited
Delta Centre H.No.850, Off N.H.17,
Porvorim, North Goa,
Goa, 403521

Dear Sir(s)/ Madam(s),

Re: Report on fair share entitlement ratio for the proposed demerger of:

- i. 'Hospitality and Real Estate Business' located on the Dhargal Land of Delta Corp Limited ('Demerged Undertaking 1') into Deltin Hotels & Resorts Private Limited; and
- ii. 'Hospitality and Real Estate Business' of Delta Corp Limited other than Demerged Undertaking 1 ('Demerged Undertaking 2') into Delta Penland Private Limited

We refer to addendum to the engagement letter dated December 04, 2024 read with original engagement letter dated September 20, 2024, whereby, SSPA & Co., Chartered Accountants (hereinafter referred to as 'SSPA' or 'Registered Valuer' or 'We') have been appointed by the management of Delta Corp Limited ('DCL' or 'Demerged Company'), Delta Penland Private Limited (hereinafter referred to as 'DPPL') and Deltin Hotels & Resorts Private limited (hereinafter referred to as 'DHRPL') to issue a report opining on the fair share entitlement ratio for the proposed demerger of Demerged Undertaking 1 of DCL into DHRPL and for the proposed demerger of Demerged Undertaking 2 of DCL into DPPL.

DCL, DPPL and DHRPL are hereinafter collectively referred to as the 'Companies' or 'the Client'.



1. SCOPE AND PURPOSE OF THIS REPORT

1.1 We have been informed by the management of DCL, DPPL and DHRPL (hereinafter collectively referred to as 'the Management') that they are considering a proposal for demerger of Demerged Undertaking 1 of DCL into DHRPL and demerger of Demerged Undertaking 2 of DCL into DPPL pursuant to a composite scheme of arrangement under section 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as the 'Scheme').

Subject to necessary approvals, the Demerged Undertaking 1 and Demerged Undertaking 2 of DCL would be demerged into DHRPL and DPPL, respectively, with effect from the appointed date, being April 01, 2025 (hereinafter referred to as 'Appointed Date').

The proposed transaction is hereinafter collectively referred to as the 'Proposed Demerger'.

1.2 Pursuant to the Scheme, DPPL will allot its equity shares of face value of INR 1 each fully paid up to the equity shareholders of DCL as a consideration for the Proposed Demerger of Demerged Undertaking 1 of DCL into DHRPL, a wholly owned subsidiary of DPPL and demerger of Demerged Undertaking 2 of DCL into DPPL. Further, as part of the Scheme, the existing equity shares of DPPL as held by DCL will be cancelled on the Proposed Demerger coming into effect.

1.3 As part of the Scheme, Deltin Cruises and Entertainment Private Limited ('DCEPL'), a step-down wholly owned subsidiary of DCL, is also proposed to be amalgamated with DCL ('Proposed Amalgamation'). No equity shares of DCL are proposed to be issued and allotted, nor any payment is proposed to be made in cash to the shareholders of DCEPL on the Proposed Amalgamation, since DCEPL is a step-down wholly owned subsidiary of DCL.

1.4 We had issued our report on recommendation of fair share entitlement ratio for the proposed demerger of Hospitality and Real Estate Business of DCL into DPPL ('Report') dated September 24, 2024, to the board of DCL and DPPL for the proposed demerger. The management of the Companies are considering a proposal for demerger of Demerged Undertaking 1 of DCL into DHRPL and demerger of Demerged Undertaking 2 of DCL into DPPL pursuant to the Scheme and have therefore requested us to issue an



updated Report opining on the fair share entitlement ratio as recommended by the Management for the Proposed Demerger.

- 1.5 In this regard, we have been requested to issue a report opining on the fair share entitlement ratio as recommended by the Management for the Proposed Demerger.

2. BRIEF BACKGROUND

2.1. DELTA CORP LIMITED

DCL, is engaged in the business of (i) gaming (live, electronic, and online); and (ii) hospitality and real estate. DCL has evolved into diversified segments like Casino gaming, Online gaming, Hospitality and Real estate. DCL currently operates Deltin Royale, Deltin JAQK & Kings Casino, among the country's three largest offshore casinos. DCL also owns and operates Deltin Suites, a 106-room, all-suite hotel with a casino located in Goa. The equity shares of DCL are listed on BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

The shareholding pattern of DCL as on September 30, 2024 is as follows:

Category of Shareholders	No of Shares	% of Holding
Promoter and promoter group	8,90,50,440	33.26%
Public	17,87,20,657	66.74%
Total (Face value of INR 1 Each)	26,77,71,097	100.00%

The consolidated revenue from operations of the Demerged Company for the 6 months period ended September 30, 2024 ('6ME Sep24') is INR 368.30 crores and the consolidated profit before tax of the Demerged Company for 6ME Sep24 amounts to INR 69.71 crores.

2.2. 'DEMERGED UNDERTAKING 1' OF DCL

Demerged Undertaking 1 means the undertaking of DCL pertaining to the Hospitality and Real Estate Business located on the Dhargal Land (*as defined in the Scheme*) engaged in providing hospitality services and development and dealing in real estate properties, including associated assets and liabilities.

Further, we have been informed by the Management that as part of Demerged Undertaking 1, the land situated in Dhargal, Goa; and other assets along with their corresponding liabilities are proposed to be demerged into DHRPL.



2.3. 'DEMERGED UNDERTAKING 2' OF DCL

Demerged Undertaking 2 means the undertaking of DCL pertaining to the Hospitality and Real Estate Business other than the 'Demerged Undertaking 1' engaged in providing hospitality services and development and dealing in real estate properties, including associated assets and liabilities.

Further, we have been informed by the Management that as part of Demerged Undertaking 2, the assets viz. The Deltin Suites, Goa; equity shares held by DCL in Marvel Resorts Private Limited; and other assets along with their corresponding liabilities are proposed to be demerged into DPPL.

2.4. DELTA PENLAND PRIVATE LIMITED

DPPL, incorporated in April 2024, is a wholly owned subsidiary of DCL. The registered office of DPPL is at Delta House, Plot No. 12, Hornby Vellard Est A. B. Road, Mumbai 400 018, Maharashtra.

Further, DPPL is in the process of converting from a private limited company to a public company and the necessary approvals in this regard are awaited.

We have been informed that with the issue and allotment of equity shares by DPPL to the equity shareholders of DCL in accordance with the Scheme for the Proposed Demerger, all the existing equity shares of DPPL as held by DCL shall stand cancelled.

2.5. DELTIN HOTEL & RESORTS PRIVATE LIMITED

DHRPL, incorporated in December 2016, is a wholly owned subsidiary of DPPL. DHRPL is engaged in the hospitality business. DHRPL is in the process of shifting its registered office from Delta Centre H. No. 850, Off N.H. 17, Porvorim, North Goa, Goa – 403 521 to Delta House, Plot No. 12, Hornby Vellard Estate, Dr. Annie Besant Road, Next to Copper Chimney, Mumbai 400 018, Maharashtra and necessary approvals in this regard are awaited

3. REGISTERED VALUER - SSPA & CO., CHARTERED ACCOUNTANTS

SSPA, is a partnership firm, located at 1st Floor, "Arjun", Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is engaged in providing various corporate consultancy services.



We are a firm of practising Chartered Accountants registered with The Institute of Chartered Accountants of India ('ICAI'). We are also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

4. SOURCES OF INFORMATION

For the purpose of this exercise, we have relied upon the following sources of information received from the Management and information available in the public domain:

- (a) Management certified provisional statement of assets and liabilities of Demerged Undertaking 1 and of Demerged Undertaking 2 of DCL as on September 30, 2024.
- (b) Audited balance sheet and statement of profit and loss of DPPL and of DHRPL for period ended September 30, 2024.
- (c) Draft Composite scheme of arrangement.
- (d) Such other information and explanations as we required and which have been provided by the Management, including management representations.

5. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS, AND DISCLAIMERS

- 5.1. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further, our report opining on the fair share entitlement ratio for the Proposed Demerger is in accordance with ICAI Valuation Standards 2018 issued by The Institute of Chartered Accountants of India.
- 5.2. This report has been prepared for the Board of Directors of the Companies solely for the purpose of recommending a fair share entitlement ratio for the Proposed Demerger.
- 5.3. The report assumes that the Companies / Demerged Undertaking 1 / Demerged Undertaking 2 of DCL complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Companies / Demerged Undertaking 1 / Demerged Undertaking 2 of DCL will be managed in a competent and responsible manner. Further, 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 litigations.

- 5.4. The draft of the present report was circulated to the Management (excluding the recommended fair share entitlement ratio) for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.
- 5.5. For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies and / or its auditors / consultants, is that of the Management. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material information about the Companies / Demerged Undertaking 1 / Demerged Undertaking 2 of DCL. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our conclusions.
- 5.6. Our work does not constitute an audit, due diligence, or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, we have evaluated the information provided to us by DCL through broad inquiry, analysis, and review. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.
- 5.7. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies / Demerged Undertaking 1 / Demerged Undertaking 2 of DCL and any other matter, which may have an impact on the report including any significant changes that have taken place or are likely to take place in the financial position of the Companies / Demerged Undertaking 1/ Demerged Undertaking 2 of DCL. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.



- 5.8. We are independent of the Companies / Demerged undertaking 1 / Demerged Undertaking 2 of DCL and have no current or expected interest in the Companies or its assets. The fee paid for our services in no way influenced the results of our analysis.
- 5.9. Our report is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, competition, taxation, and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Demerger.
- 5.10. Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/business of the Companies / Demerged Undertaking 1 / Demerged Undertaking 2 of DCL shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 5.11. The decision to carry out the Proposed Demerger (including consideration thereof) lies entirely with the parties concerned and our work and our finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Demerger.
- 5.12. Our report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to National Company Law Tribunal /regulatory/statutory authority for obtaining requisite approvals. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- 5.13. SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness, or completeness of the information, based on which this report is issued. We owe responsibility only to the Client that has appointed us under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions, or advice given by any other person. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the Client or Companies, their directors,



employees, or agents.

6. RECOMMENDATION OF SHARE ENTITLEMENT RATIO

Based on discussions with the Management, the share entitlement ratio has been determined as follows:

- 6.1. As mentioned in Para 1.2 above, in consideration for the Proposed Demerger of Demerged Undertaking 1 of DCL into DHRPL and of Demerged Undertaking 2 of DCL into DPPL, DPPL would issue equity shares to the equity shareholders of DCL.

We understand that the Management have considered following parameters while arriving at the share entitlement ratio:

- i. No fractional entitlements
- ii. Future equity servicing capacity of DPPL

- 6.2. Accordingly, the Management has recommended the following share entitlement ratio in consideration for the Proposed Demerger i.e. Demerged Undertaking 1 into DHRPL and Demerged Undertaking 2 into DPPL:

1 (One) equity share of INR 1 each fully paid up of DPPL for every 1 (One) equity share of INR 1 each fully paid up held in DCL.

We believe that the aforementioned share entitlement ratio is fair considering that all the shareholders of DCL are and will, upon Proposed Demerger, be the ultimate beneficial owners of DPPL in the same ratio (inter se) as they hold shares in DCL.

- 6.3. As mentioned above, post the Proposed Demerger all the shareholders of DCL are and will be the ultimate beneficial owners of DPPL in the same ratio (inter se) as they hold shares in DCL. Therefore, no relative valuation of Demerged Undertaking 1, Demerged Undertaking 2, DPPL and DHRPL is required to be undertaken for the Proposed Demerger. Accordingly, valuation approaches as indicated in the format (as attached herewith as **Annexure I-A and Annexure 1-B** to this report) as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.



7. CONCLUSION

7.1. The share entitlement ratio in consideration for the Proposed Demerger of Demerged Undertaking 1 of DCL into DHRPL and demerger of Demerged Undertaking 2 of DCL into DPPL as recommended by the Management is:

1 (One) equity share of INR 1 each fully paid up of DPPL for every 1 (One) equity share of INR 1 each fully paid up held in DCL

Based on our review, information made available to us and discussions with the Management, in our opinion, the aforementioned share entitlement ratio in consideration for the Proposed Demerger of Demerged Undertaking 1 into DHRPL and Demerged Undertaking 2 into DPPL is reasonable.

We believe that the aforementioned share entitlement ratio is fair considering the following:

- a) that all the shareholders of DCL are and will, upon Proposed Demerger, be the ultimate beneficial owners of DPPL in the same ratio (inter se) as they hold shares in DCL.
- b) DHRPL to which the Demerged Undertaking 1 is proposed to be transferred is a wholly owned subsidiary of DPPL;
- c) on demerger of the Demerged Undertaking 1 into DHRPL, there is no change in shareholding / share capital of DHRPL and 100% share capital of DHRPL will continue to be held by DPPL till the Scheme is made effective.

Thanking you,
Yours faithfully,

For SSPA & CO.

Chartered Accountants

ICAI Firm registration number: 128851W

IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126

S.A. Shah

Sujal Shah

Partner

Registered Valuer No.: IBBI/RV/06/2018/10140

ICAI Membership No. 045816



UDIN: 24045816BKAGYP4858

Place: Mumbai

Annexure I-A

For Demerger of 'Demerged Undertaking 1 of DCL into DHRPL (Refer para 6.3)

Valuation Approach	Demerged Undertaking 1		DHRPL	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative value per share	NA		NA	

NA = Not Adopted / Not Applicable

Annexure I-B

For Demerger of Demerged Undertaking 2' of DCL into DPPL (Refer para 6.3)

Valuation Approach	Demerged Undertaking 2		DPPL	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative value per share	NA		NA	

NA = Not Adopted / Not Applicable

