

Date: September 24, 2024

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

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

Dear Sir/Ma'am,

Subject: Fairness opinion on the recommendation of equity share entitlement ratio recommended by SSPA & Co., Chartered Accountants, Registered Valuer - Securities or Financial Assets for the proposed demerger of 'Hospitality & Real Estate Business' of Delta Corp Limited into Delta Penland Private Limited

We refer to our discussion undertaken with the Management of Delta Corp Limited ("*DCL*" or "*Demerged Company*") wherein the Management of DCL (*the "Management"*) has appointed Kunvarji Finstock Private Limited, a Category I Merchant Banker registered with SEBI having Registration Number – INM000012564 ("*Kunvarji*" or "*We*" or "*Us*" or "*Our*") vide engagement letter dated September 20, 2024 to provide a fairness opinion on the equity share entitlement ratio as recommended by SSPA & Co., Chartered Accountants, Registered Valuer - Securities or Financial Assets ("*Independent Valuer*") vide report dated September 24, 2024 for the proposed demerger of '*Hospitality & Real Estate Business*' of Delta Corp Limited into Delta Penland Private Limited ("*DPPL*" or "*Resulting Company*"), a wholly owned subsidiary of DCL, with effect from the Appointed Date as defined in the draft scheme of arrangement ("*Proposed Demerger*" or "*Proposed Transaction*")

Demerged Company and Resulting Company shall collectively be referred to as "Transacting Companies".

Please find enclosed our deliverables in the form of a report (*the "Report"*). This Report sets out the transaction overview, scope of work, background of the Transacting Companies, sources of information and our opinion on the equity share entitlement ratio for the aforesaid Proposed Demerger as recommended by the Independent Valuer.

Kunvarji Finstock Pvt. Ltd.

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📍 Registered Office : Kunvarji, B - Wing, Siddhivinayak Towers, Off. S.G. Road, Ahmedabad - 380 051.

Corporate Office : 1218-20, 12th Floor, Summit Business Bay, Opp. PVR Cinema,

Near Western Express Highway – Metro Station, Andheri (E), Mumbai, Maharashtra - 400093.

CIN - U65910GJ1986PTC008979



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

This Report has been issued only to facilitate the Proposed Demerger and should not be used for any other purpose.

For, Kunvarji Finstock Private Limited

Mr. Atul Chokshi
Director (DIN: 00929553)

Place: Ahmedabad
Date: September 24, 2024

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1. BACKGROUND OF THE TRANSACTING COMPANIES

❖ Delta Corp Limited (Demerged Company)

Delta Corp Limited is a public company limited by shares bearing CIN L65493PN1990PLC058817 and was incorporated on November 05, 1990. The registered office of the company is situated at 10, Kumar Place, 2408, General Thimayya Road, Pune, Maharashtra, India, 411001. The equity shares of the company are listed on BSE Limited and The National Stock Exchange of India 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 summary of the equity shareholding pattern of DCL as on June 30, 2024 is as under:

Category of the Shareholder	No. of shares held (FV – INR 1 each)	Shareholding (%)
Promoter & Promoter Group	8,90,50,440	33.26%
Public	17,87,20,657	66.74%
Total	26,77,71,097	100.00%

(Source: Management and regulatory filings)

❖ Delta Penland Private Limited (Resulting Company)

Delta Penland Private Limited is a private company limited by shares bearing CIN U43299MH2024PTC423997 and was incorporated on April 24, 2024. The registered office of the company is situated at Delta House Plot No. 12, Hornby Vellard Est A.B.Rd, Worli, Mumbai, Mumbai, Maharashtra, India, 400018.

DPPL is a newly incorporated company and shall carry on the hospitality and real estate business.



The summary of the equity shareholding pattern of DPPL as on the date of this Report is as under:

Name of the Shareholder	No. of shares held (FV – INR 1 each)	Shareholding (%)
Delta Corp Limited along with its nominee	10,00,000	100.00%
Total	10,00,000	100.00%

(Source: Management)

2. TRANSACTION OVERVIEW, RATIONALE OF THE SCHEME & SCOPE OF SERVICES

❖ Transaction Overview

We understand that the Management including the Board of Directors of the Transacting Companies are contemplating a scheme of arrangement, wherein they intend to demerge, transfer and vest the 'Hospitality and Real Estate Business' of DCL into its wholly owned subsidiary DPPL on a going concern basis in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and in a manner provided in the draft scheme of arrangement (*the "Scheme"*). Further, we understand that as a part of the Scheme, the outstanding issued and paid up share capital of DPPL entirely held by DCL would be cancelled by way of capital reduction.

We understand that as consideration for the Proposed Demerger, equity shareholders of DCL would be issued equity shares of DPPL. The equity shares of DPPL to be issued for the aforesaid Proposed Demerger will be based on the equity share entitlement ratio as determined by the Board of Directors based on the equity share entitlement ratio report prepared by the Independent Valuer appointed by them.

❖ Rationale of the Scheme

The rationale of the Proposed Demerger as mentioned in the Scheme and confirmed by the Management is to reorganize and reconstruct the Demerged Company by segregating its gaming business from hospitality and real estate segments, resulting in separate entities exclusively focusing on a specific business segment and de-risking the businesses for the stakeholders of the Demerged Company. The Proposed Demerger would ensure transparency, accountability, highest standards of corporate governance and compliance enhancing the operational flexibility and quick response to competitive or environmental challenges.

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❖ Scope of Services

Pursuant to SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, we have been requested by the Management to issue a fairness opinion in relation to the equity share entitlement ratio for the Proposed Demerger.

In this regard, the Management has appointed Kunvarji Finstock Private Limited, a Category I Merchant Banker registered with SEBI having Registration Number – INM000012564 to provide a fairness opinion on the equity share entitlement ratio for the Proposed Demerger as recommended by the Independent Valuer vide report dated September 24, 2024.

Our scope of work only includes forming an opinion on the fairness of the recommendation of the Independent Valuer on the equity share entitlement ratio arrived at for the Scheme and does not involve evaluating or opining on the fairness or economic rationale of the Scheme per se. This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers 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.

3. SOURCES OF INFORMATION

We have relied on the following information made available to us by the Management obtained and available in the public domain for this Report:

- Draft Scheme of Arrangement between DCL and DDPL and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013;
- Audited financial statement of DCL for the year ending on March 31, 2024 and March 31, 2023;
- Audited balance sheet as on June 30, 2024 of DPPL and statement of profit and loss of DPPL for the quarter ended June 30, 2024.
- Management certified provisional statement of assets and liabilities of Demerged Undertaking of DCL as on June 30, 2024.
- Shareholding pattern of DCL as on June 30, 2024 and of DPPL as at the Report Date;

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- Signed equity share entitlement ratio report issued and prepared by SSPA & Co., Chartered Accountants, Registered Valuer - Securities or Financial Assets vide report dated September 24, 2024
- Relevant data and information provided by Management either in written or oral form or in the form of soft copy; and discussions with representatives of the Management for the matters considered relevant for the purpose of this Report.

The Management has been provided with the opportunity to review the draft fairness opinion Report (excluding our opinion on the share entitlement ratio) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided.

4. PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the opinion:

- Discussion with the Management to understand the business and the fundamental factors that affect its earning generating capability of Transacting Companies including strength, weakness, opportunity and threat analysis and historical financial performance;
- Analysis of information shared by Management;
- Requested and received financial and qualitative information and obtained data available in the public domain;
- Reviewed the draft scheme of arrangement between the Transacting Companies pursuant to which the Proposed Demerger is to be undertaken;
- Reviewed the signed equity share entitlement ratio report issued and prepared by SSPA & Co., Chartered Accountants, Registered Valuer - Securities or Financial Assets vide report dated September 24, 2024;
- Discussion with an Independent Valuer on such matters which we believed were necessary or appropriate for issuing this opinion.



5. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- The fairness opinion contained herein is not intended to represent a fairness opinion at any time other than the Report Date.
- We have no obligation to update this Report. This Report, its contents and the results herein are specific to (i) the purpose of fairness opinion agreed upon as per the terms of our engagement; (ii) the Report Date; (iii) the draft scheme of arrangement and (iv) other data detailed in the Section 3 of this Report "*Sources of Information*".
- A fairness opinion of this nature is necessarily based on the 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.
- The fairness opinion rendered in this Report only represents our opinion based upon information furnished by the Transacting Companies and gathered from the public domain (and analysis thereon) and the said opinion shall be considered to be in the nature of non-binding advice. Our fairness opinion should not be used for advising anybody to make a buy or sell decision for which a specific opinion needs to be taken from expert advisors.
- We have not independently audited or otherwise verified the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Transacting Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information given by/on behalf of the Transacting Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our fairness opinion.
- It is understood that this opinion is solely for the benefit of confidential use by the Board of Directors of the Transacting Companies to facilitate Transacting Companies to comply with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 as amended from time; disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI, National Company Law Tribunal or as required under applicable law and it shall not be valid for any other purpose. This opinion is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.



- The Report assumes that the Transacting Companies comply fully with relevant laws and regulations applicable in all its areas of operations and that the Transacting Companies will be managed competently and responsibly. Further, this Report has not considered matters of a legal nature, including issues of legal title and compliance with local laws, litigation and other contingent liabilities that are not represented to us by the Management. Our fairness opinion assumes that the assets and liabilities of the Transacting Companies, reflected in their respective balance sheet remain intact as of the Report Date.
- The Report 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 fairness opinion is issued on the understanding that each of the Transacting Companies has drawn our attention to all the matters which may have an impact on our opinion including any significant changes that have taken place or are likely to take place in the financial position or businesses up to the date of approval of the Scheme by the Board of Directors. We have no responsibility to update this fairness opinion for events and circumstances occurring after this date.
- Certain terms of the Proposed Transaction are stated in our fairness opinion, however the detailed terms of the Proposed Transaction shall be more fully described and explained in the Scheme document to be submitted to relevant authorities in relation to the Proposed Transaction. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the Scheme document.
- The fee for the engagement is not contingent upon the results reported.
- We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Transacting Companies. 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 the part of the Transacting Companies, their directors, employees or agents.
- This Report is not a substitute for the third party's due diligence/appraisal/inquiries/independent advice that the third party should undertake for his purpose.
- This Report is subject to the laws of India.
- Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed scheme of arrangement and filing it with relevant authorities, without our prior written consent.



- In addition, this Report does not in any manner address the prices at which equity shares of Transacting Companies will trade following the announcement of the Proposed Transaction and we express no opinion or recommendation as to how the shareholders of Transacting Companies should vote at any shareholder's meeting(s) to be held in connection with the Proposed Transaction. Our opinion contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.
- The Merchant Banker - Kunvarji, is also engaged in providing services as a Stock Broker, Depository Participant and Portfolio Manager in its name and as an Investment Adviser in the name of its subsidiary. Apart from this, Kunvarji, its directors, promoters, employees, affiliates and associates, are engaged in investing/ trading in the securities market on their respective accounts. The Merchant Banking Division of Kunvarji takes utmost care, through the effective implementation of principles of maintenance of the Chinese wall, to ensure that no information received by the Merchant Banking Division is not shared with or otherwise accessible to other departments of Kunvarji, and/or its promoters, directors, employees (other than employees of Merchant Banking Division), affiliates and associates. The proprietary trading account of Kunvarji and /or its promoters, directors, employees, affiliates, associates and clients of broking, PMS services and Investment Advisory services may execute transactions and/or hold open long or short positions in the ordinary course of business in the securities issued by a listed company who itself or its affiliate or associate entity proposes to engage Merchant Banking Division of Kunvarji for providing services to itself or its associate or affiliate company.

5. OUR RECOMMENDATION

As stated in the equity share entitlement ratio report dated September 24, 2024 prepared by SSPA & Co., Chartered Accountants, Registered Valuer - Securities or Financial Assets have recommended the following:

To the equity shareholders of DCL for the Proposed Demerger of 'Hospitality & Real Estate Business' of Delta Corp Limited into Delta Penland Private Limited

"1 (One) fully paid-up equity share having a face value of INR 1 (One) each of the Resulting Company shall be issued and allotted for every 1 (One) fully paid-up equity share having a face value of INR 1 (One) each held in the Demerged Company".

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The aforesaid Proposed Transaction shall be pursuant to the draft scheme of arrangement and shall be subject to receipt of approval from the Hon'ble NCLT, Mumbai Bench or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the Proposed Transaction are more fully outlined in the draft scheme of arrangement. Kunvarji has issued the fairness opinion with the understanding that the draft scheme of arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final scheme of arrangement alters the Proposed Transaction.

Based on the information, and data made available to us, to the best of our knowledge and belief, the share entitlement ratio as recommended by SSPA & Co., Chartered Accountants, Registered Valuer - Securities or Financial Assets in relation to the proposed draft scheme of arrangement is ***fair*** to the equity shareholders of DCL in our opinion.

For, Kunvarji Finstock Private Limited

Mr. Atul Chokshi
Director (DIN: 00929553)

Date: September 24, 2024
Place: Ahmedabad

