

**STRICTLY PRIVATE & CONFIDENTIAL**

September 24, 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

Dear Sir(s)/ Madam(s),

**Re: Report on fair share entitlement ratio for the proposed demerger of 'Hospitality and Real Estate Business' of Delta Corp Limited into Delta Penland Private Limited**

We refer to the 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 'the Client' or 'Demerged Company') and Delta Penland Private Limited to issue a report opining on the fair share entitlement ratio for the proposed demerger of Hospitality and Real Estate Business of DCL (hereinafter referred to as the 'Hospitality and Real Estate Business' or 'Demerged Undertaking') into Delta Penland Private Limited (hereinafter referred to as 'DPPL' or the 'Resulting Company'), a wholly owned subsidiary of DCL.

DCL and DPPL are hereinafter collectively referred to as the 'Companies'.

**1. SCOPE AND PURPOSE OF THIS REPORT**

- 1.1 We have been informed by the management of DCL and DPPL (hereinafter collectively referred to as 'the Management') that they are considering a proposal for demerger of 'Hospitality and Real Estate Business' of DCL into DPPL pursuant to a scheme of arrangement under section 230 to 232 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, Hospitality and Real Estate Business of DCL would be demerged into DPPL with effect from the appointed date (hereinafter referred to as 'Appointed Date').

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

- 1.2 Pursuant to the Scheme, as a consideration for the Proposed Demerger, equity shareholders of DCL are proposed to be allotted equity shares of face value of INR 1 each fully paid up of DPPL. As part of the Scheme, the existing equity shares of DPPL as held by DCL will be cancelled on demerger coming into effect.
- 1.3 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 June 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%
<b>Total (Face value of INR 1 Each)</b>	<b>26,77,71,097</b>	<b>100.00%</b>

The consolidated revenue from operations of the Demerged Company for the 3 months period ended June 30, 2024 ('3ME Jun24') is INR 180.65 crores and the consolidated profit before tax of the Demerged Company for 3ME Jun24 amounts to INR 32.12 crores.

### **2.2. HOSPITALITY AND REAL ESTATE BUSINESS OF DCL**

Hospitality and Real Estate Business means the business of the Demerged Company 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 the Hospitality and Real Estate business, the following segments would be demerged into DPPL:

- The Deltin Suites, Goa;
- Land situated in Dhargal, Goa;
- equity shares held by DCL in Marvel Resorts Private Limited; and
- Liquid and other assets and liabilities related to the Demerged Undertaking.

### 2.3. 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 have applied for sub-division of equity shares from 1,00,000 equity shares of INR 10 each to 10,00,000 equity shares of INR 1 each fully paid and the necessary approvals in this regard are awaited.

We have been informed that with the issue and allotment of equity shares by the Resulting Company to the equity shareholders of the Demerged Company in accordance with the proposed Scheme, all the existing equity shares issued by the Resulting Company to the Demerged Company shall stand cancelled.

### 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) 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.
- (b) Management certified provisional statement of assets and liabilities of Demerged Undertaking of DCL as on June 30, 2024.
- (c) Draft 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 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 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 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 the Demerged Company 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 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 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 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 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, 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. demerger of Hospitality and Real Estate Business of DCL 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 of DCL and of DPPL is required to be undertaken for the Proposed Demerger. Accordingly, valuation approaches as indicated in the format (as attached herewith as **Annexure I** 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 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 Hospitality and Real Estate Business of DCL into DPPL is reasonable.



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.

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

Place: Mumbai

UDIN: 24045816BKAGYB8426

Place: Mumbai



Annexure I

For Demerger of 'Hospitality and Real Estate Business' of DCL into DPPL (Refer para 6.3)

Valuation Approach	Hospitality and Real Estate Business		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
<b>Relative value per share</b>	<b>NA</b>		<b>NA</b>	

