



**29<sup>th</sup> ANNUAL GENERAL MEETING**

**17<sup>th</sup> August, 2020 AT 4.00 P.M.**

**By Video conferencing (VC)/Other Audio Visual Means  
(OAVM)**

## Transcript of the Annual General Meeting

Mr. Jaydev Mody took the Chair

### **Jaydev Mody:**

Good afternoon dear members,

I Jaydev Mody, Chairman of your Company and also of Stakeholders Relationship Committee, welcome you all to the 29<sup>th</sup> Annual General Meeting of your Company. This meeting is being held through video conference in accordance with the circular issued by the Ministry of Corporate Affairs and SEBI from time to time.

I have been informed that the requisite quorum is present and so I call the meeting to be in order.

Following directors of the Company are attending the meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

I think Mr. Rakesh Jhunjhunwala is not able to join the meeting and other than that all directors have joined the meeting. I first introduce,

1. Mr. Ashish Kapadia, Managing Director, attending from Mumbai.
2. Mrs. Alpana Chinai, Independent Director and Chairperson of Nomination, Remuneration and Compensation Committee of the Board, attending from Mumbai.
3. Mr. Chetan Desai, Director, attending from Mumbai.
4. Mr. Rajesh Jaggi, Independent Director, attending from Mumbai.
5. Mr. Ravinder Kumar Jain, Chairman of Audit Committee of the Board, attending from Mumbai.
6. Dr. Vrajesh Udani, Independent Director of the Company, attending from Mumbai.

Apart from Directors, Key Managerial Personnel's of the Company Mr. Hardik Dhebar, Chief Financial Officer and Mr. Dilip Vaidya Company Secretary and Compliance Officer of the Company also present in this meeting through video conferencing.

Mr. Khushroo B Panthaky, partner of M/s Walker Chandiok & Co LLP, Statutory Auditors of the Company and Mr. Ashish Jain of M/s. A. K. Jain & Co., Secretarial Auditor, of the Company are present in this Meeting through video conferencing.

The Company has received authorization under Section 113 of the Companies Act, 2013, from 6 Companies and 1 LLP, consisting of 33.43 % of the total Equity Paid up Capital of the Company.

Since there is no physical attendance of members in this meeting requirement of appointment of proxy is not applicable.

All the necessary documents as are required to be made available, under the provisions of the Companies Act or rules or regulations there under are available on website of the Company i.e. [www.deltacorp.in](http://www.deltacorp.in) for inspection during the course of this meeting.

The Notice convening the 29<sup>th</sup> Annual General Meeting along with the Annual Report has already been circulated to the members of the Company by way of email on 21<sup>st</sup> July, 2020 to their registered email address as per the recent circulars from MCA & SEBI.

Since the Notice of the Annual General Meeting is circulated to the members, I shall take the same as read.

In accordance with Section 145 of the Companies Act, 2013, the Auditors' Report on the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020 has **NIL** qualification. Hence, the Auditors' Report dated 18<sup>th</sup> May, 2020 is **NOT** required to be read at this AGM.

In accordance with the Secretarial Standard – 2 on General Meetings, the Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2020 had **NIL** qualifications. Hence, the Secretarial Audit Report dated 14<sup>th</sup> July, 2020 is **NOT** required to be read at this Annual General Meeting.

The Company had provided the facility to cast the votes electronically on all resolutions set forth in the Notice. Members who have not cast their votes yet electronically and who are participating in this meeting, will have an opportunity to cast their votes during the meeting through the e-voting system provided by NSDL. Members can click on "Vote" tab on the video conference screen to avail this feature.

The Company has appointed, Mr. Ashish Jain of M/s. A. K. Jain & Co., Company Secretary in Practice, as Scrutinizer to scrutinize voting process conducted through remote e-voting in a fair and transparent manner.

The Scrutinizer shall submit his report to me.

Since this AGM is held though Video Conferencing (VC)/Other Audio Visual Means (OAVM) the resolutions mentioned in the notice convening this AGM have been already put to vote through remote-evoting there will be no proposing and seconding of resolutions.

Now we will invite Speakers, one by one, who have registered for this AGM to speak. I request all of them to take minimum possible time to enable us to accommodate other speakers.

I would request Mr. Faizan Mukadam to announce the names one by one and unmute them so that they can speak.

**Mr. Hardik Dhebar, Chief Financial Officer:** With the permission of the Chairman I would just like to make humble request to all the shareholders that we have received about 9 people who have asked to seek clarification and ask questions of which about 4 to 5 people have submitted their questions Mr. Dilip Vaidya Compliance Officer will read out the names of the participants and read the questions of the participants. After which the Chairman will answer those questions and if there is anything more to be asked, once the speaker is unmuted may please add anything if required. Like the Chairman suggested we would request you to please brief so that we can give everybody the chance to ask their questions and speak as required. I now request Dilip to read out the name of the first speaker and read the questions.

**Mr. Dilip Vaidya, Company Secretary and Compliance Officer:** Good afternoon everyone, first speaker is Mr. Shashikant G Marathe. He has posted 2 questions.

Q 1) Had the Company seriously gone through your Change Management Strategy, there would have been improvement over the financial ratios reported for 19-20- The industry world over has progressed far better than our stand alone results. The loss due to no operation on two sites for 10 and 15 days, and delay for license for our Daman unit could have been reduced had you converted these two risks into opportunities. One could have also explored further on line gaming and hospitality, segments. We have lost a quarter of FY due COVID and concentrated on gaming on line- find innovative approaches to make these two new avenues more rewarding.

Q 2) Spell out our strategy on how to maintain our margins in second half of 20-21.

**Mr. Jaydev Mody replied:**

Q 1) Had the Company seriously gone through your Change Management Strategy, there would have been improvement over the financial ratios reported for 19-20- The industry world over has progressed far better than our stand alone results. The loss due to no operation on two sites for 10 and 15 days, and delay for license for our Daman unit could have been reduced had you converted these two risks into opportunities. One could have also explored further on line gaming and hospitality, segments. We have lost a quarter of FY due COVID and concentrated on gaming on line- find innovative approaches to make these two new avenues more rewarding.

So the way I would answer this is that firstly we all know was a severe economic slowdown even prior to COVID which affected us in the previous year. We had 2 compulsory dry docks of 22 days and 25 days on vessels and there is no way to avoid that it's a question of safety and you have to go through that there is no way to crunch that time or make it more efficient, you have to rely on the dry docking company and they do what is necessary and keep the ship only as long as required. Two weeks non-operational days in the month of March 2020 due to COVID-19 has affected us. There has been some competition from the new entrant in the business who has anything new works well in the beginning therefore initially he has done reasonably well and

affected our business initially. There were general elections in the month of April and May 2019 and when there is general elections there are lots of restrictions on operations and that there is nothing one can do. It is a statutory requirement and we serve liquor and its not enjoyable evening for the players, therefore it certainly gets affected, the working gets affected. Reason for drop in the Standalone profitability was that Rs 55.90 crores. Provision for doubtful debts for ICD given to subsidiary (for Investment in Jalesh Cruise) had to be provided in that year. And last year dividend from subsidiary was Rs 43.37 crores which Rs 5.76 crores in FY 2019-20.

Q 2) Spell out our strategy on how to maintain our margins in second half of 20-21.

Various measures taken to reduce the cost like manpower cost, rental cost, outsourced contract cost, marketing cost, fuel cost etc. Representation made to government agencies for waiver of casino license fees. Marketing team is working on different innovative strategy to attract more customer to grow business further post resumption of business. Our online business has grown if you compared it to the last quarter 2019-20 to the first quarter of this year. Its grown about 30% while it cannot keep growing at that rate we are hopeful that the business will grow on the regular basis. I hope given the answer to all your questions. Please note that we have left no stone unturned in reduction of cost and efficiency, we have taken some hard calls and we have done everything that can be done under this difficult circumstances for a business going forward.  
Dilip second person.

**Mr. Dilip Vaidya:** Thank You Sir, but we'll have to unmute Mr. Shashikant G Marathe.

**Mr. Jaydev Mody:** Ok, we can't hear you Mr. Marathe.

**Mr. Dilip Vaidya:** Mr. Marathe.

**Mr. Jaydev Mody:** Yes, Please go ahead.

**Mr. Marathe:** You have to change mute to unmute. It has to be done from your side.

**Mr. Jaydev Mody:** No, It is already done, we can hear you.

**Mr. Shashikant G. Marathe:** Good afternoon everybody who have joined the show. I have few point Sir for your consideration. Since Government of India has linked Andaman and Nicobar Island with 4G network. It will be possible for us to open some site during the complex. Another point I have to explain is that you did give dividend first and now you have proposed another dividend. It is best ethical practice. Most of the companies tried to give dividend before 31<sup>st</sup> March you did not do. I think you have proposed the dividend this AGM, this is ethical good practice and then... Am I wrong.

**Mr. Jaydev Mody:** That's right, you are wrong. About that Hardik can you clarify please.

**Mr. Hardik Dhebar:** Mr. Marathe we have declared two dividend one in the third quarter of last FY and one before 31<sup>st</sup> March. Such 2<sup>nd</sup> interim dividend and in the current AGM we are saying the 2<sup>nd</sup> interim dividend to be the final dividend and there is no new.

**Mr Marathe:** Fair enough but that is unethical practice, that's what I wanted to explain to you, because all industries were harping for abolition of dividend distribution tax and we did give dividend before 31<sup>st</sup> March 2020. This has resulted into dividend tax distribution tax out go for the company. It's a loss to the company. We could have waited for the year and given the dividend by which we could have saved the tax. This is a point to be considered. However business ethics says that if it is profitable for lot of people then its alright. In this case all others except company are having their profit, the shareholders did save the tax and therefore this can be taken as a standard ethical practice to be taken but I would have appreciated if the dividend was not given in the year 31<sup>st</sup> March 2020. Our opening in Nepal is good. I am quiet happy that the relations would improve between Bharat and Nepal and probably we will be in a position to get more business from Nepal. Another thing which I wanted to explain to you is whether we can have a ship anchored beyond the waters of any national territory and do a business because we are having difficulty in getting the business license at our Daman site. The Government. should be explained that our business gives lot of contribution on GST as well as other taxes. As the tobacco industry is bad, the Government. gets lots of complains but Government. still allows tobacco industry to function. And therefore we should make a representation to the Government. that our site at Daman should be operational as early as possible. With all this I want to thank the management for giving me a chance to talk and with you all a good success herein after. Thank you Sir.

**Mr. Jaydev Mody:** Thank you Mr. Marathe we have noted all yours suggestions. We are constantly on the lookout for new avenue and we will certainly look into all your suggestions and we will try and implement whatever is possible to be implemented in the coming year to try and improve companies business. Second person Dilip.

**Mr. Dilip Vaidya:** Second person is Hutokshi Sam Patel. Faizan.

**Mr. Faizan:** Hutokshi Sam Patel is not available.

**Mr. Dilip Vaidya:** Ok

**Mr. Jaydev Mody:** Ok, We can go on to third person please.

**Mr. Dilip Vaidya:** Speaker no. 3 is Mr. P.S Krishnan, Faizan can you please unmute him.

**Mr. P.S Krishnan:** Thank you very much.

**Mr. Dilip Vaidya:** Faizan please mute him. I will read the questions first. The questions post by Mr. Krishnan is:

Q 1) 11.26% of the promoter shareholding is under pledge, Given that we have significant liquidity in our balance sheet, can you please provide the purposes for the creation of the pledge and what is the timeline for the removal of the pledge.

Q 2) The promoter holding at around 32% is low in my view. Is there a thinking to increase the promoter holding given the low valuations of our company.

Q 3) Please provide us an update on the Daman casino license and the regulatory hurdles that are creating this delay, and factoring in the COVID related delay, what is a conservative timeline for securing the casino license as per the management.

Q 4) What is the management aspiration and vision for Delta Corp's online gaming segment, from an growth, revenue & profitability perspective over a 3-year time period.

Q 5) The Goa Government had announced that offshore casinos would be closed down by 2020 and moved to a land-based designated entertainment zone, notwithstanding COVID is there an update on the proposal from the Goa Government on the casino shifting plans to a land based zone.

Q 6) What is the monthly Opex incurred over the last 4 months (during COVID) and please highlight the cost management activities undertaken.

Q 7) The Goodwill of Rs 400 Cr in the balance sheet is high in my view, could you please detail the reasons for the valuations of the goodwill.

Q 8) What was the capacity utilization for the gaming segment as of February 2020, and how does it vary according to seasons and going forward where does the management view the possibility of revenue expansion without adding to capacities.

Q 9) Is there a thinking around having off the hospitality part of the business given the capital and maintenance intensive nature of the hospitality business.

Q 10) Could you please update us on the Casino in Nepal, and potential impact if any on account of the recent developments in India-Nepal relationship.

Over to you sir.

**Mr. Jaydev Mody:** Thank You Mr. Krishnan. As per the question regarding promoter holding shares are pledged as security toward personal burrowing and it has nothing to do with companies really.

The second question is promoter holding is around 32% which is low on your view but as far as we are concern the promoters are comfortable with their decision independently and company has actually nothing to do with the promoter holding percentage and it all depends on the promoter.

The third is please provide us an update on Daman casino license. See the matter is subjudice and we have filled the writ in Mumbai High Court and the company is waiting for the date. The matter is come up few times but the hearing did not happen because the other side was not ready. The moment the normal operation of the courts begin and the kind of load on courts is reduced. I think the matter will come and we will get justice.

We acquired this company few years ago and after that we have grown almost every year. Since COVID from April to June, quarter we have grown like I have mentioned earlier and we feel that growth will be there on annual basis and we are focusing today it's are only operating business.

We are totally focused on the business and we are doing best to grow it. We think that same will be able to maintain the same rate of growth over the next 3 year and profitability will also kind of follow.

This is being going for a while now and right now the Government is so focused on the number of cases increasing in Goa that that there is no 100%. However our application is pending with investment promotion board in Goa and as soon as the meeting of the IPB happen we hope to get positive response from the Government.

I have Mr. Ashish Kapadia the MD to respond to this.

**Mr. Ashish Kapadia, MD:** So as far as cost are concerned in Goa. I think we have done everything we need to from employment cost to fuel cost. We have no capex expenditure at all we have cut down all our rents wherever we needed to reduce and I think there is we have really lost couple of months spent lot of time bringing doubt to bear minimum that we can, so I think probably if you seen in the last quarter numbers also the cost have reduced and we are pretty hopeful that in time to come, they could go down little bit but I think we have done whatever we can.

**Mr. Jaydev Mody:** The 7<sup>th</sup> question is The Goodwill of Rs 400 Cr in the balance sheet is high in my view, could you please detail the reasons for the valuations of the goodwill. Hardik please answer.

**Mr. Hardik Dhebar:** The goodwill is predominantly coming out of all our business that our currently operational and active. When I say gaming, the offshore business constitute about Rs94cr. of our goodwill. The online business which we acquired inform of cost network and merged it with company. Couple years ago, as the practice we had to fair value the business and then we have done the merger the valuation of our online business in books our company is about Rs262crs. And the other smaller is the broad breakup of the Rs400cr. of the goodwill. All the companies are barring the last quarter where we had the impact of pandemic as far as the offshore is concerned and therefore we don't see the reason to unduly worry about it. We do the checking of the fair value and the impairment of the goodwill on the quarter to quarter basis with our Auditors and given the fact that it has been consistent profit making company and profit making business there is no need for any impairment.

**Mr. Jaydev Mody:** Thank You. Your next question is about capacity utilization for the gaming segment as of February 2020, and how does it vary according to seasons and going forward where does the management view the possibility of revenue expansion without adding to capacities.

During the period of April 2019-Feb 2020 around 400 thousand persons visited our casinos this is by a large non seasonal. We have business round the year. Quarter 2 and quarter 3 tend to outperform the other quarter. However Goa is non seasonal destination which further insulate against seasonality for us.



Your next question is, is there a thinking around having off the hospitality part of the business given the capital and maintenance intensive nature of the hospitality business.

We are always open to structuring ideas which are beneficial point of time there is no hospitality business but you know things are dynamic as that things change our thinking may also kind of align to reality.

Your next question is could you please update us on the Casino in Nepal, and potential impact if any on account of the recent developments in India-Nepal relationship.

Right what is happening between India and Nepal has not impacted us and if the things have worsened after our closure for COVID. We don't know the impact, virtually just about started when COVID started and therefore waiting for casinos to begin again.

Thank You for your Mr. Krishnan.

I have request you to have Mr. Ravi Kumar Naredi on behalf of Naredi Investment.

**Mr. Dilip Vaidya:** Sir we have to unmute Mr. Krishnan.

**Mr. Jaydev Mody:** Yes sorry, Mr. Krishnan are their any more questions, will unmute you.

**Mr. Dilip Vaidya:** So Faizan.

**Mr. Krishnan:** No, not at all. Thank you very much for patiently responding to all my questions, very much appreciated. Thank You very much.

**Mr. Jaydev Mody:** Please unmute yourself Mr. Krishnan.

**Mr. Hardik Dhebar:** Sir I think he has no further questions, all the questions are answered.

**Mr. Jaydev Mody:** Now Mr. Naredi.

**Mr. Ravi Kumar Naredi:** Sir, Respected Chairman Shri Jaydev Modyji, Respected MD Shri Ashishji distinguished Board of Directors, Employees of company and fellow shareholders. Sir, I am speaking from Bilwada, Rajasthan.

I would like to know if Rs100 buyback not relevant now so any rewarding in your mind for shareholders.

As we knew due to COVID-19 big troubles comes to travel industries in which we deal what type of plans you made to overcome the challenges. A detail reply will help us.

Online gaming express what is our main plan, are you finding any sanction it is Gangtok and Nepal casino working now. But online casino is best way and you told detail things so I am not raising this questions.

Sir casino license fees in Goa rises by Government by last year's so due to COVID time how Government will compensate to the company.

And thanking you giving me opportunities to speak in AGM the maximum question have been asked by my fellow shareholders, I am not again raising us.

**Mr. Jaydev Mody:** Thank you very much can you repeat the first question. I will answer your question by question. No, in what way not relevant we did the buyback.

**Mr. Naredi:** The market price is more than Rs100 so no one will participate.

**Mr. Jaydev Mody:** There has been participation until the time it was Rs100 and we have bought whatever we could. We actually considered the buyback because we thought the company's share price was totally undervalued and we suppose the market has realized that it is more valuable than they thought it was. You are right, that it is no longer relevant in that sense.

**Mr. Naredi:** Ok, Thank you sir.

**Mr. Jaydev Mody:** What is your next question? I think I have already answered your Nepal question.

**Mr. Naredi:** Sir, big trouble comes to travel industry so what is our planning to overcome this challenge. If you could tell something about this how we will deal in the future and how our company will grow in balance of the year that is my point Sir.

**Mr. Jaydev Mody:** Sir it all depends on the guidelines provided by center and state on how mass gathering will be kind of dealt with. They will come with guidelines for any mass gathering like sports events etc. and what we have already planned is that instead of 7 people on table we are only going to have only 3 people. The distance between the gaming tables is going to increase, distance between slot machine will increase. We will do scanning and we have whole protocol and a whole SOP in a place that the day Government says one can start the business we would be able to start our business. Challenge today is to start the business and once the business starts we will understand the customer preference and customer needs in COVID times and we will keep adjusting and try to grow our business as fast as we can and bring to normal as soon as we can.

**Mr. Naredi:** Okay, and this casino license fees raises by Goa Government cast year so this COVID time how they will compensate to our company.

**Mr. Jaydev Mody:** No, they haven't come up with any policy of compensation for anybody. I think the Government is under so much financial stress that question of compensation does not arise. All we are hoping for that their license fees from the time they have asked us to shut will be not payable but compensation of Government is coming in will be extremely difficult and not to expect.

**Mr. Naredi:** Okay, we have to pay 100cr this year too.

**Mr. Jaydev Mody:** No, you were talking about compensation from Government is not going to happen, but the license fees until we are shut we have made representation that the Government will not charge us because they have asked us to stop, so we are hoping that license fees will not be payable.

**Mr. Naredi:** Okay, that's my point Sir, and what about Gangtok and Nepal casino permission.

**Mr. Jaydev Mody:** We are operating in Gangtok as well as Nepal right upto to COVID we have license in both places and the moment regulations are clear with rewards to reopening. We will open in both the places.

**Mr. Naredi:** Okay, Jaydev Modyji you have replied very well to my questions.

**Mr. Jaydev Mody:** Thank you Mr. Naredi for coming on the meeting. Dilip next person.

**Mr. Dilip Vaidya:** Yeah, next speaker is Mr. Dixit Doshi. I will read out his questions.

Q 1) During Q1FY21 – We saw good growth in Online skill gaming division where revenue increased to Rs. 57 Cr. from Rs. 45 Cr. in Q4FY20. However EBIT remain the same around Rs. 14 Cr. Q2Q. Why?

Q 2) During the lockdown (Q1FY21), we saw good traction in Online Skill Gaming Division, do we feel that this momentum will continue or as unlock is happening, this will taper down?

Q 3) We saw good growth in games where real money is not involved like Ludo, are we planning to launch more games under this division apart from Poker and Rummy in medium term?

Q 4) We charged the licensee fee in Q1 but it was mentioned in notes that industry is making representation to Government of Goa, seeking waiver/reduction/ proportionate payment mechanism for period of shut down. Any update?

Q 5) As matter of prudence, we have determined the fair value of Jalesh Cruise in Balance sheet as Zero. But how much stake we still own and do we have any liability in case that company make any significant losses? Also is there any chance of recovering the money we invested?

Q 6) How much stake we own in Halaplay now because in Annual report it shows we own 13.85% till 11th April 2019?

Q 7) Any update on land based casino policy?

Q 8) Any update on Daman Casino case?

**Mr. Jaydev Mody:** Thank you Mr. Doshi so your first question was with regards to growth in online skill gaming to maintain growth and to retain existing customer with increasing competition in online business. The company during the period has increased its marketing and sales promotion activity thereby impacting margin in the first quarter of current FY the company spent addition 10cr on customer discount and bonus and other marketing activity. So we have seen growth and hope continue to seeing in this business.

During the lockdown (Q1FY21), we saw good traction in Online Skill Gaming Division, do we feel that this momentum will continue or as unlock is happening, this will taper down?

Obviously during lockdown there was a significant jump in the numbers of Q 1 of the current year and it is a possible that there could be tapering but we also believe that the way a habits change during this period we will stay with customer. The bases will become bigger and we will continue to see growth happening because there is good stability in this business once you get online and

you are comfortable with a site and you continuing playing, so we that this will continue in the future.

Your next question is we saw good growth in games where real money is not involved like Ludo, are we planning to launch more games under this division apart from Poker and Rummy in medium term?

We are constantly looking for games,. We have to do something different and something unusual you know and we are constantly looking at opportunities. There is no point in getting into a business into a game that we does not have a growth possibilities so we are even currently looking at other opportunities and it will \_\_\_ in next couple of months, we hope.

We charged the licensee fee in Q1 but it was mentioned in notes that industry is making representation to Government of Goa, seeking waiver/reduction/ proportionate payment mechanism for period of shut down. Any update?

Yes we have shown the license fees in Q 1, because the clearance from the Government has not come with regards to waiver and we are continuing to represent and once the Government we will writ\* that back. I think that would be the way to do it.

Your next question is as matter of prudence, we have determined the fair value of Jalesh Cruise in Balance sheet as Zero. But how much stake we still own and do we have any liability in case that company make any significant losses? Also is there any chance of recovering the money we invested?

See the network of Jalesh Cruise is significantly iroded on account as on 31<sup>st</sup> March company has made provisions for impairment of value of the investment. We own about 25.75% in Jalesh Cruise. Company has no further liability of what so ever nature in case of Jalesh Cruise but if the company recovers anything in future we may get something back, but we are not banking on that.

How much stake we own in Halaplay now because in Annual report it shows we own 13.85% till 11th April 2019?

See as on 31<sup>st</sup> March 20 the company held 20.27% and today company hold 20.43% Halaplay.

Any update on land based casino policy?

I have already answered early I suppose I don't need to answer it again and I have also answered case on the matter on the Daman Casino license that be filed the writ etc and waiting. I hope the answers all your questions, if you have anything to add pls go ahead Mr. Doshi.

**Mr. Dilip Vaidya:** Faizan can you please unmute Mr. Doshi

**Mr. Doshi:** Can you hear me, Thank you so much Sir for such elaborative answers, just couple of things one out of 125 Cr of buyback how much we actually spent till date and secondly you know currently in Q1 since most of our cost like fuel cost or any other cost were variable to our operations in Casino . So you know there were not much expenses but as and when we will start our operation there will be time where the cost will start coming and footfall will be very less in

the initial months. So do you foresee that we might make losses during those periods and just to counter that is it possible that when we are allowed to start the operation we start with lets say one ship in the initial phase and then gradually increase the number of ships. Thanks you that's it.

**Mr. Jaydev Mody:** Yes, you are absolutely right you have hit the nail on the head. When the market is going to grow back into the normal sea and as it starts growing exactly what we are thinking is to run it on one ship and have lesser dealer, lesser fuel cost etc. until the market builds up to normal. We will not be operating at 100% cost and 30% revenue. We are hoping to operate of 30% cost and 30% revenue which will still leave us the healthy earning before tax and on your other questions how much we have put into the buyback out of 125 cr. What is the current update figure? Hardik around 30 cr or 35 cr.

**Mr. Hardik Dhebar:** We have bought roughly about 4 million plus shares and we have invested about 34 crs till date.

**Mr. Jaydev Mody:** I hope that answers all your questions.

**Mr. Doshi:** Okay, Yes Sir Thank you so much for answering everything.

**Mr. Jaydev Mody:** Thank you for being on the meeting. Next person Mr. Dinesh Kotecha.

**Mr. Dilip Vaidya:** Faizan can you unmute as he has not asked any questions.

**Mr. Jaydev Mody:** I think Dilip there is no point in me reading the questions and you reading the questions again. You please introduce the speaker and let me take it from there.

**Mr. Dilip Vaidya:** Okay fine Sir.

**Mr. Jaydev Mody:** Thank you

**Mr. Dilip Vaidya:** Faizan can you please unmute Mr. Dinesh Kotecha.

**Mr. Faizan:** Sir, Mr. Dinesh Kotecha is already unmuted. Sir please switch on your camera and ask your questions. Mr. Dinesh Kotecha your unmuted please switch on your camera and as your questions.

**Mr. Hardik Dhebar:** Dilip can we move to the next speaker and then once he has his connectivity restored. We can come back to him if at all there is a possibility that.

**Mr. Dilip Vaidya:** Yes we can do that

**Mr. Jaydev Mody:** We will take Mr. Vinod Agarwal now please.

**Mr. Vinod Agarwal:** Hello, I am there.

**Mr. Jaydev Mody:** Yes

**Mr. Vinod Agarwal:** I have got only 2 or 3 queries Sir.

**Mr. Jaydev Mody:** Ya

**Mr. Vinod Agarwal:** I have more compliments for you Sir. You have done well in past year. You have made good pat of 185 Crs of EPS 6.85 paise and you got dead free balance sheet, 2000 gaming points. Now 1 or 2, 3 queries Sir. One is do we have loyalty program or benefits for customers who come regularly to the Casinos and how do we account for them if they are there benefits as current account or long term accounts strange observation I that Gaussian software was the subsidiary of the company you made a doubtful provision for 55.9 Cr towards as doubtful recoveries from Deltin to Gaussian software on page 147. If it is subsidiary then why have such entries just pay them and take back the money. Then there is nothing like a bad debt there shown. Sir I would also like to know what is tershary issue like. What would be the saving of this AGM visa viz AGM which we normally have in Taj Ivanta and this year not printed annual reports and I also want to compliment Mr. Dilip Vaidya for bringing out the soft copy which is so colourful and nice annual report in this extended Covid times, when lockdown are there and interface meeting generally take place. So I compliment Dilip Vaidya also and is good for healthy balancesheet with lot of cash reserves on hand and no debts on the company, Thank you Sir.

**Mr. Jaydev Mody:** Thank You Mr. Agarwal. So we have two important loyalty program there are lots of benefits one is higher level and one is lower level loyalty program. There are lots of benefits you actually have to go on to our website to see what are the benefits of being part of either of the two loyalty programs because there are lots of benefits to play us. This is for retention.

On the other things on page 147 the 55 odd crores through Gaussian was actually the same entry as for Jalesh Cruises which has already been discussed it was done through subsidiary and that was the only reason the investment of Jalesh Cruise.

And last thing is how much we have saved by doing this online AGM. I don't think we have estimated it but we will certainly do it. But I don't think it is a huge amount the only saving in the printing cost of the Annual report other than that there is not much that you have saved, it would be a few lacs of rupees.

I hope this answers all your questions Mr. Agarwal.

**Mr. Jaydev Mody:** Can we now go back to Mr. Kotecha or to Mr. Manish Chopra, Dilip

**Mr. Dilip Vaidya:** Faizan can you unmute Mr. Chopra

**Mr. Manish Chopra:** Hello

**Mr. Jaydev Mody:** Ya Mr. Chopra

**Mr. Manish Chopra:** Am I audible Sir. Good evening Sir, Thanks for giving me opportunity and I have few questions. I have already mailed us. So I am asking it.

**Mr. Jaydev Mody:** I am going through your questions and giving the answers now yes.

**Mr. Manish Chopra:** Okay

**Mr. Jaydev Mody:** Have we received the license fees waiver from the Goa government till the time business is non-operational?

So the answer to that is we have the representation, the industry party has made the representation all the operators have and we are waiting for the clarity from the Government.

Your second question is Once the Casino reopens, what will be the fixed cost, and at what footfall level will we be able to achieve the breakeven point?

We don't know what is the level of players coming back on to our products at this time. But as and when opens up and we know what the number of flights into Goa etc. We will design our operational cost in a manner that will at least help us to break even if not make profit until market recovers 100%.

Your third question is our online business is seeing strong traction. During FY21, what revenue and profitability can we expect in this segment? What's your target for the next three to five years?

So we are looking at growing the business by about 20 – 25% every year and we have been doing in the past and we hope to continue doing that. We think the strong fraction will continue and will add more games in future and we think that business will continue to grow.

Your next question is, as lockdown is easing out are you seeing lesser traffic or lesser time spent by users on our gaming app as compared to the first lockdown?

No, not yet we are seeing same as in first quarter. We are not seeing any reduction or increase at the moment the second quarter. As so far being virtually flat or same as the first quarter.

Your next question is, currently, how much are we spending on the advertisement?

On online business on advertisement, branding, marketing company spent around 2.75 Crs on a monthly basis which roughly little more than 2 Crs in poker and around 50 -60 lacs in Rummy.

Your next question is, many players are now active in the online gaming segment, so what steps are we taking to protect our market share? What is the current market share?

So in poker we are the leaders in the poker space and promotion and spent continue to maintain our leadership position. Further company is taking all necessary steps such as restructuring of PM with focus on poker and rummy individually. Strategies, focus, marketing and sales promotion activity to ensure conversion and retention. This will help not only to protect but increase our market share in future. While there is no published data available about market share because many of this companies are private. Based upon general assessment we have approximately 50% share in terms of players as well as revenue in online poker space. So the balance 50% there would be about 20 people and 50% that we own is just one company that you know. So we are by far the market leaders there.

Your next question Do you think the online gaming profits can cover up for the offline losses and overall the company can achieve breakeven at console level during FY21?

We are all trying to do exactly that, we are hoping that will happen at the moment first quarter it has reduced our loss but it has not eliminated, not come to breakeven. But hopefully as the business grows we are hoping to break even one way or the other.

So far how's the response from Nepal Casino?

We hardly had opened for couple of months so, not even couple of months. I think we had operated for a month before we were asked to shut down. That first month was reasonably good and we are just waiting now to reopen. We think market will start picking up in Nepal as well.

What's our stance on Daman Casino, according to management how much time will be required to get casino approval from the government?

We have already answered this question earlier so I won't go through it again if you don't mind.

According to management, at what time our offline business can be restarted?

I wish I knew, I wish anybody can answer that question and give us some clarity on that, but I don't think that we are not qualified and I don't think anybody is qualified to answer that question. We are hoping it starts in months' time. But we don't know, we really don't know when that will happen.

Your next question is, According to the management estimate, at what time we can go back to the pre-COVID level?

Once I think that it all depends on the air and you know the car traffic getting restored to Goa. We think that the moment we build up to 40 -50 flights and lots of people driving in we think that will be the trigger for the business showing that it is getting back to normal. But I think it would take anything 6-8 months after reopening to normalize totally.

Your next question is, what's your capital allocation strategy going forward? Any new acquisitions are we looking in the online gaming segment?

We are constantly looking at, you know opportunities in online, offline in which ever area we see an opportunity in our current line of business. We are constantly looking at, we have couple of things looking at right now pretty seriously which I am not able to divulge at this time. But we are always on the hunt and as soon as something fructifies we will you know inform you. I think that answers all your questions.

**Mr. Manish Chopra:** Thank you Sir, I just have one more question Sir.

**Mr. Jaydev Mody:** Yes please

**Mr. Manish Chopra:** Sir in Q1 there is a provision reversal of Rs. 55 Crs what was that?

**Mr. Jaydev Mody:** If you want a detailed answer I'll have Hardik please answer him. Hardik Dhebar our CFO

**Mr. Hardik Dhebar:** Basically we had taken a hit in terms of writing it off that investment. However we have done certain restructuring within the group companies to ensure that we don't



take the hit in the main company. And basically that the reversal, otherwise the treatment for investment and Jalesh remains the same.

**Mr. Manish Chopra:** No, it is not related to Jalesh investment.

**Mr. Hardik Dhebar:** No, It was related to Jalesh Investment it's just a bit of a planning and restructuring that had been undertaken in the first Q1 because of which this reversal has come. Whereas Jalesh continues to be otherwise impaired on a prudent basis.

**Mr. Manish Chopra:** Okay Thank you so much.

**Mr. Jaydev Mody:** Thank you Mr. Chopra for being on the meeting. The person would be Mrs. Shobhana Mehta, Shobhana Ben please go ahead.

**Mrs. Shobhana Mehta:** Hello

**Mr. Jaydev Mody:** Yes Shobhana Ben

**Mrs. Shobhana Mehta:** Respected Chairman Shri Jaydev bhai, CFO Shri Hardik bhai, MD Shri Ashishji aur anya mere jane mane bhaiyo or shareholder bhaiyo, behano. Mera Naam Shobhana Mehta hai. Good evening everyone.

**Mr. Jaydev Mody:** Good evening

**Mrs. Shobhana Mehta:** Jaydev bhai Covid 19 ki Vajaha se first time ye virtual AGM hum kar rahe hai, so kahoongi Jo baat tujh mein hai who teri tasvir mein nahi. Aur apse milna baate karna bada accha lagta hai.

Sir, statistically performance keliye aur final dividend aapne diya nahi hai , so recommend nahi kiya hai , so interim dividend ke liye dhanyavad deti hoon. Aur kahoongi ki meri good wishes apke sath thi, hai aur rahegi aur aaj bhi good wishes deti huain mein kahoongi Day by day aapki khooshiyan ho jai double aapki jindagi se dur rahein trouble, bhagwan apko rakhe sab ko fit aur aapke company mein aur aapke jindagi mein anewale har din ho superhit. Sir ye jankar khooshi hooyi ki hamari company debt free ho rahi hai so bahut achi baat hai aur sir hamari secretarial department ne balancesheet colourful aur informative banayi hai so mein hamari company secretary or unki puri team ko dhanyavad deti hoey kahoongi ki very well done , very good keep it up. Aur sir kayi queries apne already answers de diye hai, jaise company ne balancesheet printing, posting vagareh mein Rs 2 lacs kuch save hoey so apne kahi jawab jo apne diye hai who meine sune, so repeatation nahi karungi and kahoongi ke jahan tak mein apko janti hoon to mujhe aapar aur apki entire team par pura faith hai ki aap jo bhi karoge company aur shareholder ki hith mein hi hoga. Sirf ek , do queries meine likhi hai, woh puchana chahoongi ki Sir CSR mein company ne kitne percent amount spent kiye aur kisme spend kiya hai, aur kya hai capex for the 2 years, kya hai capex plan. Aur Urviji kahan hain unko mile bhi 3-4 saal hogaye, kyunki meine Bombay chod diya hai kyunki mein Surat shift hogayi. Urviji se milna hua nahi hai to aap unko meri regards aur good wishes jaroor dijiyega aur unse kahiyega ki meine unko yaad kiya hai aur miss karti hoon aur yaad karti rahati hoon. AGM ke vakt lekin Bombay se har meeting mein jana mushkil tha. Iss saal unko jaron milungi virtual meeting mein ye meine decide kiya hai aur sir

lastly sabhi resolution mein fully support karte hoey company ke liye shub kamnaye deti hoon. Hamari company Din doogni rat chaugni taraki karti rahe taki aap humein better performance ke sath better dividend aur near future mein bonus bhi de paaye. Aur Sir abhi recently Janmashtami vagarah tyohar gaya hai toh anewale sabhi tyohar Ganpati, Navratri, Dussera, Deepawali ki mein aap ko shub kamanaye dete hooney kahoongi ki phoolon ki khushu kaliyon ki bahar, chand ki chandi, apano ka pyaar Mubarak ho aap sab ko aanelwale sabhi tyohar isike sath mein Dhanyavad. All the best for future success all of you. Thank you.

**Mr. Jaydev Mody:** Thank you Shobana Ben. I think you have two questions on CSR and on the capex. CSR jo statutory, hum ko jo karna padta hai woh karne. We have to do our percentage of our 3 year average profit. So we continue to do that, and for capex right now with the way things are going in Covid. Other than some acquisitions in online business or any other opportunities might come up. We will have capex otherwise there is nothing else planned other than what I have just mentioned. And thank you for your support and your had always been very supportive for us and than for coming into the meeting.

Can we go back to the person once again try to get I think it was Mr. Kotecha.

**Mr. Dilip Vaidya:** Mr. Dinesh Kotecha, Faizan can you please.

**Mr. Faizan:** Mr. Dinesh Kotecha you are unmuted please switch on your camera and ask your questions.

**Mr. Jaydev Mody:** Yes Mr.Kotecha. His camera is switched on and his mike is also on but his internet is very very poor. Now he has switched off his camera as well as his mike.

I don't think he go the range I think we'll have to connect with him later and ask him to email us any questions that he may have and that I will personally answer them. So Dilip Vaidya please email him and as for his questions so we can reply later on.

**Mr. Dilip Vaidya:** Sure Sir.

**Mr. Jaydev Mody:** But right now it is I think we are noting that he doesn't have internet. He is online but we cannot hear him and we cannot see him.

**Mr. Dilip Vaidya:** Fine Sir.

Once all the questions are answered

**Jaydev Mody to say:** So I will go ahead now and I think I have answered all questions that have been asked. So the results of remote e-voting shall be announced on or before Wednesday, 19<sup>th</sup> August, 2020, by intimation to the Stock Exchanges and will be placed on the website of the Company and also on the website of NSDL.

I thank all the members for your continued support to the Company and look forward to your support in future, as well. I thank you for coming on today and giving us your time and I now declare the meeting as concluded.

Thank you very much.

Dilip anything else needs to be done.

**Mr. Dilip Vaidya:** No Sir, thank you the directors and board can leave. We will have to continue for the balance voting.

**Mr. Jaydev Mody:** Okay, Thank you we are leaving then.

**Mr. Dilip Vaidya:** Thank your Sir thanks a lot.

Evoting starts and is open for 15 minutes.

**Mr. Dilip Vaidya:** Thank you shareholders, the evoting period has now ended hereby I declare the AGM as concluded. Thank you everyone for joining the meeting

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