



“Delta Corp Limited
Q1 FY2023 Analyst Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day, and welcome to Delta Corp Limited's Q1 FY2023 Analyst Earnings Conference Call hosted by Antique Stock Broking Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Alpesh Thacker from Antique Stock Broking Limited. Thank you and over to you Mr. Thacker!

Alpesh Thacker: Thank you Nirav. Hello everyone and welcome to First Quarter FY2023 investor conference call of Delta Corp Limited. Today we have with us the management of Delta Corp represented by Mr. Hardik Dhebar, Chief Financial Officer of the company. The format of the discussion would be brief opening remarks by the management followed by Q&A session. Without much delay let me hand over the call to Mr. Dhebar. Over to you, Sir!

Hardik Dhebar: Good afternoon Alpesh. Thank you very much for hosting the call once again this quarter and thank you everyone for participating and taking timeout. Quickly as most of you would have seen the numbers we have done a decent set of numbers for the first quarter ending June 2022 we have clocked roughly about 300 odd Crores of gross revenue, which is almost the highest revenue that we have ever done in a particular quarter. Why it is more reassuring to see is the fact that we had the preceding quarter which is Jan to March where we had the issue of Omicron hitting and we having to face about 30, 40 days of closure resulting into dipping in the revenue and dipping in profitability and everybody was a little concerned where if one would recollect I had reiterated in that call as well that if one was to regularize and look at normal operations we would do as much as we were doing in the December quarter prior to the Jan quarter. Having said that we have demonstrated that since we have got normal operations during this particular quarter without any stoppages of whatsoever nature, we have not only scaled back to our December quarter which effectively means that we are clocking the same run rate as we would do in a standard peak quarter of sorts while we have always maintained that there is no cyclicity or peak or trust as far as our business is concerned, but given the issue and nature of the holiday months the second and the third quarter tend to be a little more robust than the first and the fourth quarter. This particular quarter again like I said this would be probably the best quarter or the highest quarter that we have done when you compare all the first quarters that we have ever clocked in the history of Delta so that is why reassuring given the difficult situations that we have been in and that only again assures the resilience of the business and we are very, very comfortable and confident that going forward with these kind of regular operating days, no stoppages

and growth coming back we should be looking at more stronger and robust performance as far as Delta is concerned.

No major surprises, no major untoward explanations that need to be given except a few things that I am sure everybody has on their minds. On the cost front again a couple of things that need to be highlighted. The other expenses has gone up slightly over the previous quarter the reason is very simple the power and fuel cost has gone up given that oil was at its all time high during the last six months, of course again it is cooling off a little bit and we hope that we will see the cost of power and fuel coming down over the quarter as oil keeps lowering itself. Other than that there have been certain legal expenses that have been incurred as we all know the Daman matter is now being heard on a regular basis as far as the Mumbai high court is concerned, we have hearings that have happened, about three to four hearings that have already happened where Delta concluded arguments and now we are waiting for the administration of Daman to commence and complete their argument, so that is one area where there has been a little bit of cost that has incurred but nothing major, nothing untoward and more importantly there has been escalation in the license fees by about 10% from the government of Goa, which effectively means at about 10 odd Crores of license fee over the year will get increased. On a total of all our four casinos put together in Goa we were paying about 95 odd Crores of license fees that will go up by about 10 odd Crores by virtue of the 10% increase. Other than that there is obviously GST matter that has been going on and everyone has been talking about it, I do not know, there has been a little bit of confusion because basis which even the media have been reporting that the GoM has inclined on a 28% GST for casinos and online gaming. Let me once again clarify that as far as Delta Corp is concerned and its larger business is concerned which is the casino business operating out of Goa right from July 1, 2017, Delta has been paying a 28% GST, so as far as we are concerned from a rate of the GST perspective there is not any impact as far as the casino gaming business is concerned. So there is no change in the rate as far as we are concerned, what we are seeking a clarity or clarification is on the valuation methodology where too we believe that we have made adequate representations to the Group of Ministers and we are hopeful that the GGR concept which we have been following which is the internationally accepted practice, which is the logical and the only way the taxation can happen as far as the casinos are concerned will be accepted and we should have all sorts of clarity going forward without any problem.

As regards the online space is concerned yes that is where there could be a change in the rate if at all once the GoM gives its final report and the recommendations and if the GST council was to adopt that the chances are that the current rate of 18% GST that the online vertical is paying will get revised to 28%, other than that we do not see any other major impact from the GST perspective as well. As far as the casino gaming business is concerned like I said on the rate front there is no change we are indifferent and based on our current

representations and the latest round of interactions with the government and the GoM and everyone we are quite hopeful that we should have a logical and positive outcome as far as the valuation methodology is concerned.

With regards to the online piece again as everybody would know Delta Corp subsidiary now known as Deltatech Gaming Limited has filed for a DRHP, it has been about 24, 25 days we have filed the DRHP and we are waiting for the clearance from SEBI. We believe as of now we are on track with all the timelines and approvals, obviously the issue per se will be subject to market conditions and how the markets are placed at that particular point of time, but other than that on that particular exercise we are on track. The idea is very clear we want watchers dedicated for the online space which we can utilize to augment growth in terms of retention, in terms of acquisition of new players, introduction of new vertical, in terms of new games, etc., and try and reach to as many people as possible and get as many registrations and as many users as possible on the online space. There is an offer for sale and a primary issue combination that we are going ahead with all the details are already in the public domain so there is nothing more to add to that. Like I said on the SEBI process and the DRHP process we are on track and we believe that we should be ready subject to market conditions we will be able to hopefully be ready in hold the right time and spirit that we were hoping to be. I think this is broadly the overview of the quarter and the events and the happenings as far as the quarter is concerned. I will be happy to take questions or clarifications if anybody has anything in particular. So Nirav if you can take questions please.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Rahul from Lucky Investment Managers. Please go ahead.

Rahul: Thank you for taking my question and first of all congratulations on a great set of numbers. If you could just give us a sense that you have already clarified that you are at a 28% GST for the casino business, so that part you are indifferent to that, my question was that what is the difference between what GoM proposed initially and the GGR method that you have kind of proposed and which seems to be the logical way of doing it, just trying to understand the possible impact of the difference between the two approaches?

Hardik Dhebar: First of all we have not proposed anything we are only saying to maintain the status quo and the way tax was computed and calculated all along since the time casinos came into being as far as India and Goa is concerned. Before the GST came into effect that is prior to July 1, 2017, there was an element of tax called the entertainment tax which the Government of Goa was levying and a Rs.1000 per person as the entry tax that the government of Goa used to levy onto all the casinos, which subsequently once GST was introduced got subsumed into GST and that became one tax. So prior to GST coming in this tax was basically levied

on the amounts retained by the casino that is suppose if somebody has come into the casino has bought or has exchanged say Rs.100 worth of chips and after one, two, three, four, five, seven, ten as whatever that maybe he comes back and returns Rs.80 worth of chips what is retained by the casino is Rs.20 as far as casino is concerned that is the consideration for the supply or service or good or whatever you may want to classify that as for which the company used to pay earlier service tax now we are paying GST once GST came in, so we have not sought for any change in methodology we have nearly said that this is the methodology that has been followed for the last 30 years as far as Goa is concerned please continue doing that because that is not only the right and the only method, but if you look at global practices also whether it is Singapore, Macau, Las Vegas or any other jurisdiction this is the only way how GST is levied across all jurisdictions.

Rahul: What is it that the GoM was saying for which you had to go..

Hardik Dhebar: GoM was initially started saying that they want to do every bet that means every time a person puts a bet on to the roulette table or puts a bet on to the blackjack box one has to deduct GST so we had to explain to them that is never going to be physically possible it is not practical it cannot happen then they said okay you start levying tax when the person exchanges the chips at the first go and then forget about it, that also we explained that the possibility of a person exchanging chips does not mean that he is going to place a bet or he is going to gamble or he is going to play or he is going to do any activity, he can keep the chips in his pocket, roam around on the casino for a couple of hours and come back and give the chips back and I have to give him back the entire money, so the incidence of service or supply or good to be classified as an actionable claim that is what they are trying to say will only happen once a person actually starts using the chips that he has converted from money into a gaming activity and we will only be able to ascertain the value of the services that we have done or the supply that we have provided or the book that we have sold once he comes back and returns the balance chips with him and only then what we retain or what is the consideration for the supply of the good can be taxed and not merely the original amount. So we have given them enough justification, explanation I think the GoM is now understanding it, let us wait for the GoM to submit the report by August 10, 2022, as we all know and hopefully in the forthcoming GST council this ambiguity also will be clarified.

Rahul: Great, thank you for explaining that. Thank you very much.

Moderator: Thank you. The next question is from the line of Manish Ostwal from Nirmal Bang. Please go ahead.

Manish Ostwal: Thank you for the opportunity. I have only one question on the license fee which we told 10 Crores has increased so is there any way to recover from the casino business or that is the additional cashflow burden compared to FY2022 consolidated cash flows?

Hardik Dhebar: Till the time the revenue starts growing, historically from a near 5 Crores of license fee per boat we have gone to all the way to 30 Crores of license fee and our margins have not only remained intact but also grown from time-to-time, so we do not see this as a issue because over a period of time the revenue growth is going to be much more than the expense growth in terms of the license fee and all and in fact in this quarter itself we have recovered a lot of lost margin, if you look at the EBITDA margins in the quarter ending March on a consolidated basis we were at about 32% which is now at 36%, 37% and if things all go well like I said with the margins will remain intact and grow from here, so I think the business will pay for itself and there is no additional burden. Initially there could be an additional burden for a quarter or so but other than that overall there will not be any additional burden.

Manish Ostwal: Secondly on the Deltin city project what is the update on that, project how things progressing on that project?

Hardik Dhebar: We have already commenced we were waiting for the notification and everything which has happened as you all know and after that we have commenced work we have about 40, 50, 60 people team already working on the project, we have external consultants who have been appointed, we have layout and design architects who are already working on stuff, with this last bit of GST issue because a lot of GST clarity we need on the entire business, once we achieve all that I think there is no looking back we are all progressing in the right direction in the right way.

Manish Ostwal: Thanks a lot and all the best.

Moderator: Thank you. The next question is from the line of Sadanand from TruEquity Advisors. Please go ahead.

Sadanand: Thank you Hardik for the business update. What is the impact on online gaming you think the business volume if the peak GST tax is levied?

Hardik Dhebar: So straight it has a 10% impact in the basic rate per se. So today when we are doing 18% because we do GST kind of a rate my effective outflow is about 14%, 15% which will go up from 14%, 15% to about 21%, 22% because again the rate that I will collect will be including GST so that 4%, 5%, 7% kind of an impact is what we are looking at.

Sadanand: No, besides the financial impact I want to know volume impact how much this will deter?

- Hardik Dhebar:** Well I do not think major change in rate or increase in rate by this 5%, 6%, 7% will be a too dramatic impact on the volume per se the reason being as far as the customer is concerned the customer is even today paying 18% GST without realizing that he or she is paying that 18% he will continue to pay the 28% without realizing because he is paying a 5% rate effectively and that 5% instead of 18% now include 28%, so it will be the hit that we will be taking and from our perspective the hit would be like I explained it will be about 5%, 6% on an effective basis. Now there is a way to pass on the thing by just adjusting the rate by 0.5% and here and there now that is something which obviously the business team will make a assessment and take a decision whether it makes sense to increase the rate because it has to be a collective decision of the industry rather than we doing it singly and trying to single ourselves out, but I personally believe that if there is only the rate change from 18% to 28% there should not be too much of impact other than the 5%, 6% impact that I just mentioned.
- Sadanand:** Yes, but 5%, 6% impact is a pretty decent hit right and you said you can neutralize only to an extent of 1%?
- Hardik Dhebar:** No, 1% is appreciate, 1% on my total rate will more than compensate for the 5%, 6% of the effective GST increase.
- Sadanand:** Fair enough. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Nishid Shah from Ambika Fincap. Please go ahead.
- Nishid Shah:** First of all thanks for the clarity on the GST as well as a brief on the status on the ongoing Daman matter in the High Court. My question is on the EBITDA margin if you look at the third quarter last year FY2022 where you had a turnover of 247 Crores you had a reported EBITDA of 107 Crores at 43.36% margin which first quarter this year FY2023 turnover has grown up by 3 Crores 250.27 Crores but the margin has fallen to 34.96 so there is actually a hit of about 9% in EBITDA margins and if I look at the employee expenses has grown by 10 Crores and your other expenses have also grown by about 10 Crores would you please elaborate on this?
- Hardik Dhebar:** Like I said employee expenses is very clear we have given increments to the entire group after about two-and-a-half, three years so that obviously is a straight increase in the cost as far as employee cost is concerned this includes online gaming, this includes all the casinos, hotels, etc. In addition to that I already explained on the other expense bit the other expense includes basically two, three major variances one like I said is on the legal and professional charges that has gone up by about 3.5 Crores for the quarter in addition to that the license fees like I explained has gone up about 10 Crores for the entire year so the proportionate

increase in the quarter would be witnessed and in addition to this basically sales promotion and marketing expense majorly on the online as well as on the offline space has gone up because now that we have started without any interruption there has been enough activity happening on the offline bit as well as on the online space so I think a straight 3, 3.5 Crores of increase has happened in the online marketing sales promotion expenditure they had 22 odd Crores of sales promotion activity in the last quarter which is now 26 Crores so all that if you add together that is where the expenses have gone up.

Nishid Shah: Coming back to the EBITDA margins 43% coming down to 35% how many quarters will take to come back to that 43% level because last year third quarter was your best quarter?

Hardik Dhebar: No but you have to look at it this way that there are certain reversible costs which did not exist so you had salary cuts and salary were not increased for three years now those increases have happened, number of people has gone back because we are fully operational, we have added a new casino in the form of Zuri in this current quarter so I think it is very difficult to say whether it will happen in one quarter or two quarter but effectively if you see the history right from 2008 to today the increases whatever has happened have been very well absorbed because like I mentioned sometime ago that the revenue growth has always surpassed and outsmarted the expense growth and we believe that, that is going to continue going forward as well.

Nishid Shah: Yes, I understand thanks and all the best to you. Thank you.

Moderator: Thank you. Next question is from the line of Anupam from Lucky Investment. Please go ahead.

Anupam Agarwal: Good afternoon and thank you for the opportunity. Sir my question was related to the visitations in a quarter if you compare it to the third quarter last year how much is the visitations in the current quarter?

Hardik Dhebar: I think we would be more or less at similar visitations as third quarter last year.

Anupam Agarwal: Would it be around 130000, 140000?

Hardik Dhebar: I do not have the number in front of me what was the number in third quarter last year but we should be in the ballpark of the same number because I know the number for the current quarter which is about 120000 odd people which is what we would have done in the third quarter of last year as well.

Anupam Agarwal: Fair enough. Sir post Zuri commencement what will be the active gaming positions for ourselves Delta and what could be average utilization let us say people coming in?

Hardik Dhebar: I do not know first of all there is no concept of average utilization I hope you understand the business well so for me to say what is the average utilization there is no answer to that because it is a 24x7 operation so I do not know how to show you average utilization because if you only consider peak hours we maybe 60% if you consider 24 hours we maybe 30%, so let us not get into that peak utilization. With regards to number of gaming positions I think Zuri is a 150 odd, 200 position casino so that would bring up my position from 2000 gaming positions to 2200 gaming positions.

Anupam Agarwal: Lastly in the last few quarters we have been mentioning about this customer filtration in terms of better gamers coming onboard who are basically using or playing with higher larger amount of money so how is that process panning out if you can help us understand?

Hardik Dhebar: That is a continuous process, obviously on days when we know that we are extremely busy that filtration process kicks in automatically now otherwise it is a process that is a conscious decision that we have made that it is better to fill the boat with more serious players or gamers rather than (inaudible) 28:35 coming and walking around having fun, food and going away.

Anupam Agarwal: Sir on the new vessel when are we expecting that to commence is there is a timeline you mentioned by September next year is that still panning..

Hardik Dhebar: You know the answer Sir.

Anupam Agarwal: Okay, so I just want to understand so it is coming in place of Caravela, this Caravela very recently had an NGT order so I am just trying to understand if the new vessel is also going to be having issues of this NGT union issue?

Hardik Dhebar: First of all there is no NGT union, NGT is National Green Tribunal it is a judiciary body so there is no union first of all let me clarify that. Two this NGT is a wrong decision unfortunately that has happened because the same matter in the Pune NGT bench has been ruled and was decided in our favor the matter was dispersed and was concluded, somebody has erroneously filed it in Delhi, there was no jurisdiction they took it up, they passed an order, fair enough we have gone and got a stay from the Supreme Court that is all behind us. As far as we are concerned we have also made an application to the CRZ because there is no pollution issue there it was more of a CRZ issue so while it is not required not needed no boat in the river and I am repeating no boat in the river but there are other boats or any other competitor boat has this permission but we have been the first one suo-moto have gone and filed and hopefully before the stay or any further action comes we will obviously also get our CRZ clearances we will submit that, that should close the matter once and for all otherwise between you and me there is no issue.

- Anupam Agarwal:** Is this cost significantly large for the filing of this?
- Hardik Dhebar:** No, we do not have to do anything, like I said it is a CRZ issue the boat is in the river there is no CRZ applicable in the river so one needs to understand the reality and one needs to understand the nitty-gritty's of the case before making any assumptions. As far as cost is concerned there is no cost other than the legal cost that we have incurred going to Supreme Court and paying the lawyers other than that there is nothing else.
- Anupam Agarwal:** Thank you and wish you all the best. Thank you.
- Moderator:** Thank you. Next question is from the line of Dixit from Whitestone Financial. Please go ahead.
- Dixit:** Couple of questions. Firstly can you update on the land-based casino?
- Hardik Dhebar:** I just gave an update that the project is underway it is a four-year gestation period project we have commenced our work and we are on track on timelines we have appointed all the necessary consultants and experts that are required for the project the work is on and it is work in progress.
- Dixit:** Just one last small question you have given one example of Rs.100 chips is purchased by someone.
- Hardik Dhebar:** It is not purchased it is exchanged that is what I said.
- Dixit:** If he return Rs.80 chips the Rs.20 is subject to the tech right, what if he gives back 120?
- Hardik Dhebar:** That is okay as a business the GST is paid on a monthly basis the entire earnings of the month is what we will have to compute and we will offer that for tax that is how it has been happening even before GST there is no difference in service tax or GST in the concept of it.
- Dixit:** Okay got it. Thank you.
- Moderator:** Thank you. The next question is from the line of Ankit Babel from Subhkam Ventures. Please go ahead.
- Ankit Babel:** First question is purely based on your experience of so many years generally on a daily basis how many chips are returned as a percentage of total inflows just a ballpark number for understanding?

- Hardik Dhebar:** So typically the hold of the casino is about 20% anywhere between 17% and 20% so for every Rs.100 worth of chips that are taken out I retain about Rs.17 or Rs.20 worth of it.
- Ankit Babel:** You people collect a cover charge as soon as the customer enters your casino so on that cover charge what amount of GST you pay?
- Hardik Dhebar:** Each service there is a separate GST that is leviable so on alcohol there is no GST it is under the state it is a VAT which is paid on feeder boat there is a separate rate, on food there is a separate rate if I do not claim input credit then I can charge at 5% otherwise I can charge at a higher rate and claim input credit so as far as the entry is concerned is divided into multiple heads and whatever is applicable at each level the GST is applicable. GST or VAT as the case maybe will be applied.
- Ankit Babel:** Lastly again based on your discussion when can we expect the final decision on the Daman casino any fair idea?
- Hardik Dhebar:** I am not the judge my friend the judge has to take a decision, like I said arguments from our side has got completed, the other party has to argue, how long does it take that we will know once we get into their argument starting, so maybe another two hearings, three hearings I do not know.
- Ankit Babel:** Okay that is it Sir. Thank you so much.
- Moderator:** Thank you. Next question is from the line of Jayanth from Jayanth Holdings. Please go ahead.
- Jayanth:** Sir, congratulations for the wonderful results that you posted from your end. I just want to have two questions the first one is as you said the second and third quarter will be robust than first quarter so is there any idea or any guidance like what kind of topline and bottomline can we expect?
- Hardik Dhebar:** No we do not give guidance.
- Jayanth:** The second one is about this Deltatech Gaming can we know the current market share of Deltatech Gaming?
- Hardik Dhebar:** In terms of poker I think we continue to remain the market leaders we would be roughly about 40% to 50% of the market in both in terms of users as well as in terms of revenue so if the market is 500 Crores we are about 200 Crores and the balance would be clocking up to the other 200, 300 Crores of the market as far as poker is concerned. On the multi-

gaming platform we are a very, very new entrant there we are still not even scratching the surface so there is a long way to go there.

Jayanth: Final question is about this basic conservative estimate of this CAGR growth for both topline and bottomline for Deltatech Gaming?

Hardik Dhebar: No this is for what Delta Corp or Deltatech?

Jayanth: Deltatech.

Hardik Dhebar: Historically, we have grown at about 10% to 15% and if you look at from the time that we have taken over we have more than trebled the turnover so it will be very difficult to give you a number because you cannot be trebling and quadrupling your turnover every three, four years but the endeavor is obviously to grow at a much faster pace than what we are doing today.

Jayanth: Most likely it will be in double digits right?

Hardik Dhebar: Well you put in words into my mouth it can be double digit, it can be triple digit I do not know at this point of time my friend but we will definitely show good growth going forward given that we are raising money with a view to use that resources dedicatedly for the online gaming space with a view to grow.

Jayanth: Thank you so much all the best.

Moderator: Thank you. The next question is from the line of Bhavesh Patel from Patel Investments. Please go ahead.

Bhavesh Patel: Hi! Hardik first of all many congratulations on the great set of numbers and we have done very well in a difficult situation. I have two questions number one noted the progress on Deltin city at Mopa airport, but this is at this point in time only as electronic gaming and not live gaming as you know because that is (inaudible) 38:15 policy confirmation on that?

Hardik Dhebar: That is correct.

Bhavesh Patel: Thank you for that and we do expect that to come through in the course of time while we prepare for this four-year project right?

Hardik Dhebar: One would hope.

- Bhavesh Patel:** Fair enough and the second question is I am not sure maybe I joined a little later but any ETA for bigger ship commissioning?
- Hardik Dhebar:** Somebody did ask a question and also gave the timeline which was quoted earlier we are looking at towards the end of the second quarter or beginning of third quarter of next financial year.
- Bhavesh Patel:** Fantastic thank you very much and once again all the very best.
- Moderator:** Thank you. Next question is from the line of Mayur Gathani from OHM Portfolio Equity Research. Please go ahead.
- Mayur Gathani:** Good evening Hardik Sir and thank you for the opportunity. Just couple of questions, any update on the provision that we had made for the license fee?
- Hardik Dhebar:** No decision as yet from the government.
- Mayur Gathani:** Anything that you can share on the Sikkim and Nepal operations?
- Hardik Dhebar:** They are standard they are doing reasonably okay they are continuing to operate the way they were operating in normal circumstances like we all know Sikkim obviously the connectivity still remains an issue, the day the connectivity improves we believe that whatever improvements we have seen in the revenue we will see further improvements. With regards to Nepal it is just about six months that we have commenced operations six or eight months now so we should be in a better position to take a view as to how things are shaping up once we are able to operate for one full year. Just to give you a perspective for the quarter we have done about 8 Crores of revenue in Sikkim and we have done about 12 Crores of revenue in Nepal if that gives you any perspective.
- Mayur Gathani:** Thank you that helps. All the best.
- Moderator:** Thank you. Next question is from the line of Varun from Dimensional Securities. Please go ahead.
- Varun:** Just one question Sir. If you could provide the net run rate of gaming division how much revenue come from pure gaming and how much would come from F&B and other services and charge from the entry fee?
- Hardik Dhebar:** Get receipts for the quarter ending June 30, 2022, across all the properties put together would be close to 30 Crores.

- Varun:** That includes F&B?
- Hardik Dhebar:** Get receipts, includes everything it is a cover charge that we charge.
- Varun:** But the F&B additionally also there would be...
- Hardik Dhebar:** That is hardly anything nobody ends up buying if I give you free food what else are you going to buy there is nothing on the F&B side that we sell what we sell is alcohol so I am sure nobody wants to, everything else is gaming.
- Varun:** Thank you.
- Moderator:** Thank you. Next question is from the line of M Balasubramanian from Delta Corp Limited. Please go ahead. Sir the line for the participant dropped we will move to the next question. The next question is from the line of Dixit from Whitestone Financial. Please go ahead.
- Dixit:** Just one clarification, as and when the land-based casino starts we can run both the operations?
- Hardik Dhebar:** Yes.
- Dixit:** So the current operation will remain...
- Hardik Dhebar:** So far as the current role is concerned it is an electronic casino as somebody asked and I confirmed it is electronic so if the whole continues to be electronic casino on land then the ships will continue to operate. There was at one point of time way back in 2018-2019 when the government was proposing where they were thinking of asking the boats to move to land and give up their licenses if that happens we will have to see, but as of now there is nothing of that sort on the horizon, so as we stand today the boats will continue to operate even once the Deltin town comes up.
- Dixit:** Thanks for the answer. Thank you.
- Moderator:** Thank you. Next question is from the line of Vikas Atri, a retail investor. Please go ahead.
- Vikas Atri:** Good evening Sir thanks for the opportunity. My question is lately there has been news that Meghalaya government is also very keen on starting casinos and they have issued three licenses so I was just curious to know as Delta Corp picked up any license?
- Hardik Dhebar:** I am not very sure whether the licenses have been issued or no Vikas but there has been a serious talk of them considering the casinos I do not think any casinos have yet been issued

any licenses or opened up in Meghalaya but they were contemplating they are continuing to contemplate.

Vikas Atri: Okay Sir. Thank you so much. Appreciate your reply. Thank you.

Moderator: Thank you. The next question is from the line of Keshav Garg. Please go ahead.

Keshav Garg: Sir I wanted to understand that we had plans to dispose of our noncore assets like our stake in Advani hotels and some lands that we are carrying in, in our inventory since the long time so what has been the progress over there?

Hardik Dhebar: We will continue to pursue the opportunity to sell our stake in Advani if we get a buyer we are still very keen to sell it, in fact when the prices were on the rise we did sell some in the market and liquidated the small stake but other than that we continue to remain looking for an opportunity to exit the Advani stake. With regards to the land there is a land parcel in Goa which we are developing and we hope to liquidate that in the next 18 to 24 months releasing close to about 100 odd Crores of cash.

Keshav Garg: Also wanted to understand that how big in future can Nepal and Sikkim become like can it become 10% each of the combined revenue?

Hardik Dhebar: It is anybody's guess Nepal has been a very big market historically but it got segmented because of bad operations and bad credit and stuff like that in that jurisdiction but it is anybody's guess we definitely believe that we are currently in Nepal doing at about 3, 4 Crores a month it can go to 5, 6 Crores a month for sure. As far as Sikkim is concerned again there we are doing 2.5, 3 Crores which was sometime back was only about 1 Crore, 1200000 a month so we have seen decent growth there and we hope that we will continue to grow.

Keshav Garg: Lastly since our stock price has halved and we are like quite cash rich and our operating performance is very strong so any proposal for a share buyback?

Hardik Dhebar: We already did one in 2020 so I do not think immediately there is any thought process but if the opportunity does come we will consider everything that is good for the shareholder value creation.

Keshav Garg: Thank you very much, best of luck.

Moderator: Thank you. The next question is from the line of Ankit Babel from Subhkam Ventures. Please go ahead.

Ankit Babel: Sir sorry to ask a very hypothetical question. Suppose whatever this GoM has proposed has been agreed to do we have any means to offset the loss which will come up or are there any means to change the way you do the business so that the impact on the business is minimal?

Hardik Dhebar: Which business are you talking of?

Ankit Babel: Casino.

Hardik Dhebar: But I do not think the GoM suggested anything or accepted anything because whatever was suggested was governmentally opposed by the Goa government in the GST council and the Finance Minister said that this needs to be relooked because Goa the only state technically 95%, 97% of the GST collection from casinos is going to the state of Goa and the other 2%, 3%, 5% goes to Sikkim so no other state has any impact on it, so why unnecessarily try and make any imagination or any assumptions on that front.

Ankit Babel: Okay Sir thank you.

Moderator: Thank you. Ladies and gentlemen we will take that as a last question. I now hand the conference over to the management for closing comments.

Hardik Dhebar: I think we had a decent interaction where most of the questions that all of you would have had seeking clarity for have been raised and I have tried to answer them to the best of my ability and I once again repeat and reiterate that we believe that the first quarter is only indicative of the fact that the business is resilient and strong on very good footing and going forward god willing with no interruptions and everything running smoothly we should be in for good quarter in the financial year. Thank you.

Moderator: Thank you very much. On behalf of Antique Stock Broking Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.