



**“Delta Corp Limited  
Q4 FY2022 Earnings Conference Call”**

**April 12, 2022**



**MANAGEMENT: MR. HARDIK DHEBAR - CHIEF  
FINANCIAL OFFICER, DELTA  
CORPORATION LIMITED**

**MODERATOR: ALPESH THACKER - ANTIQUE STOCK  
BROKING LTD.**



*Delta Corp Limited  
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**Moderator:** Ladies and gentleman, good day and welcome to Delta Corp limited Q4 FY22 Analyst 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. 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, sir.

**Alpesh Thacker:** Thank you, Faizan. Hello, everyone. And welcome to fourth quarter FY '22 investors 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 a brief opening remarks by the management followed by Q&A.

Without much ado, let me hand over the call to Mr. Dhebar. Over to you, sir.

**Hardik Dhebar:** Good afternoon, everybody. And thank you Alpesh for organizing this call. I'm sure most of you all would have gone through the results yesterday, and some of the media interaction that happened this morning. Based on the set of numbers that were published, one thing I would like to clarify, which I have -- which we as Delta Corp have through our press notes also, and also through our interaction clarified that these numbers, one has to look at it from a perspective that we had a couple of events that happened during the quarter between January and February, which were basically bottlenecks or hurdles from a regular business perspective.

One, we -- as we all know that the Omicron hit the country in the month of January and it was at its -- almost at its peak during that period and therefore a lot of travel and hospitality related activity came to almost a standstill. And our business obviously forms a part of that vertical.

And we are dependent upon tourist and flows coming in from all over the country into Goa, which basically was impacted, and therefore we saw the visitations drying up almost completely for the month of January. In addition to that, Goa also had the elections and therefore the code conduct also was in play. So all along from about 8th January to 14th February, the Election Code of Conduct was in play, which further added to the restrictions in addition to the COVID-related restrictions, which already existed.

Both these events put together significantly impacted the first 30, 40 days of operations. And therefore if one was to normalize these 30, 40 days of operations of sorts, and were to then look at the revenue, we -- one would appreciate that the revenue number would have been in line with what we did in October, November, December, or even better than that.

And since we all know that our business is a very high operating leverage business, the dip in the revenue that one has witnessed on account of these events will directly reflect into the EBITDA and the profitability margins as well. And therefore, if I normalize it, the EBITDA margins also would have been in line with what we did in the third quarter of this financial year.

Having said that, post February 14, 15, we started seeing the pickup in the visitations, and we -- it was very reassuring and encouraging to see that we almost bounced back to the October, November, December levels in terms of the run rates. And March has been very, very strong and good as far as the numbers are concerned. And therefore it is just a comfort and confidence that we derived that, things are not going to go downhill any further.

12 days into April, we are seeing the trend continue in terms of visitation. And we are very, very confident with regards to the numbers that we will be able to achieve in the first quarter and the financial year per se. And we believe that the trend that we

set in, in the October, November, December quarter will be able to be continued going forward.

With regards to the hospitality business also, it's again, reassuring to see that Daman which we acquired in -- which we commenced operations in 2014, and was always a loss making unit till some years ago where it started breaking even, has now started contributing at the EBITDA level positively, and almost breaking even post depreciation as well. The business there is robust and sound and is doing well. And as and when the economy keeps growing and opening up more and more, this business also will hopefully be doing better and better from here on.

With regards to online gaming business, again, last year first quarter was an aberration. We saw a spurt given the lockdown and everything, and we realized that we ended up with a number like INR 57 crore, INR 58 crore of top-line, which was an aberration, which tapered down as and how -- as and when the things started opening up. And it kind of settled at around INR 37 crore, INR 38 crore, and last quarter of this financial year was INR 35 crore.

From there on, we have been able to grow. In this quarter, we reported a number of INR 42 crore. Again, we are consciously monitoring and spending on the marketing sales promotion activity. And therefore we believe that we should be able to achieve the INR 42 crore, we have achieved the INR 42 crore number, and we believe that there is growth potential here on with our renewed focus on the sales promotion marketing activities and trying to grow the business.

As I had already mentioned earlier, we have launched the multi-gaming platform vertical, which is basically going to be acting as the funnel for growth. The platform, which will attract large number of players because unlike Rummy and Fantasy, as you would all appreciate, poker is not a game which can be mass marketed and carpet bombed, which is where we will be using the multi-gaming platform and the other games that have been now introduced as the marketing tool of sorts, which will attract larger number of registrations, get players on, and we'll onboard the players. And a percentage of that we'll try and diversion into the poker vertical thereby trying to maintain the profitability.

As you all know we in January have passed a resolution at Delta Crop level of taking this company known as Gaussian Networks erstwhile, now is christened as Deltatech Gaming Private Limited, public, whereby we'll be doing a mix of OFS and a primary issuance with a clear understanding and with a clear view that we create a war chest for future potential growth that we believe is achievable in this business. We are well on the way with our intermediaries and partners in this process of the IPO. And hopefully sooner rather than later, we'll be making all the regulatory necessary filings and documentation completion on road to our listing process.

That's predominantly the highlights of the quarter gone by, and I would now like to take the questions if there are any from the participants. And I'll try and answer to the best of my ability, please.

**Moderator:**

Thank you very much. We will now begin the question and answer session. First question is from the line of Pritesh Chheda from Lucky Investment. Please go ahead.

**Pritesh Chheda:**

Yes, hi. Thank you for the opportunity. I have two questions. One, if you could give some color on March, which was a more normalized month without any challenges. What would be the visitation numbers and the revenue run rate? That would give us some color on how the things are going to pan out.

And my second question is, there were some press reporting about some changes in the casino policy expected in Goa. So that report was it respected to water casinos or that policy supposed to be with respect to the land casinos? If you could help us those two questions. Thank you.

**Hardik Dhebar:**

So I don't know what article or what is being referred to in terms of the change of the casino policy. I haven't come across anything of that sort. So if you could elaborate and throw some light on that, it'll be great, and it'll help me to answer that question better. But if by policy, you mean the land based casino policy, there is no further change from what has been the status in the state for the last many months, and probably a couple of years.

With regards to our 100 acre parcel, we have got the approval from the cabinet. And we are waiting for the official communication to come by. And we are ready as far as our project is concerned to commence work.

With regards to the numbers in March, we typically don't give out granular details on calls, but I can only tell you very comfortably that our GGRs are back to almost the pre-COVID levels. And the GGR is in line with what we did in October, November, December, and so are the visitations. Of course, visitations have not yet reached the pre-COVID levels because the restrictions still are in play. But I think we are inching towards those numbers comfortably. And like I said, the revenue in March has been almost the highest revenue that we would've achieved for a particular month. So if you look at the October, November, December quarter, we did about INR 249 crore of gaming revenue. So that would be give and take INR 80 plus crore of revenue that we would've done on an average. We have reached those kind of numbers in March once again, and the trajectory and the trend is continuing into April.

**Pritesh Chheda:**

Just one clarification, is it fair to assume that March will be higher than that quarterly or monthly number of INR 80 crore, INR 85 crore?

**Hardik Dhebar:**

It would be in the ballparks. I would not -- exact number if you want, I can pull out the exact number for the month of March, but I think it'll be in the ballpark of INR 85 crore, INR 86 crore.

**Pritesh Chheda:**

No problem, sir. Thank you very much. And all the best. Thank you.

**Moderator:**

Thank you. The next question is from the line of from Viraj Mehta from Equirus PMS. Please go ahead.

**Viraj Mehta:**

Thank you, and congratulations, Hardik, for the numbers. Just one question in terms of the new ships. In the media interaction, you said that it'll be Q2 of '24, whereas in our last interaction in the call you had said, it'll be January. So now is it like postponed by six more months?

**Hardik Dhebar:**

No, I had said in that calendar year, and never have, I -- I don't remember saying January per se because I was very sure that it'll not be January. Having said that, what I can definitely confirm is that we will be ready prior to the monsoons or just around the monsoon, but it is because of a technical reason that the ship will not be able to sail into the river, given that it'll be a sandbar formation, and therefore we will have to push it to almost post monsoon, around July, August, or August, September. And therefore I mentioned in the media interaction, that it'll be Q2 is when it'll become operational. Q2 or more like Q3, technically. But other than that it is on track and there has been no delays as far as the ship is concerned.

**Viraj Mehta:**

Sure, sure. And as far as what -- will it be a replacement for one of our smaller ships? So how will the capacity go up?

**Hardik Dhebar:**

That has already been stated multiple times on earlier calls, as well as at multiple places. It is going to be an additional -- it's a replacement for our existing vessel. And in terms of capacity, our current capacity is about 1,800 to 2,000 gaming positions. That should go up by at least 2.5 times.

**Viraj Mehta:**

Thank you so much Hardik, and best of luck.

**Moderator:**

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

- Ankit Babel:** Yes. Good evening. So just two questions, first is on the license fees. I understand that you are replacing one of your smaller ships with a larger ship. Just wanted to understand what is the license fees for the ship, which is getting replaced currently, and what would license fee for the new ship?
- Hardik Dhebar:** The current license fee is about INR 25 crore that we pay for the smaller ship, the larger vessel would cost me about INR 40 crore or thereabouts.
- Ankit Babel:** Okay. And this INR 40 crore would be fixed in nature irrespective of your revenue. So initially when you just start the ship or commission the ship, initially it'll take time for it to ramp up. So do you feel that in spite of the level of service, the fees would be fixed at INR 40 crore for 12 months?
- Hardik Dhebar:** Of course, but today we are paying INR 25 crore. So additional is only INR 15 crore, it's not INR 40 crore.
- Ankit Babel:** Yes. Okay. And sir, my second question is, you did mention that going forward, if there are no COVID-related disruptions or any other disruptions, you'll match the performance of Q3 in the coming quarter as well. So just a reconfirmation, so we did around INR 100 crore of EBIT in the casino business. So that run rate plus some growth is expected in the next coming...
- Hardik Dhebar:** I never mentioned about any growth, but I did mention about matching up. So I think we'll stick to that for now that what we did in the Q3 is something that we could probably match up to and live up with. One has to also keep in mind that there is a potential dry docking of one of the vessels in this financial year that we will have to undergo, which is a mandatory dry docking. Once in three, four years, we have to do it. So, there could be some blip in that particular quarter, whenever that vessel goes for the dry dock. But other than that, I don't see a reason as to why we will not be able to achieve the numbers that I set.
- Ankit Babel:** So that dry dock period could be for how much time, 30 days, 40 days?
- Hardik Dhebar:** Yes, one has to assume a month at best.
- Ankit Babel:** Okay. And sir, just one more clarification, again on this license fees, so you said INR 40 crore. So this is as on date, and you don't expect any changes in the upcoming budget of Goa...
- Hardik Dhebar:** I can't predict what the ministry -- ministers and the government is thinking, but as of now, as we -- as is where is, this is what the license fee should be, INR 40 crore or thereabouts.
- Ankit Babel:** Thank you so much, sir.
- Moderator:** Thank you. The next question is from the line of Keshav Garg from CCIPL. Please go ahead.
- Keshav Garg:** Sir, I wanted to understand that our out of the INR 250 crore revenue from our casinos, which we did sir, what was your contribution of our casino in Sikkim and in Nepal?
- Hardik Dhebar:** So I think Sikkim, if I'm not mistaken, for the year as a whole, we would've done about INR 30 odd crore, and Nepal would have done about INR 15 odd crore.
- Keshav Garg:** Sir, and how much can these places ramp up or are we -- or are these figures more or less the peak that these places...
- Hardik Dhebar:** No, Nepal is just about starting off, they were locked down for almost two years, and I don't think the activity levels in Nepal have reached to their normalcy or to anywhere near their peak. And therefore we genuinely believe that there's a lot of



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scope as far as Nepal is concerned. Sikkim also has seen, in the last financial year, a couple of months where we have gone beyond the INR 3 core per month run rate. And therefore if things become normal, once again, travel becomes normal as before, we also believe that Sikkim also there is a potential to grow from here.

- Keshav Garg:** Sir, and in Sikkim are we the only casino, or are there more casinos?
- Hardik Dhebar:** No, there are three casinos. We are -- there are two more casinos in addition to ours.
- Keshav Garg:** Sir and that's all, I mean, sir, is there any possibility of new casinos coming up or is the government not giving any further licenses?
- Hardik Dhebar:** You're talking about Sikkim?
- Keshav Garg:** Sikkim, yes.
- Hardik Dhebar:** Yes, Yes. There are enough opportunities available. If there's somebody who wants to put up a casino, so far as he has -- he or she has a five star hotel accessibility, new casinos can come up.
- Keshav Garg:** Okay, sir. Sir, and lastly, wanted to understand about the Daman Casino case that is going on in High Court. Sir at what stage are we in and by when...
- Hardik Dhebar:** 23rd of June, 2022, once the courts resume post the vacation, the case is listed for a final hearing. And once the final hearing commences, hopefully we will have an outcome pretty soon.
- Keshav Garg:** Okay, sir. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Ankit from Bamboo Capital. Please go ahead.
- Ankit Gupta:** Yes, hi. Thanks for the opportunity. Sir, I just wanted to understand one thing. Normally what we see -- what we have seen in Delta casinos has been, whenever the new ship comes in it a bit cannibalizes the old ship, because the new ship is better and the -- it's bigger and -- compared to the earlier ship. So, when Delta, or the -- when Royal came in, the Jaqk got cannibalized a bit. So when this new ship comes in, there might be some impact on occupancy and visitation of Royal and Jaqk. So in that case, how do you see that the overall capacity ramping up over the next -- once this new ship comes in?
- Hardik Dhebar:** So, I don't know why the word cannibalization is coming in here, because if it was true, then the revenue from 2013 to where we stand today should not have been the revenue where we are. And therefore in the initial few weeks or couple of months, you may feel it that way, but I don't think there is cannibalization happening because we believe that the market is very, very large.
- Just to give you a perspective, there is about 1 core visitation happening into go on a normal -- in a normal scenario. I'm not talking of '20-'21 or '21-'22 when things were a little different. But pre-COVID, there were about 1 crore people visiting Goa. The total visitations to the casino, all the casinos put together was less -- was around 10 lakh, say for example, in a year. So what we are talking of is tenfold jump possibility. So in terms of number of people and in terms of getting people to the casino is not a challenge. Why was it a challenge as far as we are concerned is because we were all constraints for space, and therefore there were large entry fees and other things that we put into filter the crowd.
- Now, if tomorrow I have the potential and the capabilities to accept large number of people and it's very simple, even today, if I decided and I declared that there is no entry fee into my casinos and it's free for all, my visitations can probably double or treble from here. So, that is not a challenge. And since we will have capacities, we

will obviously rationalize the entry fees and stuff like that to ensure that we cater to a much larger audience than what we are catering to today.

Having said that, yes, in the first few weeks or a couple of months, like I said, you could see a dip here and dip there, but I don't think that is a canalization ever because like I'm explaining the market is very, very large and there is huge untapped potential client base available to be tapped into.

**Ankit Gupta:**

Sure, sir. Thanks. That really answers. And sir, second question was on the inland Casino which is coming up. So, whenever we get the permission, will this come in phases, or will come up only with when the entire casino, along with hotels and malls and water part is ready, or will this come in two, three phases where at least the phase one will start after a year or two when we get...

**Hardik Dhebar:**

Our endeavor would be to start the casino as soon as possible, to answer your question in a very short point. So obviously, we will first come up with everything that is money generating and profit making, but we'll have to plan it the way it needs to be done to ensure that it's a holistic experience. So we'll have to strategically plan it and bring it up.

**Ankit Gupta:**

Sure, sir. Thank you. Thank you so much. And wish you all the best.

**Moderator:**

Thank you. The next question is from the line of Mayur Gathani from OHM Group. Please go ahead.

**Mayur Gathani:**

Yes. Hi, Hardik, thank you for the opportunity. Are there any restrictions as we speak today in Goa post Feb 14th, or all restrictions moved out?

**Hardik Dhebar:**

No, post 14th was only date for the election code of conduct reference. As regards the COVID-related restrictions, I think effective 31st of March, or effective March the entire country, at least the central orders have been there to lift all sorts of restrictions. And most of the states have followed through. So I don't think -- I'm not very sure whether there's any specific circular to that extent, but I think as a general rule of thumb, most of the restrictions are gone now.

**Mayur Gathani:**

Okay. So we can have normal occupancy in our boats, right?

**Hardik Dhebar:**

Yes. I'm assuming so given that the theaters and malls and everything is open to 100% capacity, I don't see why we should not be following the same.

**Mayur Gathani:**

Absolutely. And sir, I mean, it is a margin of 27%, 28% this quarter with the top-line of around INR 200 crore, and if I look at FY '18 and '19, with the lower cr, we've done higher margins. Of course, in between I think your license fee shot up significantly. Is that the only reason why there's a little dip in the margins? I'm not looking quarter-on-quarter, I'm looking at...

**Hardik Dhebar:**

There has been no dip in margin in real terms, like I said, Mayur, because if you look at the previous quarter, we were at our 37%, 38% EBITDA margins. The reason why we have dipped in this current quarter or for that matter, like I said, it's a high operating leverage business. I have a dip in the revenue of roughly about INR 30 odd crore. And 70%, 80% of that translates into my EBITDA. So if you add that and normalize it, you would be back to the same EBITDA margins. And like I have said that, between last year and current year, one has to appreciate that last year my cost base in terms of the employee cost was much lower given that there were salary cuts that were taken, there were people who were laid off.

And now, not only we have got back the people, we have added more number of staff because now that we are opening up and going full hog, the salaries have been reinstated and regular increments and growths are happening all across. So to that extent the cost is going up, but the revenue has not yet caught up. The moment the revenue catches up, the margins are all there. So I don't think there is any depletion of margin whatsoever.



**Mayur Gathani:** Okay. No, what I actually meant was if I look at in FY '18-'19, with a INR 150 crore, INR 160 crore top-line on the casino side, we did a 35%...

**Hardik Dhebar:** But '18-'19 -- there has been no change in license fee between '18-'19 and now. So I don't know where you are getting that from.

**Mayur Gathani:** Okay. No, I just -- out of the mind, I mean, that's okay. So you're saying these things will come back to normal, as my top-line.

**Hardik Dhebar:** They're already back to normal. Look at quarter three, look at Quarter two.

**Mayur Gathani:** Absolutely, sir. Fine. Thank you, sir, and all the very best.

**Moderator:** Thank you. The next question is from the line of Jigar Valia from OHM Group. Please go ahead.

**Jigar Valia:** Hi. Thanks for the opportunity. My question is, would this be the last ship replacement before the land comes up?

**Hardik Dhebar:** Land casino and the ship has got nothing to do with each other. They are going to be parallelly and independently run together. But if you ask me whether this is the last replacement, I don't know. At this point of time, this appears to be the latest replacement that we are looking at. Going forward, depending upon how the market pans out, what are the requirements, we'll examine it from time to time.

**Jigar Valia:** Understood. And can you help in terms of the gaming positions before the ship, after the ship, and once the land comes, what would be the kind -- number of gaming positions over there?

**Hardik Dhebar:** So I think I just answered that question to someone else's question that we are currently having about 1,800 to 2,000 gaming positions. Post the new vessel it should be going up by at least 2.5 times of the current levels. And we'll add another 1,500 gaming positions once the land based casino comes in.

**Jigar Valia:** Understood. Thank you. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Dhruv Shah from Ambika Fincap. Please go ahead.

**Dhruv Shah:** Yes. Hi, sir. Congratulations on a really good set of numbers. I have two questions. One is, are we in talks with any other government for setting up the casino?

**Hardik Dhebar:** We have been in talks with a lot of governments which have approached us from time to time. And they have started an excusatory process of seeing whether they can do something with their public gaming act and whether they can look at issuing a license. So as and when something develops, we will see what to do.

**Dhruv Shah:** Anything on Pondicherry?

**Hardik Dhebar:** Like I said, there are multiple areas which I've been talking to, Pondicherry, Vizag, Mizoram, Meghalaya, there are so many states we've approached, but nothing concrete has moved in any one or the other state as of now. So we really don't have any visibility there.

**Dhruv Shah:** (inaudible) 29:22

**Hardik Dhebar:** I couldn't -- there's been some disturbance, Dhruv, I was not able to...

**Dhruv Shah:** Is it clear?

**Hardik Dhebar:** Yes.



**Dhruv Shah:** Yes. I just have a one bookkeeping question. If you're giving out the number, what will be a marketing expenditure on the online gaming front for this quarter?

**Hardik Dhebar:** I will address that separately. I don't have the numbers right in front of me.

**Dhruv Shah:** Okay. No issues. Thank you so much, and all the best.

**Hardik Dhebar:** Thanks.

**Moderator:** Thank you. The next question is from the line of Amit Sinha from HDFC Mutual Funds. Please go ahead.

**Amit Sinha:** Yes. Hi, thanks for the opportunity. Hardik, I just had question. I missed out on the license fee part, your commentary on the license fee part. Can you please repeat that?

**Hardik Dhebar:** What commentary, Amit, are you referring to?

**Amit Sinha:** So the INR 40 crore number, and when I read your -- the press release which you have mentioned, where you have mentioned that for the period, for the entire year, you have provisioned INR 39.58 crore as the...

**Hardik Dhebar:** No, I think there are two different things altogether, Amit. What I was commenting on is somebody asking me, what is the license fee going to be, and how will the cost be absorbed when the new vessel comes in? So that was what I was talking to on the license fee.

Just to answer your question, in the current financial year, there is about INR 40 crore of license fee that has been provided, but not paid. And about INR 55 crore of license fee has been provided and not paid for the previous years. So -- and we are waiting for the government to come up with their final decision on the waiver of the fee for the period that we were shut down. Once we get a formal official communication from the government it'll basically entail and allow me to write back this expense that has been provided in the books of accounts, thereby having a so called reversal of expense resulting into profit of about INR 95 crore in the P&L, as and when that decision happens.

**Amit Sinha:** Sure. And the INR 40 crore license fee number is for the new vessel, per quarter.

**Hardik Dhebar:** That's right. I said -- per year.

**Amit Sinha:** Per year. Okay. Okay. Okay. So, but when you move, so when you say that your total capacity is going to be 2.5 times of...

**Hardik Dhebar:** So that's what we need to -- so today it is about INR 40 crore or thereabouts is what I'm assuming it. If -- when we go for the final approvals with the government, they may tweak the fee and say you have to pay INR 50 crore not INR 40 crore or you have to pay INR 60 crore, then we'll see at that stage. But today as it appears, it should be in the range of INR 40 crore, INR 50 crore.

**Amit Sinha:** Yes. But Hardik, the point is that with 2.5 times capacity, if everybody moves into that vessel, then your overall license fee comes down, right? I mean, if I'm not...

**Hardik Dhebar:** Everybody's not going to move, no? Everybody in the sense, my vessels are going to operate. I will still have three vessels.

**Amit Sinha:** Sure. Okay. No, thanks. Thanks a lot, Hardik. That clarifies. Okay.

**Moderator:** Thank you. The next question is from the Kaniksha Sarkar, individual investor. Please go ahead. Kaniksha, your line is in talk mode. Please go ahead with your question.

**Kaniksha Sarkar:** Hello? Yes. Hi. I just wanted to understand, in the current setup, the total operations -- I'm particularly talking about Goa, how many people are employed to run the operations, and once you move into the bigger capacities, what kind of employment potential that you see in state of Goa that is coming from Delta?

**Hardik Dhebar:** So currently Delta in Goa employs in excess of 2,500 people to run all the operations, which includes marine, hospitality, gaming, all put together. The new vessel obviously is a much larger operation that we are looking at and we'll effectively be adding equal number of people, if not more.

**Kaniksha Sarkar:** So, would that mean that we are doubling the capacity? And once you also have that 100 acres developed in the next two years, so...

**Hardik Dhebar:** No, that's not two years, it's four years. We have always maintained. It's about 48 months we'll require to complete the project.

**Kaniksha Sarkar:** Right. So when that capacity comes in, in your ballpark, what could be the number of people employed out of Goa in -- by Delta?

**Hardik Dhebar:** I think we'll be close to 7,000, 8,000 people by then.

**Kaniksha Sarkar:** Right. Thanks.

**Moderator:** Thank you. The next question is from the line of Agam from Raj Trading. Please go ahead.

**Agam:** Yes, hi. Can you just briefly talk about, I think in the last quarter...

**Moderator:** This is the operator. Agam, we are not able to hear you clearly. Please use the handset mode.

**Agam:** Yes. Am I audible now?

**Moderator:** Yes. Please go ahead.

**Agam:** Yes, last quarter, you talked about hiving of your online gaming business. So any progress on that? Can you just talk a bit more on that?

**Hardik Dhebar:** Last quarter I spoke about the IPO that we...

**Agam:** Online gaming business being hived off.

**Hardik Dhebar:** No, I spoke -- we spoke about the IPO because the Delta Corp Board had approved the IPO. So that's on track. I just mentioned that all the participants and intermediaries that are required to be onboarded have been onboarded. We've been working on this process for the last couple of months after the Board approved the fundraise through the IPO. And hopefully sooner rather than later, we would be taking the next steps and moving towards trying to get it listed.

**Agam:** Okay. Thank you. That's it from my side.

**Moderator:** Thank you. Next question is from the line of Alpesh Thacker from Antique Stock Broking Limited. Please go ahead.

**Alpesh Thacker:** Yes. Thank you for the opportunity. Sir, one thing on the online gaming side, so where do you see online piece in terms of growth and profitability settling going ahead, given the change in strategy that we have, like funneling of the consumers through multi-gaming platform and all. So clarification on that would be very helpful.

**Hardik Dhebar:** So I from a growth perspective, we believe that once we have this strategy backed up by the war chest that we are planning to have for it, I think we should be able to

grow at a much faster and a much quicker pace than what we are doing today because the idea and the strategy behind doing the entire fundraise is to ensure that there is a dedicated war chest available, which will basically be used for the marketing, sales promotion and customer acquisition for the online gaming platform. And once we are able to achieve that customer acquisition, growth is not something that can be far away in terms of the revenue.

In terms of profitability, given the fact that we'll have to burn the money before we realize the unit economics on the players, it'll be a while before we start making money. But I think the name of the game as far as online is concerned is growth and customer acquisition, which is what we had been shying away from for a while, given that it had the Delta overhang. And I would have investors like all of you to answer when every quarter came by, and therefore the strategy to have this company separately listed with its own dedicated set of war chest and funds available for it to continue to do the business in the right way it requires to do.

**Alpesh Thacker:**

Got it. Just one more thing, so how has competitive intensity changed over like couple of years since pandemic, and all? Are you seeing a more competitive intensity growing in this business, online piece?

**Hardik Dhebar:**

No, the competition in terms of poker has not impacted us much, but if you look at the online gaming space in general, I think yes the, the comp -- the market has grown multifold whether it is the Rummy vertical or whether it is the Fantasy vertical or whether it is the other games like Callbreak and Fruit Ninja and Ludo and whatnot, those are the -- those are the games and those -- that is the market that has grown exponentially. And by and large, every player who's a poker player has some time or the other introduced these games because all of us have realized over a period of time that poker is not something that can grow at the same pace, like a Fantasy or Rummy or any other mass gaming game. Because poker continues to be a niche product -- poker continues to be a niche game, a niche vertical which needs to be developed in a slow and gradual way.

And therefore all these other platforms basically become your marketing tool of sorts and a platform, which we'll be able to -- you -- which you will be able to use to reach out to a much larger audience, and then use that as a funnel to trickle down a few of the customers that you acquire into your poker players and that's where the profitability will come in.

**Alpesh Thacker:**

Got it. And just one clarification on the restriction side on the online gaming front, so how many states right now have this restriction on this real money gaming?

**Hardik Dhebar:**

So basically, Assam, Odisha are the two states from -- right from day one have been out bounce. You have, Telangana, Andhra Pradesh, the two other added to that, and Tamil Nadu and Karnataka were there, but the judgements have been reversed by the respect High Courts. And they have been opened. So I think, four states, if I'm not mistaken. I don't think anything more.

**Alpesh Thacker:**

Okay. Okay. That was helpful. And one more thing on the online gaming, sorry, casino gaming side, our Mopa project, so if I'm not wrong, that is supposed to be an electronic casino, right?

**Hardik Dhebar:**

That's right.

**Alpesh Thacker:**

Right. So in case, once we -- if we get the license for the live casino there, so would you be willing to move it? I mean, is the -- will the facility be fungible enough to move from an electronic to a live casino?

**Hardik Dhebar:**

Yes, Yes, absolutely.

**Alpesh Thacker:**

Okay. Okay. That's it. That was very helpful. Thank you.



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- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Hardik Dhebar for closing comments. Thank you, and over to you, sir.
- Hardik Dhebar:** Well, I think, like I said the -- while the numbers are on the face of it, the numbers that they are, but I think once you are able to analyze it and look at it in a perspective with the normalization of activity they will reflect that we are back on the same trajectory as we were on the third quarter.
- And we hope to continue that same trajectory given that we are witnessing the visitations and the revenue coming into April as well. And we are very, very hopeful that God willing know hindrances and disruptions will happen in the coming financial year. And we should be on track to good growth and good set of numbers going forward.
- Thank you very much. I have tried my level best to answer the question to the best of my ability, and I would like to hand over to Alpesh, if there is anything that he has to say. Thank you.
- Alpesh Thacker:** Thank you. So that's it from our end. So we can conclude the call. Thank you. Thank you very much.
- Moderator:** Thank you.
- Hardik Dhebar:** Thank you, everyone.
- Moderator:** Thank you, sir. Ladies and gentlemen, on behalf of Antique Stock Broking Limited, that concludes this conference call. Thank you for joining us and you may not disconnect your lines.