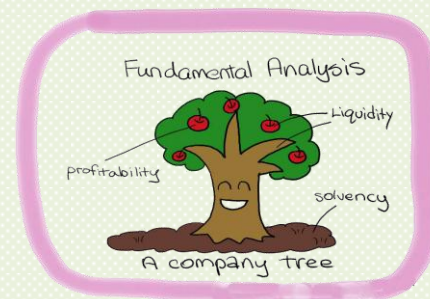




Market - Hub

Long Term Delivery Research Call



DELTA CORP LIMITED (CMP: 135)

Duration: 12 months

Date: 17.08.2016

Recommendation: ADD

Profile of the Company:

By virtue of possessing three out of the six issued offshore gaming licenses in the state of Goa, Delta Corp is the largest and only listed company within the gaming and hospitality segment in India. Delta Corp is rapidly expanding its gaming positions in Goa and currently offers 2000 gaming positions. Delta Corp has recently started a first of its kind integrated casino resort in Daman, with full benefits of the casino to accrue within short period. Delta Corp had realized the synergistic advantage of gaming and hospitality right from the beginning and therefore, hospitality has always been an integral part of the growth strategy. Earlier Delta Corp was a part of real estate business also but going by their consolidation strategy the company has decided to take exit of the real estate business and to focus more on its core area like gaming and hospitality.

Company Financials

- ✚ Market Cap (Rs. Cr.) : 3178.55
- ✚ P/E: 50.85
- ✚ EPS: 2.71
- ✚ Book Value: 35.01
- ✚ Div Yield (%) : 0.07
- ✚ Price/Book: 3.94

Company Details

- ✚ Stock Name : Delta Corporation
- ✚ CMP : 137.85
- ✚ Sector Name: Finance General
- ✚ NSE Symbol: DELTACORP
- ✚ BSE Symbol : 532848

Company Rationale:

- ♣ Delta Corp is the largest and only listed company in the gaming and hospitality segment in India. It holds three of the six issued offshore gaming licenses in Goa and has an integrated casino resort in Daman. The company also has three luxury hotel properties in Goa, Deltin Suites, Deltin Palms and Villa Marina by Deltin.
- ♣ The reduction of debt and the disposal of a few non-core assets for the company to take off like a rocket.

- ♣ According to veteran investor, the gambling business is a multi-billion dollar opportunity with huge margins. The business is a money spinner.

- ♣ **Quarter 1 Update:** The Company attributed the strong showing to better targeted marketing and getting on board the right customers, resulting in a stable income flow and increasing customer numbers. Goa, where the bulk of Delta Corp's operations lie, has become a year round destination rather than seasonal. This has boosted revenues and positively impacted profitability. The company said the income streams are steady and are bound to translate into greater revenue and growth in the months to come. The floatel, Casino Deltin Caravella, operational in Goa, is expected to add to revenues and profitability

- ♣ The company said that it has obtained a provisional license from the Government of Sikkim to operate casino. The company is in the process of refurbishing and getting the premises casino ready, which should be completed in the next three months. In pursuing its strategy of expanding its gaming imprint, the company will now have a presence in Sikkim, operating a live gaming casino offering approximately 150 gaming positions, thereby catering to the Eastern region market. In addition to three offshore and one onshore casino in Goa, the company will strengthen its presence by adding this Casino in Sikkim, making it a dominant and formidable player in the Indian gaming and entertainment space, the company said in a statement.

SEBI Registration Investment Advisory no.: INA00005333