

Ref: DCL/CS/160/202019th July, 2020**BSE Limited**P.J. Towers, Dalal Street
MUMBAI – 400 001

Scrip Code: 542685

The National Stock Exchange of India LimitedExchange Plaza, C/1, Block G,
Bandra Kurla Complex,
Bandra (E)

MUMBAI - 400 051

Company Code: DGCONTENT

Dear Sir/Madam,

Sub.: Disclosure pursuant to SEBI circular bearing no. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 84 dated May 20, 2020- Impact of CoVID-19

This is in reference to the Circular bearing Ref. No. SEBI / HO / CFD / CMD1 / CIR / P / 2020 / 84 dated May 20, 2020 regarding advisory on disclosure of material impact of CoVID-19 pandemic on listed entities.

Enclosed as Annexure is the update regarding impact of CoVID-19 pandemic on the business of Digicontent Limited (*“the Company”*)

Kindly take the above information on record.

Thanking you.

Yours truly,
For **Digicontent Limited**

(Anup Sharma)
Chief Financial Officer

(Vikas Prakash)
Company Secretary

ANNEXURE

1. Impact of the CoVID-19 pandemic on the business

The CoVID-19 pandemic has led to nation-wide lockdown from March 25, 2020. The lockdown continues to remain in effect in varying degrees to date. However, despite the lockdown, the Company along with its subsidiary (“the Group”) has managed to run all its operations effectively and manage to cater to the requirements of its customers without any disruption. There has been no change in the processes, controls and systems required to run the Group’s operations even in such difficult times.

The Group has witnessed significant increase in traffic on its digital platforms, which has led to higher revenues across platforms. However, the business of multimedia content division was impacted by the substantial decline in revenue of its customer’s consequent to the imposition of lockdown conditions. This has resulted in decline in Group’s revenue and thus profitability. The Group has managed to take some quick actions in cost structure to soften the impact of the revenue decline on profitability. Group is also in the process of making appropriate changes in its business strategies to ensure better revenue performance in the coming quarters.

2. Ability to maintain operations including the factories/units/office spaces functioning and closed down

The Group, being into digital business, did not face any major disruption to function smoothly even during lockdown. Detailed guidelines have been laid out and communicated to all employees while complying with the process, procedures and advisories issued by the Government of India from time to time for the safety of everyone.

3. Schedule, if any, for restarting the operations

Not applicable, as the Group did not face any major impediment in smooth functioning during the lockdown.

4. Steps taken to ensure smooth functioning of operations

The Group is following the guidelines issued by the Government of India as well as respective State Government(s) to ensure smooth functioning of business operations. The Group is ensuring compliance with social distancing norms and has implemented “work from home” policy for its employees to the extent possible and ensuring the deep cleaning and sanitation of all the workplaces on regular basis.

5. Estimation of the future impact of CoVID-19 on its operations

It is difficult to ascertain and accurately project the future impact on the Group’s operations, profitability and cash flows. It will depend on the extent of damage done by CoVID-19 and how quickly the impact of the pandemic on the economy is contained. The situation is being continuously monitored and the Company will keep all concerned updated on any material development.

6. Details of impact of CoVID-19 on listed entity's

a. Capital and financial resources

The Company's equity capital structure remains unchanged.

The Group presently has adequate financial arrangements to run its business.

b. Profitability

Ever since lockdown, the Group's revenues have declined. The profitability for the current quarter and financial year will be impacted on account of this. However, the cost reduction actions taken and changes in business strategies will partly compensate the impact of revenue decline on profitability.

c. Liquidity position and Ability to service debt and other financing arrangements

Basis the current business trajectory and taking into account the changes in its business strategies, the Group expects to earn cash inflow from operating activities, which can be used to settle liabilities in the near future. Accordingly, no liquidity risk is perceived.

d. Assets

The Company has considered relevant internal and external sources of information while evaluating the impact on the standalone and consolidated financial statements for the year ended 31st March, 2020.

The Company has assessed the recoverability of the assets including receivables, investments, property, plant and equipment, intangible assets, and based on current estimates expects that the carrying amount of assets will be recovered.

However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy.

e. Internal financial reporting and control

There has been no material change in the Group's established control environment. The Group has adequate internal financial reporting and control systems, commensurate with the size and operations of the Company and the nature of its business which have been fully functional even during lockdown.

f. Supply chain

Not applicable.

g. Demand for its products/services;

The Group has witnessed growth in demand of its product/services on digital platforms due to higher consumption of digital information during the lockdown. The business of multimedia content division has been impacted by the significant decline in business and revenue of its customers.

7. Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business

The Group is well positioned to fulfill its obligations and also does not foresee any significant impact on the business due to non-fulfillment of the obligations by any party

8. Other relevant material updates about the listed entity's business

The Company has been making necessary filings with the Stock Exchanges about material updates.
