

TRANSCRIPT OF THE 3rd ANNUAL GENERAL MEETING OF DIGICONTENT LIMITED HELD ON TUESDAY, THE 25TH AUGUST, 2020 AT 11.00 A.M. (IST) THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS

Mr. Vikas Prakash

A very Good Morning to everybody!

It is my pleasure to welcome you to the 3rd Annual General Meeting of your Company. Keeping in view the COVID-19 pandemic, this meeting is convened via video conferencing permitted by the circulars issued by the Ministry of Corporate Affairs and SEBI in this behalf.

Members who have registered themselves as “Speaker” will be given the opportunity to raise questions/give suggestions after the Chairman opens the floor for questions and answers.

Since the requisite quorum present, I now request Mr. Priyavrat Bhartia, Chairman, to start the proceedings.

Mr. Priyavrat Bhartia

Thank you Vikas.

On behalf of Digicontent Limited, I extend a warm welcome to all the shareholders of Digicontent Limited who have joined this 3rd AGM via video-conferencing from their respective locations.

As we have the requisite quorum present, I call this meeting to order.

Let me introduce to the Board members and Key Managerial Personnel of the Company present at the meeting -

1. Mr. Vivek Mehra, Independent Director and Chairman of the Audit Committee.
2. Mr. Ajay Relan, Independent Director, Chairman of the Nomination & Remuneration Committee and Stakeholders’ Relationship Committee.
3. Ms. Suchitra Rajendra, Independent Director
4. Mr. Praveen Someshwar, Non-executive Director
5. Mr. Dinesh Mittal, Non-executive Director
6. Mr. Puneet Jain, CEO,
7. Mr. Anup Sharma, CFO and
8. Mr. Vikas Prakash, CS

Representatives of B S R and Associates, Statutory Auditor and RMG & Associates, Secretarial Auditor, have also joined this meeting.

The Company has taken the necessary steps required as per the statutory provisions, to enable the Members to participate and vote on the resolutions as set forth in the notice.

In accordance with the provisions of Companies Act, 2013 & Rules made thereunder, the Company has extended to its members the facility to exercise their right to vote on all the agenda items through remote e-voting facility and e-voting at the AGM. Only those Members who have not cast their vote through remote e-voting will be able to cast their vote at the AGM. Mr. Sanket Jain, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the voting process.

The Register of Directors and KMP, Register of Contracts or Arrangements etc. are available for inspection.

Vikas now will take us through the agenda items.

Mr. Vikas Prakash

The notice dated 21st July, 2020 convening the AGM and the Annual Report for the financial year ended 31st March, 2020, have been sent through e-mail to all the Members, whose email IDs were registered with the Company or the Depository Participants, the same are taken as read.

Since, the Auditor's Report and Secretarial Auditor's Report does not contain any qualification or observation or any adverse remark, the same is not required to be read at the Annual General Meeting.

The agenda of this meeting comprises 7 (seven) items to be passed as Ordinary Resolutions. The same are as follows –

ITEM NO. 1

To receive, consider and adopt:

- a) The audited standalone financial statements of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon; and
- b) The audited consolidated financial statements of the Company for the financial year ended 31st March, 2020 and report of the Auditors thereon.

ITEM NO. 2

To appoint Mr. Praveen Someshwar as a Director, who retires by rotation and, being eligible, offers himself for re-appointment.

ITEM NO. 3

To appoint B S R and Associates, Chartered Accountants as Statutory Auditor of the Company for a tenure of 5 years from the conclusion of this AGM till the conclusion of AGM to be held in the calendar year 2025.

ITEM NO. 4

To appoint Mr. Ajay Relan as an Independent Director.

ITEM NO. 5

To appoint Mr. Vivek Mehra as an Independent Director.

ITEM NO. 6

To appoint Ms. Suchitra Rajendra as an Independent Director.

ITEM NO.7

To appoint Mr. Dinesh Mittal as Non-Executive Director.

With the permission of Chair, I now request Moderator to initiate the Q&A session, and enable the pre-registered shareholders to come-up one-by-one and speak.

Members are requested to be precise and take not more than three minutes, so that all pre-registered speakers get the opportunity to share their views.

Over to Moderator.

Speaker: Mr. Chetan Chadha

Moderator:

Mr. Chetan, we are losing your voice continuously, looks like your bandwidth is not supporting your call, we request you to find a better internet connection and please re-join us.

Next speakers, Mr. Krishan Lal Chadha, Ms. Sunita Chadha, Ms. Geetu Chadha and Mr. Himanshu Chadha, have not joined the call. Later, we have Mr. Sandeep Yadav, who has shared a question over a video and the video goes.

Speaker: Mr. Sandeep Yadav

Good Morning Sir. I am Sandeep Yadav from Delhi. I am very happy that I have invested in a growing company. The business of the company is very diversified in the field of digital media. Happy to help the management, whenever required. The growth is also very satisfactory even in COVID-19 times. Being an investor, I am looking for the growth and I know my funds are in safe hands. Thank you Sir. Thanks a lot.

Speaker: Mr. Ayush Gupta

Sir, I am Ayush Gupta, joint holder with Mr. Lokesh Gupta. I welcome all the board members. Sir, we were shareholders of HT Media Limited and hence, we have received shares in the Company pursuant to Scheme. Sir, can you please explain the business model and future growth plans of the Company. We were trying to understand it from your website, but couldn't gather much from there. Hence, please brief on the same. We were hoping to meet physically at the first AGM (post listing) of the Company however, due to this COVID situation, we couldn't. We hope that we will meet in person next time. Thank you.

Speaker: Mr. Dinesh Bhatia

I am Dinesh Bhatia speaking. I congratulate you and your team that we are leading from front in news media as we are at no. 2 position in the Business News as per annual report of the Company. Who is number one in Business news, sir? We congratulate you that even in difficult times due to COVID, our Company's revenue has come down by just 3% compared to last year. This year revenue is Rs. 259 Crore and last year it was Rs. 268 Crore, so it has been maintained well, which is good. And also, the arrangement of Video Conference made by your Secretarial department is very good as video is clearly visible to us. I have attended more than 20 AGMs, the audio and video of this meeting is very clear. Thanks to Secretarial department. The reports, you have prepared are also good. I have one request sir. Please provide 50% discount in HT subscription or give free to all the shareholders. I understand now due to COVID, Company is in difficulty and making loss. However, if you give 50% discount in HT subscription, it will be beneficial for the shareholders and it will also increase the customer base for you. You have my support in all the resolutions. Thank you Sir.

Speaker: Mr. Jasmeet Singh

Very good morning to all the directors and shareholders who have joined this Third Annual General Meeting of our company virtually.

Sir, the share was at its peak at about close to Rs. 15 and now has come down drastically. There are two three things which I have noted down. While we are into the media and last year we had so many events like the general elections, and then we had state elections also in Delhi. And then we had this outfall of COVID also. Given these kind of major events, when a media search is at its peak, how could we land up with a loss in our books, that is one. Another point which I've noted down while reading out the results was that there is a interest liability, which was there last year, which is there this year, and I think it will continue for years unless we repay the loan. I would like to ask that why that loan was taken at all. We are a media company, and that too digital media company. So how we plan to repay that loan, because that is very important in balance sheet, in black, otherwise we'll continue in red. So that's my concern and what I want to know that how we are going to improvise. Apart from this it's been a new interacting, with the secretarial team of Digicontent, I had a couple of interactions with Vikas Prakash. I am happy that he is very concerned about the company. And so it's a good governance which is keeping and I wish all the best to everyone in the organization that you do well but do address our concern. Thank you.

Next speaker Mr. Narender Singh Chauhan is not logged in at the moment.

Next speaker: Mr. Gagan Kumar

Good morning Mr. Chairman, Mr. Mittal and all the shareholder who have joined this meeting, virtually. I just want to say one or two things. Due to COVID-19, industry has slowed down and every company has affected due to this including our company. I think, going forward it is going to be only digital News and I feel, our company which is in the same domain & contributing well to overall growth of our country. I hope our company will continue to do well in future. Due to COVID, now all AGMs are happening in digital way. But, in future we need to conduct the meeting in physical mode only. My best wishes to all the shareholders alongwith you. Thank you.

Moderator:

Now we have Mr. Narender Singh Chauhan joining us back. Mr. Narender Singh Chauhan, I request you to kindly proceed with your question sir. Mr. Narender Singh Chauhan, kindly proceed with your question Sir. Before Mr. Chauhan proceed with his question, we have video of Mr. Lalit Chaudhary.

Next Speaker: Mr. Lalit Chaudhary (Video)

Good Morning to all. I am Lalit Chaudhary, Shareholder of the company. I would like to mention that the digital platforms of the companies are really doing good. As far as annual report is concerned, the user base is increasing for all its popular platform hindustantimes.com, livemint and other platform. I hope the same will continue in future and it will increase our wealth. And I would like to extend my support to the management of the company for various initiatives taken by them for the betterment of the shareholders. With this, I would like to say Best of luck to the management. Thank you. Thank you so much.

Thank you.

Moderator:

We have our next speaker Mr. Pramod Kumar Jain. Sir. Mr. Pramod I request you to kindly unmute your audio, switch on your camera and ask your question sir. Mr. Pramod Kumar Jain I request you to unmute your audio and ask your question.

Now this is Mr. Narender Singh. Kindly proceed with your question sir.

Moving on to next Speaker. I request Navneet Kaur Reen to kindly unmute your audio, switch on your camera and ask your question. There is no response from Navneet Kaur Reen.

Next Speaker: Mr. Krishan Lal Chadha

Sir, please give me a chance. I am a shareholder with you, since you divided the shares from HT Media. It is taking lot of time to understand this portal. While this is going to be the future, due to network connectivity issue and weather, we are facing the connectivity issue. Would request you to conduct the physical meetings, similar to previous years. I welcome you all. Please note that you are also facing the some connectivity issue. In the first quarter, our company has also faced challenges. Would like to know how much we can come out this crisis in percentage? When Mr. Modiji has announced the Work From Home concept, how many of our employees have worked from home in percentage? In most of the states, lockdown is relaxed and in Delhi is one of those states. Since Delhi is always most revenue

generated state, what is the percentage of revenue we have collected post lockdown? And regarding Share Price, while listing it was Rs. 15 – 16 and now it has come down to Rs. 3/-. Our stake value and value of Company from which it has been taken out is all apparent. Our investment valuation has remained 15-20%. What management is doing about it so that shareholders networth can be improved as the management cannot deny that it is not solely depend upon market situation. Further, how we are dealing with loan standing in our books. How the next quarter performance is looking?

Moderator:

Thank you. So with that all the speakers who have registered and present at the meeting, are given an opportunity to speak and now I hand it over back to Mr. Vikas Prakash.

Mr. Vikas Prakash:

Thank you. Now I request Mr Puneet Jain, who has recently joined us as CEO last month and Mr. Anup Sharma, CFO to respond to the shareholder's queries.

Mr. Anup Sharma:

Good Morning Shareholders and thank you for your questions and I will try to answer all of them, within the time allotted.

Mr. Ayush Gupta and Mr. Lokesh Gupta, your question was that what is the business model of the company and what are the attributes for future growth? Essentially, the business of the Company is broadly in two spaces. One is a content business, where we are using our editorial capabilities to provide the services to our customers, and the other is the online digital business where we are in leadership positions in websites like hindustantimes.com, livehindustan.com, livemint.com. That is the second space where we operate. In terms of future growth, as one of the shareholders said and as the management very strongly believes, I think the growth lies in the digital space. We have been experiencing this for the last year, as well as in the first quarter of this year. And we believe we will continue to do so.

The second question that came was from Mr. Dinesh Bhatia. Your inquiry was with respect to the HT subscription, and that as a shareholder, you would like to be entitled to a 50% discount. We would like to take your point of view into consideration and internally evaluate what we can do about it. Thank you for your suggestion.

The next question was from Mr. Jasmeet Singh. He was suggesting that the media search was peaking because we had elections last year and we had the current COVID situation, we'd like to agree with you that your understanding is very correct. And in line with that understanding the company's performance indicators on pageviews, unique users have put us in very good place. Search indeed has gone up multi fold for us also as you can see in the annual report as well. Your question with regard to revenue is a question of market growing in tandem with the readers or viewers behaviour which unfortunately, has not grown as fast. We see positive signs coming early this year and we are sure that we are well poised to capture any opportunity that exists in the market in near future. You've asked another question with regard to the interest liability that has to be repaid. Why the loan was taken, the loan was taken by Digicontent, your company for buying the business interest from HT Media limited. We took an 80 crore loan and we are currently in the second year of that loan. We are not in default, the interest and the loan are not due for another three, three and a half

years and we believe that in time we will generate sufficient cash flows to meet our obligations.

Then we have a question coming back from Mr. Krishan Lal. Mr. Krishan Lal who was experiencing some problems logging in his question, it was with regard to the staff strength during the COVID times and the work from home. Here we would like to say that in tandem with the government guidelines as well as corporate guidelines and considering the safety of the staff we are proud to have instituted work from home guidelines, and we continue to evaluate the roster or work from home or from office environments as the situation keeps evolving. With regard to the revenue recovery, you said and the share price has come down I think you are very concerned about the share price and how what the company intends to do for the shareholder value? In that regard we would like to say that during the first quarter of this year despite COVID, our business of online news content has grown very strongly. And that has given us a lot of confidence in terms of other key performance drivers that we successfully achieved over the last year on stated parameters. This lead to our leadership position in all these websites and we are very strongly poised to benefit from any market growth. Our revenues will witness growth also once the current COVID situation recedes. On the coming quarter, I think that despite being hit with this lockdown situation we continue to face it with a strong footing. We expect that the revenue growth will come back as it has come back in the digital stream. Thank you very much. That's all.

Mr. Vikas Prakash:

Thanks Anup. Now I request Chairman to further proceed with the meeting.

Chairman:

The e-voting items will be activated shortly and will be available for 15 minutes. The results should be declared within the prescribed time limit. They will also be uploaded on the Company's website and shall be intimated to the stock exchanges. I thank all members for their participation and now declare the meeting closed.

Vikas, over to you.

Mr. Vikas Prakash:

Thank you Sir. On behalf of the members present, I propose a vote of thanks to the Chair. Members are requested to kindly proceed with the e-voting process, which is available for 15 minutes. To cast their vote, members have to press the voting icon which is appearing below the screen. Thank you and stay safe.

E-VOTING WINDOW ACTIVATED FOR 15 MINUTES