

D. B. Corp Limited

Transcript of the 24th Annual General Meeting held on Friday, 25th September, 2020 at 11.30 a.m. through Video Conferencing

Ms. Anita Gokhale, Company Secretary:

Good morning to all !

It gives me great pleasure to welcome you all to this 24th Annual General Meeting of D. B. Corp Limited.

I am Anita Gokhale, Company Secretary of D. B. Corp Limited. I am attending this meeting from my office in Mumbai.

Due to continuing COVID-19 Pandemic and adhering to the social distancing norms, this AGM is being held for the first time through Video Conferencing in accordance with the circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI). I request you all to note that the participation of members through video conferencing is being counted for the purpose of quorum as per the applicable circulars issued by MCA and SEBI.

In terms of Article 29.3 of the Articles of Association of the Company, Mr. Girish Agarwal, Non-executive Non-independent director is entitled to chair this AGM.

I now request Mr. Girish Agarwal to take the chair and start the proceedings of this AGM.

Mr. Girish Agarwal:

Good Morning to all the Members present !

Trust that all of you are safe and taking care of yourself and your family. It is a pleasure to connect with all of you today, although we are meeting virtually.

I am Girish Agarwal, Non-executive Non-independent Director and I am attending this meeting from my office in Mumbai. I am also the Chairman of the Stakeholders' Relationship Committee of the Board of Directors of the Company.

I welcome all of you to this 24th Annual General Meeting of the Company being held through video conferencing. Since the requisite quorum for the meeting is present, I call the meeting to order.

Before we start with the main proceedings of the Meeting, I would like to welcome all the Directors, Statutory Auditors, Secretarial Auditors and the Scrutinizer Mr. Hitesh Buch to this AGM. I now request all these dignitaries to introduce themselves one-by-one and also to declare the location from where they are attending this virtual AGM.

Let us start with Mr. Pawan Agarwal.....

Mr. Pawan Agarwal:

Good morning to all present here! I am Pawan Agarwal, Dy. Managing Director and I am attending this AGM from my office in Noida.

Girish Agarwal - Mr. Ashwani Kumar Singhal...

Mr. Ashwani Kumar Singhal:

Good morning to all present here! I am Ashwani Kumar Singhal, Independent Director and I am attending this AGM from my office / residence in Mumbai. I am also the Chairman of the Audit Committee of the Board of Directors of the Company.

Girish Agarwal - Mr. Harish Bijoor....

Mr. Harish Bijoor:

Good morning all of you! I am Harish Bijoor, Independent Director and I am attending this AGM from my office in Bengaluru.

Girish Agarwal - Mr. Piyush Pandey.....

Mr. Piyush Pandey:

Good morning all of you ! I am Piyush Pandey, Independent Director and I am attending this AGM from Goa.

Girish Agarwal - Ms. Anupriya Acharya.....

Ms. Anupriya Acharya:

(could not connect) hence, introduced by Mr Girish Agarwal as Independent Director and also the Chairperson of the Nomination and Remuneration Committee of the Board of Directors of the Company.

Girish Agarwal - Mr. Jeetendra Mirchandani.....

Mr. Jeetendra Mirchandani:

Good morning to all! I am Jeetendra Mirchandani, representing M/s. Price Waterhouse Chartered Accountants LLP, Mumbai, the Joint Statutory Auditors of the Company and I am attending this AGM from my residence in Pune.

Girish Agarwal - Mrs. Shilpa Gupta....

Mrs. Shilpa Gupta:

Good morning ! I am Shilpa Gupta, representing M/s. Gupta Mittal & Co., Chartered Accountants, Bhopal, the Joint Statutory Auditors of the Company and I am attending this AGM from my office in Bhopal.

Girish Agarwal - Mr. Omkar Dindorkar....

Mr. Omkar Dindorkar:

Good morning ! I am Omkar Dindorkar, representing M/s. Makarand M. Joshi & Co., Practising Company Secretaries, Mumbai, the Secretarial Auditors of the Company and I am attending this AGM from my residence in Mumbai.

Girish Agarwal - Mr. Hitesh Buch....

Mr. Hitesh Buch:

Good morning everybody! I am Hitesh Buch, representing M/s. Hitesh Buch and Associates, Practising Company Secretaries, Ahmedabad, appointed as Scrutinizer by the Board of Directors of the Company and I am attending this AGM from my office in Ahmedabad.

Girish Agarwal - And finally Mr. P. G. Mishra...

Mr. P. G. Mishra:

Good morning! I am Pradyumna Gopalkrishna Mishra, Group CFO and I am attending this AGM from my office in Bhopal.

Mr. Girish Agarwal: Thank you all ... I now request Anita Gokhale, Company Secretary to give general instructions for AGM and the E-voting.

Ms. Anita Gokhale: Thank you Chairman Sir.

Members present may please note that this AGM is being held through video conferencing in accordance with the applicable circulars issued by the MCA and SEBI. The Company has complied with all the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable circulars of MCA and SEBI with regard to holding this AGM through Video Conferencing and in particular the sending of Annual Report and AGM Notice by email, only to those shareholders whose e-mail IDs are available with the Company or Depository Participants and related advertisements to be published in the newspapers. The AGM is being conducted through the e-platform provided by KFin Technologies Private Limited ('KFintech'), formerly known as Karvy Fintech Private Limited, Company's Registrar and Transfer Agent.

The facility of joining this meeting through Video Conferencing is available to the members on first-come-first-served basis. All members who have joined this meeting are placed on mute by System Moderator to avoid background disturbances and to ensure seamless participation. The company had given facility to members to send their questions/queries in advance on the email id as given in the AGM Notice or register themselves on e-AGM platform provided by KFintech.

Members may please note that the Company had provided remote e-voting facility to all members through KFintech platform. The remote e-voting facility was available from Monday, September 21, 2020 from 9.00 a.m. (IST) till Thursday, September 24, 2020 till 5.00 p.m. (IST).

Members who have not cast their vote through remote e-voting and who are participating in this meeting have an opportunity to cast their vote during this meeting through the insta-poll system

provided by KFintech. On instructions from the Chairman of the meeting, insta-poll mechanism will be activated. Once all the resolutions for the agenda items of the meeting are placed before the meeting, the Chairman will announce the insta-poll open and the Members present can vote electronically during next 15 minutes. On expiry of the duration of 15 minutes, the e-voting will be automatically disabled by the system. Later, the Scrutinizer will submit his report on voting to the Chairman.

Mr. Hitesh Buch, Practicing Company Secretary has been appointed by the Board as the Scrutinizer for the remote e-voting and the e-voting at this AGM. The combined result of remote e-voting and e-voting at the AGM along with the Scrutinizer's Report will be uploaded on the website of the company as well as on the website of National Stock Exchange of India Ltd. and BSE Limited. within 48 hours from the conclusion of the AGM. It will also be put up on the notice board at the Registered Office of the Company at Ahmedabad.

Mr. Ashwani Kumar Singhal is the Chairman of the Audit Committee. Ms. Anupriya Acharya is the Chairperson of the Nomination and Remuneration Committee and Mr. Girish Agarwal is the Chairman of the Stakeholders' Relationship Committee. All of them are present at this AGM, as statutorily required.

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, the certificate from the auditors regarding the ESOP schemes and all other necessary documents as statutorily required are made available for inspection by Members through the e-AGM platform of KFintech. All these documents may be deemed to have been placed on the table and they are open for inspection by any member during the course of this meeting. The Members desirous of inspecting these documents can visit the special tab provided on this e-AGM platform.

I now request Chairman Sir to take up the agenda items of this meeting.

Over to you Chairman Sir.....

Mr. Girish Agarwal - The notice dated August 13, 2020 convening the 24th Annual General Meeting of the Company is already circulated to all the members. I take the Notice as read.

I wish to inform you that the Statutory Auditors and Secretarial Auditors have not made any qualifications or reservations in the Audit Reports for the year ended March 31, 2020. Therefore, with your permission, I take the Statutory Auditors' Reports and the Secretarial Audit Report as read.

I now request the Company Secretary to call out all the agenda items being placed before this meeting for approval by the Members.

Ms. Anita Gokhale: I now read out the 3 agenda items...

Item No. 1: To consider and adopt: a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020; and b. the Audited Consolidated Financial Statements

of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2: To appoint a Director in place of Mr. Pawan Agarwal (DIN: 00465092) who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3: To ratify the remuneration payable to the Cost Auditor.

Draft of resolutions in the subject matter of these 3 items of agenda are available on the insta-poll mechanism which can be accessed by any Member before casting the vote.

The resolutions as available on the insta-poll mechanism are deemed to have been placed before the meeting now. Those shall be deemed to have been passed at this meeting today subject to receipt of requisite number of votes in favour of each of them.

Thank you and over to you Chairman Sir....

Mr. Girish Agarwal: The agenda of this AGM includes approval of Standalone and Consolidated Financial statements for FY 2019-20, appointment of Mr. Pawan Agarwal who retires by rotation and being eligible, offers himself for reappointment and the 3rd item of ratification of remuneration payable to the Cost Auditor for the cost audit of Radio Business of the Company.

The objective of these resolutions is to obtain approval of the Members of the Company which is the supreme authority being the owners. The law-makers have mandated approval of the ultimate owners to be obtained for the items of strategic importance in the corporate structure of ownership. Hence these items are being placed for approval by the Members at this AGM. Once approved, the Financial Statements will be the official documents of the Company. If approved, Mr. Pawan Agarwal will hold the office of director for the next term of office and the remuneration payable to the Cost Auditor will have legal backing for payment.

For transacting the agenda item of appointment of Mr. Pawan Agarwal, being interested in the subject matter of the agenda item, I will be vacating the Chair and will request Mr. Ashwani Kumar Singhal to chair the meeting for that item. In view of the technical complexity of the virtual AGM and with the permission of the Members present, it may be deemed that the change of Chair happens at appropriate time.

After having placed all the resolutions before this meeting for approval, I would now like to brief you on the operations of the Company during the financial year 2019-20.

Chairman's speech delivered.

Now I declare the forum open for question-answer session. Members are requested to raise their queries, if any, on the agenda items placed before the meeting.

Question and Answer (Q&A) session:

KFintech moderator took over for Q&A session and the registered speakers turn by turn expressed their opinions/raised queries on the items of agenda during their speech.

Speaker 1:
Saumya Jain:

Thank you D. B. Corp management for the opportunity. I would like to thank the promoters and senior management of the D. B. Corp Limited for the excellent work in the field of new launches and impartial journalism. Reading news in the morning is a way of life and reading your content is a feeling of enriching yourself through international articles of Times Magazine, Harvard Business Review, the economist and other various knowledgeable content. The impartial attitude and commitment of Dainik Bhaskar Group towards journalism gives a true picture and deep insight into the story as against the fake and aggregated breaking news on social media and other mediums. I have also read various management studies conducted on the Dainik Bhaskar group by reputed and renowned institutes like Marico Foundation, London. And I feel proud to be associated as a shareholder with the company. Recent jumbo launches in the group and cities of interior Bhopal, Hoshangabad, etc. are some of the classic examples of innovation, leadership and vision of the management. I appreciate the effort put in by the editorial team in providing us well, accurate content and the production and distribution team for ensuring the continuity of the newspaper during the lockdown. I hope that we the shareholders will continue to have this relationship with the company and be benefited by the sustained revenue growth of D. B. Corp. Thank you.

Girish Agarwal (Chairman of the meeting):

Thank you very much for your kind words and the motivation from shareholders like you, readers like you, really motivate us, go beyond and do whatever we can to stay on course. Thank you very much.

Speaker 2:
Himanshu Jhavar:

Good Morning, Thank you for this opportunity. I am connected with capacity as a reader and as an investor. I can tell you that I am very happy in both capacities. I would like to thank the promoter and senior management for their excellent work in the field of honest, transparent, courageous journalism. I also want to thank management for their strong new content which is very knowledgeable covering all national, international news, keeping all types of reader's choices and its good connect with the readers. DB Corp is known for its aggressive expansion approach and its execution skill. Reputed Management institutions like IIM Ahmedabad, IIM Bangalore and Marico Foundation, London, their study acknowledges D.B. Corp's successful readership methodology and outcomes and this is a matter of pride.

I applaud the promoters and the management company who are running this newspaper like industry. The increase in readership and circulation copies, in total revenue growth and growth and profit. This clearly shows the good management driving skills and should be appreciated. I am thankful to the management for rewarding your shareholder by announcing consistent dividend or buyback at a very attractive price. I wish to congratulate management for becoming number one newspaper of Rajasthan and a strong number two newspaper in a new market of Bihar. I also congratulate the entire team of D. B. Corp for taking out jumbo (distorted) this is really surprising in this situation. The situation in a premium city and this is excellent work. I am sure our quality of the

management will ensure strong presence in digital platforms also in near future. They show all success. Good luck and save life. Thank you. Thank you.

Speaker 3:
Tejas Shah:

Yeah, thank you very much Sir. Our performances is good, Result is also good. Even in Covid 19 pandemic time our work was continuing, then why was our share price of our company trading very low. Another query is regarding page number 163, advances for property and in the same head we have provision for doubtful advances for Rs. 190.92 million, Sir, I want to know to whom we give and for what purpose we give and why we have to make it provision for this, kindly give break up to it. Another query on page number 174 that gets written off amount is of Rs. 171.28 million. So, kindly give me the bifurcation of all these. Another one is a related party transaction in which we have sale of fixed assets to Writers and Publishers Private Limited amount is Rs. 26.80 million and under the same purchase of fixed assets from the same entity Writers and Publishers Private Limited amount is Rs. 720 million but I want to know which fixed assets we have sold and purchased from this entity and what is the reason for purchasing ourselves to them? And lastly, what is the roadmap for the next three to five years to grow the performance of our company. Thank you.

Speaker 4:
Manoj Bagadia:

Thank you very much Sir, for the opportunity to speak. This is the first time I am attending the AGM. Just a few questions quickly Sir, I mean, how do you see the improvement in the business actually newspaper business because, I mean, it has gone through tough time and globally a lot of people are writing off the newspaper business whereas here I mean, a lot of challenges are there in English version but in the original, but Hindi, it is still doing reasonably okay in the longer term. So just wanted your opinion as to how do you see the longer term outlook for our business and how do you see the month on month improvement on the ad-revenue as well as such circulation revenue. Second thing in terms of the cost, I mean, there would be a significant savings in terms of newsprint. So, will this be for medium term that you foresee or this is only for the short term and in terms of the overhead cost, if we can give what is the longer term sustainable cost savings for the world also, if we can throw some outlook on radio business. Radio business also has gone through a lot of challenges actually, sir, so, if we can throw some light on the outlook for the next couple of years for the radio business. In terms of the digital Sir, I mean, there is a significant trend towards digital business. And people like HT Media, they have a centralized newsroom, which is looking at significant growth in the digital business. So, what are the pros and cons for such a thing? And are we looking at similar things for us, which would help us actually consolidate all our digital things. Also, the global digital players are not paying anything for the news, what they use and Australia is coming out with the regulation whereby they will ensure that the digital global players would have to pay. So, what are your opinions on that and how do you see that helping us in the longer term in terms of the cash flows or whatever will generate in the next three, four years assuming that FY 22 onwards, it will, it would be a normal business. So, whatever cash flow which ended, how do you plan to use it because, I mean, most of the newsprint people have gone into radio business, but some of the returns have not come into radio business. And do you foresee that radio business would attract global partners eventually for the whole industry? Thank you for the opportunity to talk sir.

Speaker 5:
Dipankar Purkayastha

I have six issues on which I have questions. The first is regarding the circulation. During financial year 20, the entire print media circulation revenues grew by 2%. This is what your management discussion and analysis says. Yeah. And for the last 10 years, our CAGR in circulation revenues has been around 9.2% whereas in this year, we have registered a growth negative growth by 2.2% month of month in circulation revenue. So why do we say that we have done very well in circulation for the FY 19-20 as we have claimed in the annual report. It's easier to say that it's a wonder year for circulation. This point is not clear to me. My second question is, why does D. B. Corp not enter the UP market which is the largest Hindi readership market. Earlier we were not present in Bihar market but we entered and we have made some good progress over there so it seems strange to me that the largest Hindi readership newspaper in the country is not present in the largest Hindi readership market in the country, at least we can make a start in some districts, say those districts which are in Purvanchal which are bordering Bihar, why don't we start there? And why are we so afraid of competition? Or is it that we have some agreement with the other publishers like Amar Ujala not to enter in up to this point, kindly clarify. My issue is this DB digital has done well if you benchmark it with the other newspaper apps, but if I benchmark it or compare it with say Aaj Tak, we are far behind as far as downloads go. So, what are we doing to reduce this gap with the Aaj Tak Now? Coming to the annual report, the secretarial audit has pointed out that there have been instances of trading during the window closure period designated persons during FY 19-20. So, as per the country's insider trading law, such instances have to be reported to SEBI. So, has this reporting been done to SEBI by the compliance officer and if so, what has been the response from SEBI. Then I come to the balance sheet. See we are carrying investment properties aggregating Rs. 85 Crore book value on which we are no income, what is the point of blocking this money in the company? The balance sheet on which we are not earning any income and the fair market value is now currently Rs. 90 Crore if we delay we may even go below the book value and we will ultimately have to sell it at loss. So, why not monetize this and get the cash on the balance sheet. And my final issue is one which has already been raised by one preceding shareholder at that over and above this dead asset. We have gone and made advances of another Rs. 71 Crore for the purpose of acquiring additional property. So, when will this acquisition be completed? When will that title deeds come to the company and as the previous shareholder pointed out, advances for properties amounting to Rs. 19 Crore has become doubtful. I don't understand how advances for acquisition of property become doubtful. Does it mean that the person who took the advance has run away? Or does he have a defective title? In either case, then we should be shown as some kind of fraud. Thank you. That is all I have to say. Thank you for the opportunity.

Answers given by the Chairman :

Mr. Girish Agarwal

So, there was one question raised by somebody about the roadmap of three, five years, month on month growth? And how are we looking at the improvement in the business? You know, so I would like to first of all explain to you that the whole problem of COVID started by the middle of March. And as a reason our March month was not very good. April was a lockdown, May had a lot of impact of that. The growth or the normalcy started coming from the month of June, a bit and then from July it started improving. So just to let you know, we can talk about the current numbers also,

that April, May, June Company suffered a loss. But in the month of July and August, we were able to recover all the losses suffered by the company in the first quarter itself. So we are very confident that the Q2, Company like, six monthly, Company will become the EBITA positive, you know, so that's one heartening thing. And the way it looks like that the recovery is happening in all the sectors Automobile, FMCG, Electronics, so we are very confident that in the, quarter third, which is the quarter three is going to be a festival month this time because Diwali and Navratra is in October and November. So this is going to be a very good period. And we hope there will be good revenue coming in and the company will be able to improve the profitability in Q3 and Q4 over the last year also. Also, there was a question about cost saving, how much is the cost saving on a current basis and how much is our long term cost saving, so happy to inform you that we've been able to save a lot of cost, because of the reduced number of regulations and also lot of efficiency we have got in the system. So because of all that there's been a good cost saving, some portion of it is current and large portion of it has long term impact also. So whatever saving we have, it is not only for three months, six months, this will continue for a few years to come with us. That is a very, very positive signal. That's one, another question somebody asked about the circulation that why in 2020, there has been a growth, but D. B. Corp has minus 2%. And we still talked about that. Why it is great year, this minus 2% of the revenue of D. B. Corp in this year, came in largely because of the month of March because in the month of March, as you know, that from 20th of March till 30th of March, the circulation went down by almost 30-40% actually 40% plus. So because of that, you know the revenues of the overall period is looking lesser, why we call it a great year because we were able to grow our numbers in Rajasthan, we were able to grow our number in Bihar, we were announced by ABC in Bihar as a number two publication, which was a big achievement by the company. We have shown the growth across the area and we were announced as the largest Newspaper publication group in the country. So that is why we called it a great year also for us. Somebody also mentioned about Uttar Pradesh... Please understand entering into any market is a business decision. It is not just a decision, seeing that change, we are the largest paper we should also be present in a particular market, when we looked at the viability of Uttar Pradesh, we realized that Uttar Pradesh is not a very viable market for us at this moment of time and there's a reason we have not taken a call in Uttar Pradesh. Next point somebody mentioned about the barter, you know, there is some qualification on the barter that we are taking down 1.9 Crore rupees as the written down price and all that. So, let me assure you what is this company did some percentage of the revenue like 1% of total revenue, we spoke to the real estate players, builders, because they were not willing to advertise in last three-four years' time because they had a cash flow issue, and we wanted to motivate them to come and advertise in the paper. So, we agreed that part of our money we will take it in a barter from them, which means, that if they were to advertise say for 50 lakh rupees, we said okay, out of 50 lakhs you pay us 20-25 lakh rupees cash and for 25 lakh rupees, we will take a property from you or readymade property from you. So, that property when we have taken from them as per our auditors after a particular time period, they do the market valuation of those properties and based on that, they asked us to take a provision of that, so, that is, that money over there. So, there is now no ambiguity about it, and companies over a period of time have been able to sell those properties also. So, I think around 810 Crore rupees of property were sold in the last two years and recovered the money from there. Unfortunately, the real estate market is also very tight for the last two years. So, we are not able to liquidate all the property which we took. So that is the reason they are still sitting in our books. About the DB Digital, somebody mentioned about that, why aren't we comparing ourselves with the other TV platforms and all that. So let me assure you, our team is really working hard on that also, that not only the news apps of other publications, we are comparing ourselves with any platform, which supplies news and we are competing with them. And we are very, very hopeful and positive that in the months to come you will see very positive results on that front also. Okay,

somebody mentioned about cash flow of the company, how do we intend to use the cash flow going forward, so company want to again reiterate the fact that company is of the policy, our Board is of the opinion that if there is excess cash lying in the company, we would like to announce it as a dividend for the shareholders and that as we have been doing in the past and we may continue doing the same going forward also. Somebody also mentioned the global players using the news from us, like it has happened in Australia and they have now agreed to pay out, as the government of Australia had directed them that they should be paying those newspaper from where they take the news from, we are very hopeful and confident that the same thing will happen in India going forward. And our Indian Government will also take a call on that. That will be a good major achievement for all the newspapers and the news platform, people in India to get that big additional source of revenue coming our way. Yeah, I think I have covered largely all the points. And thank you very much. Thank you for all your questions.

I thank all the shareholders who have joined this meeting and have raised their queries.

Queries raised/questions asked by the Members by submitting them through KFinTech's e-AGM system and those raised here but which have perhaps remained un-answered will be replied by email in next 2-3 days' time by the management.

All the agenda items placed before this meeting having been transacted, I now close the proceedings of this meeting.

I now request the System Moderator to activate e-voting mechanism called insta-poll. The Members present can now cast their vote on insta-poll which will remain open for next 15 minutes. I authorize the Company Secretary to complete necessary formalities in respect of result of the voting on the resolutions, Scrutinizer's Report, submission of the said report to various regulatory authorities and all other compliance requirements.

THANK YOU. STAY SAFE, STAY HEALTHY AND TAKE CARE !