



CREST ANIMATION STUDIOS LIMITED

BY FAX/HAND DELIVERY

November 02, 2012.

The General Manger
Department of Corporate Services
The Stock Exchange Mumbai
P.J. Towers, Dalal Street,
Fort, Mumbai 400 001
Fax No. 22723121/3719/2037

Asst. Vice President
Listing Department
National Stock Exchange Ltd.
"Exchange Plaza"
Bandra Kurla Complex
Bandra (E) Mumbai 400 051.
Fax No. 26598237/38

Dear Sirs,

Sub.: Submission of Un-Audited Financial Results for the quarter and six months ended 30th September, 2012.

Pursuant to Clause 41 of the Listing Agreement, enclosed please find a copy of Un-Audited Financial Results for the quarter and six months ended 30th September, 2012.

The above results were reviewed by the Audit Committee and taken on record by the Board of directors at its meeting held on 2nd November, 2012.

This is for your information and record, please.

Thanking you,

Yours faithfully,
For Crest Animation Studios Limited

Kamlesh Kulkarni
Company Secretary

CREST ANIMATION STUDIOS LIMITED

CREST ANIMATION STUDIOS LIMITED

Registered Office : 401 & 501, Raheja Plaza, L.B.S.Marg, Ghatkopar (W), Mumbai 400 086

UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS/HALF YEAR ENDED 30TH SEPTEMBER 2012

Sr. No.	Particulars	Three months ended Unaudited			Year to Date		Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
1	(a) Income from operations	682.74	629.37	252.82	1,312.10	699.50	1,416.83
	(b) Other operating income	-	-	-	-	-	-
2	Expenditure	682.74	629.37	252.82	1,312.10	699.50	1,416.83
	(a) (Increase) / Decrease in work in process (refer note 6)	(610.68)	6.13	(134.17)	(604.55)	(421.66)	(675.61)
	(b) Employees cost	318.72	269.44	305.06	588.15	622.97	1,231.14
	(c) Retainership fees	284.55	242.97	135.55	527.52	290.48	647.32
	(d) Depreciation and amortisation	102.46	104.94	142.57	207.40	335.91	568.85
	(e) Rent	130.44	120.06	100.96	250.49	201.93	418.50
	(f) Provision for Doubtful debts	-	-	-	-	-	30.91
	(g) Other Expenditure	120.04	126.60	179.66	246.63	308.00	522.75
	(h) Foreign Exchange Loss	157.53	-	-	-	-	-
	(i) Provision For diminution in value of Investment	19.93	-	50.79	19.93	134.26	640.57
3	Profit / (Loss) from operations before other Income & interest (1-2)	522.97	870.14	780.43	1,235.57	1,471.91	3,384.43
4	Other income (refer note 6)	159.76	(240.77)	(527.61)	76.53	(772.40)	(1,967.60)
5	Profit / (Loss) before interest (3+4)	32.11	375.46	359.08	250.05	349.09	507.64
6	Interest	191.87	134.69	(168.53)	326.58	(423.32)	(1,459.96)
7	Profit / (Loss) after interest before tax (5-6)	166.32	167.13	148.87	333.44	281.02	595.96
8	Tax expense	25.55	(32.44)	(317.40)	(6.86)	(704.34)	(2,055.92)
9	Profit / (Loss) for the period (9+10)	-	-	-	-	-	-
10	Paid-up equity share capital (Face Value Rs.10 per share)	25.55	(32.44)	(317.40)	(6.86)	(704.34)	(2,055.92)
11	Reserves excluding revaluation reserves (net of debit balance in profit and loss account) (As per 31.03.2012 Audited - Rs. 6046.47 Lakhs)	4,421.22	4,421.22	4,421.22	2,258.52	4,421.22	4,421.22
12	Earnings per share in Rs. (not annualised) Basic and diluted	0.06	(0.07)	(0.72)	(0.03)	(1.59)	(4.65)

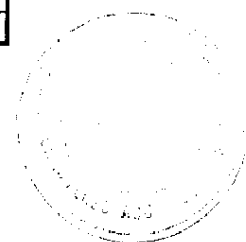
SELECTED INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30TH SEP, 2012

A PARTICULARS OF SHAREHOLDING							
1	Public shareholding						
	a) Number of shares	39,603,327	39,603,327	18,989,183	39,603,327	39,603,327	39,603,327
	b) Percentage of shareholding	89.58%	89.58%	84.08%	89.58%	89.58%	89.58%
2	Promoter and Promoter group shareholding						
	a) Pledged / encumbered						
	- Number of shares	1,870,000	1,870,000	1,341,000	1,870,000	1,870,000	1,870,000
	- Percentage of shares	40.57%	40.57%	37.29%	40.57%	40.57%	40.57%
	(as a % of the total shareholding of promoter & promoter group)						
	- Percentage of shares (as a % of the total share capital of the Company)	4.23%	4.23%	5.94%	4.23%	4.23%	4.23%
	b) Non Pledged / non-encumbered						
	- Number of shares	2,738,809	2,738,809	2,254,995	2,738,809	2,738,809	2,738,809
	- Percentage of shares	59.43%	59.43%	62.71%	59.43%	59.43%	59.43%
	(as a % of the total shareholding of promoter & promoter group)						
	- Percentage of shares (as a % of the total share capital of the Company)	6.19%	6.19%	9.98%	6.19%	6.19%	6.19%
B INVESTOR COMPLAINTS		Quarter ended 30-Sep-2012					
	Particulars						
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	Nil					
	Disposed of during the quarter	Nil					
	Remaining unresolved at the end of the quarter	Nil					



CREST ANIMATION STUDIOS LIMITED

CREST ANIMATION STUDIOS LIMITED Registered Office : 401 & 501, Raheja Plaza, L.B.S.Marg, Ghatkopar (W), Mumbai 400 086 STATEMENT OF ASSETS AND LIABILITIES PURSUANT TO CLAUSE 41 OF THE LISTING AGREEMENT (Rs. In Lakhs)		
Particulars	30.09.2012 Un-Audited	31.03.2012 Audited
	Standalone	Standalone
EQUITY AND LIABILITIES		
SHAREHOLDERS' FUNDS:		
Share capital	4,421.21	4,421.21
Reserves and Surplus	6,051.78	6,058.79
	10,472.99	10,480.00
Non Current Liabilities		
Long-term Borrowings	5.40	7.62
Long-term Provisions	129.68	124.77
	135.08	132.39
Current Liabilities		
Short-term Borrowings	6,419.87	6,535.70
Trade Payables	687.54	348.12
Other Current Liabilities	1,664.42	1,812.09
Short-term Provisions	26.14	28.84
	8,797.96	8,724.76
	19,406.03	19,337.16
ASSETS		
Non Current Assets		
Fixed Assets		
Tangible Assets	689.94	827.80
Intangible Assets	112.86	127.01
Non Current Investments	7,462.34	7,702.43
Long-term Loan and Advances	277.19	284.71
	8,542.34	8,941.94
Current Assets		
Inventories	3,791.10	3,186.55
Trade Receivables	1,418.64	2,127.80
Cash and Cash Equivalent	25.39	7.66
Short-term Loan and Advances	3,408.52	3,279.37
Other Current Assets	2,220.06	1,793.83
	10,863.71	10,395.22
	19,406.04	19,337.16

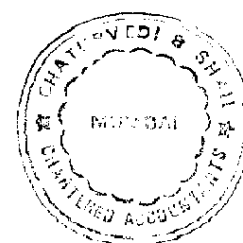


**CREST ANIMATION STUDIOS LIMITED****Notes:**

1. The above un-audited un-consolidated results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 2nd November, 2012. The Statutory Auditors have carried out a limited review of the financial results of the company for the quarter ended 30th September, 2012.
2. On November 23, 2010, the Company's US step down subsidiary, Crest Animation Holdings Inc. (CAH, now merged with the Company), entered into a Film Financing transaction with Bayrakkale LTD STI (Bayrakkale) for the purposes of co-financing the Company's animated feature film. Pursuant to the agreement, CAH had deposited US\$ 320,000 (Rs. 14,153,600/-) into an escrow account and also entered into a loan, security and pledge agreement and related promissory note with Newbridge Film Capital LLC (Newbridge) for a deposit of US\$ 5,930,000 (Rs. 310,198,300/-) into the escrow account for onward payment to Bayrakkale under the terms of the agreement. The agreement with Newbridge is secured by a letter of credit favoring Newbridge from Deutsche Bank issued on behalf of Bayrakkale as well as CAH's interest in the film. However, Bayrakkale has failed to fund the film in accordance with the co-financing agreement and is in material breach of the same. Further Deutsche Bank has refused to honor the letter of credit. Newbridge and the Company had elected to move forward against Deutsche Bank to pursue causes of action against the bank relating to the letter of credit, and intend to toll any potential causes of action against each other pending resolution of the matter with Deutsche Bank. The Company is pursuing all available legal options and is confident of recovering the outstanding dues. Till date, Bayrakkale has reimbursed US\$ 300,000 for interests and costs associated with their late payments. Pending final outcome of the matter, company has not provided the interest on the loan from Newbridge amounts to Rs. 17,971,606 and Rs. 38,774,788 for the quarter and half year ended 30th September, 2012 and has considered the same as contingent liability which as at 30th September, 2012 amounts to Rs. 116,324,363. Interest claim on Bayrakkale has also not been recognized. The auditors have qualified their limited review report for the quarter ended 30th September, 2012 for the non accounting of interest and for the recoverability of the advance of US\$ 6,250,000 (Rs. 326,937,500/-) as at 30th September, 2012 from Bayrakkale. Further their audit report for the year ended 31st March, 2012 and their limited review report for the quarter ended 30th June, 2012 were also qualified for these matters.
3. As on 30th September, 2012, the company has Rs. 74,464,890 invested in Norm LLC, a special purpose vehicle which is formed for the purpose of feature film Norm of the North. For Norm Financing LLC the company also has outstanding receivables of Rs. 74,620,398, unbilled revenue of Rs. 169,639,437 & Work in process of Rs. 60,247,558. In addition, company has an investment of Rs. 1380.23 lacs in a subsidiary company which has receivable as at 31st March, 2012 of Rs 1114.22 lacs due from norm Financing LLC.

Work on this project was deferred during first quarter of Annual year 2011-12 due to the uncertainty prevailing on the financing arrangements of the same. However, based on discussions with alternate financier, the company is confident of resumption of the project and has recommenced work on the same. A work-in-process of Rs. 14,377,025 has been booked for the quarter ended 30th September, 2012.

In view of the intended recourse of the legal proceedings against the defaulted financier and developments for the alternate financier, the management is of the view that there is no diminution in the value of these investments, receivables & work in progress. These are considered to be recoverable and therefore no provision is considered necessary. The auditors have qualified their audit report for the year ended 31st March, 2012 and their limited review report on the financial results for the quarter ended 30th June, 2012 and 30th September, 2012 for this matter.



**CREST ANIMATION STUDIOS LIMITED**

4. The Company has accumulated losses of Rs. 3071.93 lacs as at 30th September, 2012. The company's operations are primarily funded from debtors realization, borrowings from private parties and promoters. Management has renewed / rescheduled its credit facilities with the banks and other private parties which are now falling due between the period from October, 2012 to July 2014.

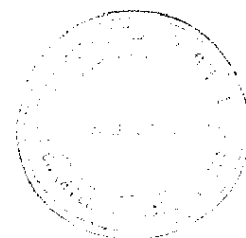
Management is confident of renewing the loans from banks and private parties on their due date. Further, management is in discussions with prospective investors to raise funds from the liquidation of shares held by the CAS Benefit Trust ("treasury stock") to meet its working capital requirements. The Company continues to execute work on major hire projects. Considering the above and based on a detailed plan for meeting its cash flow requirements for the next 12 months prepared by management and approved by the Board of Directors, the company, despite the possible material uncertainty in this regard, is confident of meeting its obligations as and when they fall due and hence, these financial results have been prepared on the basis of going concern assumption. The auditors have included a matter of emphasis for the going concern matter in their audit report for the year ended 31st March, 2012 and limited review report for the quarter ended 30th June, 2012 and 30th September, 2012.

5. The Company has long-term investments of Rs. 7,140,500 in a joint SPV which is having film properties under development for more than 3 years. Pending the final outcome of the decision to be taken by the joint SPV partner on the development of the film properties held by the investee, Management is of the view that there is no permanent diminution in the value of this long term-investment. The ultimate outcome of the above mentioned matter cannot presently be determined, and no provision has been made for diminution in this investments. The auditors have included matter of emphasis for this matter in their audit report for the year end 31st March, 2012 and limited review report for the quarter ended 30th June, 2012 and 30th September, 2012.
6. During the first quarter ended 30th June, 2012 the company has called off a TV Series project with a client and accordingly written off the accumulated work done cost of Rs.23,469.483 and provided for doubtfulness of receivables of Rs.3,091.007. Post that while adopting the audited accounts for the financial year 2011-12, as an subsequent event, the Company has considered the said write offs in financial year 2011-12. Hence in current quarter ended 30th September 2012, the company has reversed the said write offs of inventory and provision for doubtfulness of receivables charged to the revenue account in first quarter ended 30th June, 2012.
7. The Company's business activities fall within a single segment, Animation only.
8. Figures for the previous period have been regrouped, wherever necessary, to make them comparable with current period.

For CREST ANIMATION STUDIOS LIMITED

Place: Mumbai
Date: 2nd November, 2012

SEEMHA RAMANNA
MANAGING DIRECTOR



LIMITED REVIEW REPORT**Review Report to
The Board of Directors
Crest Animation Studios Limited**

1. We have reviewed the accompanying statement of unaudited unconsolidated financial results of Crest Animation Studios Limited ('the Company') for the quarter / half year ended September 30, 2012 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors/Committee of Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *As indicated in Note 2, of the accompanying statement of unaudited unconsolidated financial results, at September 30, 2012, the company has not accounted for interest of Rs. 179.72 lacs and Rs.387.75 lacs for the quarter and half year ended September 30, 2012 respectively on a secured loan as the company intends to litigate the applicability of the interest given the recoverability of the advances referred in Paragraph 4 is uncertain. Had the company recorded the interest the loss for the quarter and half year ended September 30, 2012 would have been higher by Rs. 179.72 lacs and Rs.387.75 lacs. The audit report for the year ended March 31, 2012 and limited review report for the quarter ended June 30, 2012 were qualified for these matter.*
4. *As discussed in Note 2 of the accompanying statement of unaudited unconsolidated financial results, as at September 30, 2012, loans and advances include Rs.3269.38 Lacs (recorded in the company's books of accounts pursuant to scheme of arrangement effective from July 26,2011) due from a company against which the company intends to initiate legal action to recover the advance. The ultimate outcome of the recoverability of the advance cannot be presently be determined and we are unable to comment on the extent of non-recoverability of this balance and their consequent impact, if any, on the company's profit for three month ended September 30, 2012. The audit report for the year ended March 31, 2012 and the limited review report for the quarter ended June 30, 2012 were modified for this matter.*
5. *As indicated in Note 3 of the accompanying statement of the unaudited unconsolidated financial result , the recoverability of the following assets is impacted due to uncertainty relating to the financial condition of the company :-*
 - a. *Investment of Rs. 744.65 lacs is an animation production company executing an animation film project, debtor of Rs. 746.20 lacs, unbilled revenue of Rs. 1696.39 lacs due from this company and the inventory of Rs. 602.48 lacs relating to this film.*
 - b. *In addition, the company has an investment of Rs. 1380.23 lacs in a subsidiary company, carried in the books of company based on the carrying value of the net assets of this subsidiary as at September 30, 2012. As per the unaudited trial balance of this subsidiary as at September 30, 2012, the net assets includes receivable as at March 31, 2012 of Rs. 1114.22 lacs due from the above mentioned animation production company..*

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CHATURVEDI SHAH
Chartered Accountants

The ultimate outcome of the matters cannot presently be determined and we are unable to comment on the extent of non-recoverability of these balances and their consequent impact, if any, on the company's result for the three months ended September 30, 2012. The audit report for the year ended March 31, 2012 and the limited review report for the quarter ended June 30, 2012 was qualified for these matters.

6. Without qualifying our opinion, we draw attention to Note 4 of the accompanying statement of unaudited unconsolidated financial results. Without considering the effects / possible effects of the matters stated in paragraph 3, 4 and 5 above, the Company has incurred a net loss of Rs. 6.86 lacs for the half year ended September 30, 2012, while the accumulated losses aggregate to Rs. 3071.93 lacs. The matters as set forth in Note 4 of the accompanying statement of unaudited unconsolidated financial results, indicates the existence of material uncertainty that may cast significant doubt about the company's ability to continue as going concern. The appropriateness of going concern assumption is dependent on the Company's ability in raising of funds from the liquidation of shares held by the CAS Benefit Trust ("treasury stock"), renewal of its loan obligations on their due date, continuing its business operation and establishing profitable operations. These mitigating factors have been fully disclosed in the Note 4 of the accompanying statement of unaudited unconsolidated financial results in view of which the accompanying statements of unaudited unconsolidated financial results have been prepared on going concern assumption. Matter of emphasis on this matter was also included in the audit report for the year ended March 31, 2012 and in the limited review report for the quarter ended June 30, 2012.
7. Without qualifying our opinion we state that, as at March 31, 2012, the Company has long-term investments of Rs. 71 lacs in a joint venture company which is having film properties under development for more than 3 years. For the reasons state in Note 5, pending the final outcome of the decision to be taken by the joint venture partner on the development of the film properties held by the investee, management is of the view that there is no permanent diminution in the value of this long term investment. The ultimate outcome of the above mentioned matter cannot presently be determined, and no provision has been made in the financial statements for diminution in this investment. Matter of emphasis on this matter was also included in the audit report for the year ended March 31, 2012.
8. Based on our review conducted as above, *except for the possible effects of the matters stated in para 3, 4 and 5 above*, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited unconsolidated financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", notified pursuant to the Companies (Accounting Standards) Rules, 2006, and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed or that it contains any material misstatement.



For Chaturvedi & Shah
Firm Registration No. : 101720W
Chartered Accountants

Amit Chaturvedi

Amit Chaturvedi
Partner
Membership No.: 103141

Date : November 2, 2012
Place : Mumbai