



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

644, Aurora colony, Road No.3, Banjara Hills, Hyderabad - 500 034. INDIA
Tel: +91-40-23553726 & 27 Fax: +91-40-23552594
CIN: L92113TG2007PLC053585

May 30, 2016

The Manager (Listing) Department of Corporate Services BSE Limited P J Towers, Dalal Street, Mumbai — 400 001. Company Code: 533176 (BSE)	The Manager (Listing), National Stock Exchange of India Limited, "Exchange Plaza" Bandra - Kurla Complex Mumbai- 400 051. Company Code: DQE (NSE)
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Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on May 30, 2016

Kindly note that the Board of Directors of the Company at their meeting held on May 30, 2016 have, *inter alia*, approved the Annual Audited financial results (Standalone & consolidated) for the quarter and year ended March 31, 2016. The Directors have not recommended any dividend on the equity shares of the Company for the financial year ended March 31, 2016.

Kindly find attached herewith the above mentioned financials in the format prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Also attached is a copy of the Auditors report issued by M/s MZSK & Associates, Chartered Accountants - Statutory Auditors of the Company and a Declaration from the Company in terms of the SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2016. A copy of earnings release for the year ended March 31, 2016 is also enclosed herewith.

The meeting commenced at 10.30 a.m. and concluded at 3.10 p.m.

Kindly take the same on record and upload on the stock exchanges website.

Thanking you

Yours truly

For DQ Entertainment (International) Limited


Neha Bajpai

Asst. Company Secretary



Encl. as above



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034
Statement of Consolidated Audited Results for the Quarter and Year Ended 31/03/2016

<i>(Rs in million)</i>						
Sl. No	Particulars	3 months ended 31/03/2016	Preceeding 3 months ended 31/12/2015	Corresponding 3 months ended 31/03/2015	Current year ended 31/03/2016	Previous year ended 31/03/2015
		(Un-Audited)	(Un-Audited)	(Un-audited)	(Audited)	(Audited)
1	Net Income from Operations	762.11	606.02	758.10	2,103.99	1,947.98
2	Expenditure					
a	Production Expenses	12.99	43.36	167.51	110.55	216.29
b	Employee Expenses	125.66	139.65	135.85	541.32	637.11
c	Other Expenses	463.86	89.30	57.60	707.75	223.22
d	Depreciation, Amortisation and Impairment	211.09	82.46	200.59	452.34	432.24
e	Expenses transferred to Capital Account	(53.62)	(30.95)	(59.96)	(146.98)	(195.79)
	Total Expenses [2a to 2e)]	759.98	323.82	501.59	1,664.98	1,313.07
3	Profit/(Loss) from Operations before Other Income, Interest and Finance expense and Exceptional Items [1 -2]	2.13	282.20	256.51	439.01	634.91
4	Other Income	204.20	7.18	5.08	221.51	12.69
5	Profit/(Loss) before Interest and Finance expense and Exceptional Items [3+ 4]	206.33	289.38	261.59	660.52	647.60
6	Interest and Finance Expenses**	144.52	152.12	167.81	590.89	427.26
7	Profit/(Loss) after Interest and Finance expense but before Exceptional Items [5 - 6]	61.81	137.26	93.78	69.63	220.34
8	Exceptional items *	181.94	(143.53)	(311.94)	311.78	(351.42)
9	Profit/(Loss) from Ordinary Activities before tax [7 - 8]	243.75	(6.27)	(218.16)	381.41	(131.08)
10	Less: Tax expense	(16.51)	38.24	45.09	82.04	66.05
11	Profit / (Loss) from Ordinary Activities after tax [9 - 10]	260.26	(44.51)	(263.25)	299.37	(197.13)
12	Extraordinary Item	-	-	-	-	-
13	Profit / (Loss) for the period [11-12]	260.26	(44.51)	(263.25)	299.37	(197.13)
14	Share of profit/(loss) of associates					
15	Minority interest					
16	Net profit / (loss) after taxes, minority interest and share of profit/(loss) of associates	260.26	(44.51)	(263.25)	299.37	(197.13)
17	Paid-up equity share capital [Face value Rs.10 per share]	792.83	792.83	792.83	792.83	792.83
18	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	4,302.29	-	3,680.82	4,302.29	3,680.82
19(i)	Earnings Per Share (before extraordinary items) [Face value Rs.10 per share] (not annualised)					
	a) Basic	3.28	(0.56)	(3.32)	3.78	(2.49)
	b) Diluted	3.28	(0.56)	(3.32)	3.78	(2.49)
19(ii)	Earnings Per Share (after extraordinary items) [Face value Rs.10 per share] (not annualised)					
	a) Basic	3.28	(0.56)	(3.32)	3.78	(2.49)
	b) Diluted	3.28	(0.56)	(3.32)	3.78	(2.49)

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DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

Consolidated Segment Revenue and Results

(Rs in million)					
Particulars	3 months ended 31/03/2016 (Un-Audited)	Preceeding 3 months ended 31/12/2015 (Un-Audited)	Corresponding 3 months ended 31/03/2015 (Un-audited)	Current year ended 31/03/2016 (Audited)	Previous year ended 31/03/2015 (Audited)
Segment Revenue					
Animation	514.36	495.12	698.67	1,642.85	1,423.41
Distribution	247.75	110.90	59.43	461.14	524.57
Total	762.11	606.02	758.10	2,103.99	1,947.98
Less: Inter Segment Revenue					
Net Income from Operations	762.11	606.02	758.10	2,103.99	1,947.98
Segment Results -Profit/(loss)					
Animation	241.29	260.69	338.77	729.38	702.70
Distribution	(76.42)	21.06	(125.27)	(135.71)	136.69
Unallocated	223.40	(135.90)	(263.85)	378.63	(543.21)
Segment Results before Interest and Finance Expense and Tax Expenses	388.27	145.85	(50.35)	972.30	296.18
Interest and Finance Expense	(144.52)	(152.12)	(167.81)	(590.89)	(427.26)
(Loss)/Profit before tax	243.75	(6.27)	(218.16)	381.41	(131.08)
Capital Employed					
Animation	(1,717.44)	(1,271.07)	(1,213.01)	(1,717.44)	(1,213.01)
Distribution	7,213.16	6,863.10	5,167.58	7,213.16	5,167.58
Unallocated	(400.60)	(821.34)	519.08	(400.60)	519.08
Total	5,095.12	4,770.69	4,473.65	5,095.12	4,473.65

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DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

1) Audited Consolidated Statement of Assets and Liabilities as at 31 March 2016

<i>(Rs in million)</i>		
Particulars	as at 31 March 2016 (Audited)	as at 31 March 2015 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share capital	792.83	792.83
(b) Reserves and surplus	4,302.29	3,680.82
	5,095.12	4,473.65
(2) Non-Current Liabilities		
(a) Long-term borrowings	2,634.70	2,784.17
(b) Deferred tax liabilities (Net)	-	-
(c) Other long term liabilities	12.48	290.11
(d) Long term provisions	127.90	114.34
	2,775.08	3,188.62
(3) Current Liabilities		
(a) Short term borrowings	1,034.61	1,064.04
(b) Trade payables	518.22	441.60
(c) Other current liabilities:		
(i) Current maturity of long term borrowings	881.47	495.50
(ii) Others	891.98	364.07
(d) Short term provisions	155.54	256.10
	3,481.82	2,621.31
Total	11,352.02	10,283.58
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed assets		
(i) Tangible assets	116.89	86.56
(ii) Intangible assets	2,161.05	1,589.55
(iii) Capital work-in-progress	1.17	1.17
(iv) Intangible asset under construction	4,783.94	3,654.30
(b) Deferred Tax Assets (Net)	67.56	21.65
(c) Long-term loans and advances	202.83	219.49
(d) Other non-current assets	-	-
	7,333.44	5,572.72
(2) Current Assets		
(a) Trade receivables	3,169.18	3,419.68
(b) Cash and bank balances	204.33	747.40
(c) Short-term loans and advances	285.26	273.30
(d) Other Current Assets - Unbilled revenue	359.81	270.48
	4,018.58	4,710.86
Total	11,352.02	10,283.58

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DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
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2) The consolidated financial statement for the quarter and year ended March 31, 2016 have been taken on record by the Board of Directors at its meeting held on May 30, 2016. The statutory auditors have expressed an unqualified audit opinion on the consolidated financial statement for the year ended March 31, 2016.

3) The figures of last quarters are the balance in figures between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year.

4) The financial results are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as set out in the Accounting Standard on "Consolidated Financial Statements" mandated by Section 133 of the Act Read with Rule 7 of the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India.

5) Investor can also view the financial results (standalone and consolidated) on the company's website "www.dqentertainment.com" as well as the website of BSE (www.bseindia.com) and NSE (www.nseindia.com)

6) Certain Standalone Information of the Company.

Particulars	3 months ended 31/03/2016 (Un-Audited)	Preceeding 3 months ended 31/12/2015 (Un-Audited)	Corresponding 3 months ended 31/03/2015 (Un-audited)	Current year ended 31/03/2016 (Audited)	Previous year ended 31/03/2015 (Audited)
Net Income from Operations	522.69	493.89	731.59	1710.44	1815.65
Profit / (Loss) before tax	(89.64)	156.93	110.66	323.43	356.04
Profit / (Loss) after tax	(73.14)	118.69	65.57	241.39	289.99

7) *Exceptional items are notional foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items as per Accounting Standard -11

8) **Total interest and finance expense includes of Rs.360.27 Mn on account of debt bond issued at DQ Entertainment (Ireland) Limited.

9) DQ Entertainment Ireland Limited, which is 100% subsidiary of DQ Entertainment (International) Limited (DQE) has started the outsourcing the Production services to DQE, hence there is reduction in consolidated turnover compare to standalone turnover.

10) Receivables include amounts which are due for more than a year of Rs. 1,971.88 Mn. The company is following up with the customers to make early collection. There are no disputes with the customers and the balances have been confirmed by them. The customers have also expressed their willingness to settle the balances. The management has also evaluated the dues and has made provision for debts considered doubtful. The payments are delayed in view of the prevailing market & industry conditions in Europe and other places where the customers are located. In the opinion of the management these balances are good and are fully recoverable.

11) During the year, there was change of control in DQ Entertainment Plc (DQE Plc or the Ultimate Holding Company) as well as at DQ Entertainment (Mauritius) Ltd (DQE Mauritius or the Holding Company), due to which a default event was triggered in the case of bond agreement between OL Masters (Bond holders) and DQE Mauritius. In consequence of this the bond holders have issued a notice to DQE Mauritius and reserved a right to take any remedial action as they may deem fit.

12) Corresponding quarter and year ended figures have been regrouped / reclassified wherever necessary.

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Independent Auditor's Report

To the Board of Directors

DQ Entertainment (International) Limited

1. We have audited the accompanying Statement of Consolidated Financial Results of DQ Entertainment (International) Limited (the 'Holding Company') and its subsidiaries and jointly controlled entities (together the 'Group') for the year ended 31st March, 2016 (the 'Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement is the responsibility of the Holding Company's Management and has been approved by the Board of Directors, has been prepared on the basis of the related consolidated financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

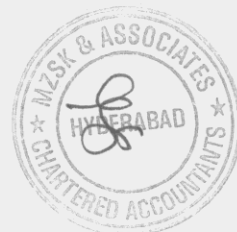
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. We did not audit financial statements of subsidiary companies. Aggregate amount of revenue, assets and total loss of these subsidiary companies for the year ended on 31st March, 2016 are Rs. 530,114,247, Rs. 6,908,955,306 and Rs. 59,728,199 respectively and the aggregate amount of revenue, assets and total loss of these joint venture companies for the year ended on 31st March, 2016 are Nil, Rs. 563,443 and Rs. 83,260,288 respectively. The financial statements of these subsidiaries have been audited by the other auditors whose reports have been furnished to us, and our opinion on the Statement, in so far it relates to the amounts and disclosures included in respect of these subsidiaries/associates, is based solely on the reports of the other auditors.

4. The Statement includes the results for the Quarter ended 31st March, 2016, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to third quarter of the current financial year which were subject to limited review by us.



Unqualified Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- i. Includes the results of the following entities:
 - a) DQ Entertainment (Ireland) Limited (Subsidiary)
 - b) DQ Entertainment (International) Films Limited (Joint Venture)
 - ii. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - iii. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India, of the net profit and other financial information of the Group for the year ended 31st March, 2016.
6. We draw attention to Note 10 to the audited consolidated financial results with regard to receivables which are due for more than 1 year. The balances have been confirmed by the parties and collections have also been made in many accounts. The management has also evaluated the dues and has made provision for debts considered doubtful. There is significant uncertainty and judgment involved in establishing both the timing and level of the future payment patterns of these trade receivables. In view of the significance of this uncertainty we consider that it should be drawn to your attention.

Our report is not modified in respect of this matter.

For MZSK & Associates

Chartered Accountants

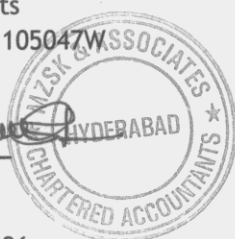
Firm Registration No. 105047W



Ananthakrishnan G

Partner

Membership No. 205226



Place: Hyderabad

Date: 30th May 2016



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034
Statement of Standalone Audited Results for the Quarter and Year Ended 31/03/2016

(Rs in million)						
Sl. No	Particulars	3 months ended 31/03/2016 (Un-audited)	Preceeding 3 months ended 31/12/2015 (Un-audited)	Corresponding 3 months ended 31/03/2015 (Un-Audited)	Current year ended 31/03/2016 (Audited)	Previous year ended 31/03/2015 (Audited)
1	Net Income from Operations	522.69	493.89	731.59	1,710.44	1,815.65
2	Expenditure					
a	Production Expenses	22.01	18.69	92.37	90.67	116.84
b	Employee Expenses	124.72	138.75	135.07	537.69	633.71
c	Other Expenses	259.64	71.02	39.46	443.52	140.71
d	Depreciation, Amortisation and Impairment	185.76	60.02	178.35	366.11	366.63
e	Expenses transferred to Capital Account	-	-	-	-	-
	Total Expenses [2a to 2e)]	592.13	288.48	445.25	1,437.99	1,257.89
3	Profit / (Loss) from Operations before Other Income, Interest and Finance expense and Exceptional Items [1 - 2]	(69.44)	205.41	286.34	272.45	557.76
4	Other Income	5.38	8.83	6.22	26.71	29.61
5	Profit / (Loss) before Interest and Finance expense and Exceptional Items [3+ 4]	(64.06)	214.24	292.56	299.16	587.37
6	Interest and Finance Expenses	32.57	38.51	49.57	144.59	207.34
7	Profit/(Loss) after Interest and Finance expense but before Exceptional Items [5 - 6]	(96.63)	175.73	242.99	154.57	380.03
8	Exceptional items*	6.99	(18.80)	(132.33)	168.86	(23.99)
9	Profit / (Loss) from Ordinary Activities before tax [7 - 8]	(89.64)	156.93	110.66	323.43	356.04
10	Less: Tax expense	(16.51)	38.24	45.09	82.04	66.05
11	Profit / (Loss) from Ordinary Activities after tax [9 - 10]	(73.13)	118.69	65.57	241.39	289.99
12	Extraordinary Item	-	-	-	-	-
13	Profit / (Loss) for the period [11-12]	(73.13)	118.69	65.57	241.39	289.99
14	Share of profit/(loss) of associates					
15	Minority interest					
16	Net profit/(loss) after taxes, minority interest and share of profit/(loss) of associates	(73.13)	118.69	65.57	241.39	289.99
17	Paid-up equity share capital [Face value Rs.10 per share]	792.83	792.83	792.83	792.83	792.83
18	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	3,930.98	-	3,689.60	3,930.98	3,689.60
19(i)	Earnings Per Share (before extraordinary items) [Face value Rs.10 per share] (not annualised)					
	a) Basic	(0.92)	1.50	0.83	3.04	3.66
	b) Diluted	(0.92)	1.50	0.83	3.04	3.66
19(ii)	Earnings Per Share (after extraordinary items) [Face value Rs.10 per share] (not annualised)					
	a) Basic	-0.92	1.50	0.83	3.04	3.66
	b) Diluted	-0.92	1.50	0.83	3.04	3.66







DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

Standalone Segment Revenue and Results

(Rs in million)

Particulars	3 months ended 31/03/2016 (Un-audited)	Preceeding 3 months ended 31/12/2015 (Un-audited)	Corresponding 3 months ended 31/03/2015 (Un-Audited)	Current year ended 31/03/2016 (Audited)	Previous year ended 31/03/2015 (Audited)
Segment Revenue					
Animation	507.23	468.29	714.09	1,645.20	1,725.84
Distribution	15.46	25.60	17.50	65.24	89.81
Total	522.69	493.89	731.59	1,710.44	1,815.65
Less: Inter Segment Revenue	-	-	-	-	-
Net Income from Operations	522.69	493.89	731.59	1,710.44	1,815.65
Segment Results -Profit/(loss)					
Animation	225.14	258.53	565.17	751.60	1,104.58
Distribution	(161.47)	(22.66)	(144.97)	(260.77)	(232.47)
Unallocated	(120.74)	(40.43)	(259.97)	(22.81)	(308.73)
Segment Results before Interest and Finance Expense and Tax Expenses	(57.07)	195.44	160.23	468.02	563.38
Interest and Finance Expense	(32.57)	(38.51)	(49.57)	(144.59)	(207.34)
Profit / (Loss) before tax	(89.64)	156.93	110.66	323.43	356.04
Capital Employed					
Animation	3,170.25	3,363.77	3,385.58	3,170.25	3,385.58
Distribution	904.63	1,072.70	898.29	904.63	898.29
Unallocated	648.93	360.47	198.56	648.93	198.56
Total	4,723.81	4,796.94	4,482.43	4,723.81	4,482.43

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DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

(1) Audited Standalone Statement of Assets and Liabilities as at 31 March 2016

<i>(Rs in million)</i>		
Particulars	as at 31 March 2016	as at 31 March 2015
	(Audited)	(Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share capital	792.83	792.83
(b) Reserves and surplus	3,930.98	3,689.60
	4,723.81	4,482.43
(2) Non-Current Liabilities		
(a) Long-term borrowings	112.72	208.93
(b) Long term provisions	127.90	114.34
	240.62	323.27
(3) Current Liabilities		
(a) Short term borrowings	504.16	539.13
(b) Trade payables	146.88	149.57
(c) Other current liabilities:		
(i) Current maturity of long term borrowings	119.82	117.02
(ii) Others	853.95	502.65
(d) Short term provisions	156.09	131.13
	1,780.90	1,439.50
Total	6,745.33	6,245.20
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed assets		
(i) Tangible assets	116.85	86.56
(ii) Intangible assets	836.82	898.07
(iii) Capital work-in-progress	1.17	1.17
(iv) Intangible asset under construction	100.74	339.15
(b) Non-current investments	1,167.50	1,256.95
(c) Deferred tax asset (Net)	67.56	21.65
(d) Long-term loans and advances	202.83	178.74
(e) Other non-current assets	-	-
	2,493.47	2,782.29
(2) Current Assets		
(a) Trade receivables	3,830.16	3,096.53
(b) Cash and bank balances	89.50	69.86
(c) Short-term loans and advances	8.49	8.90
(d) Other Current Assets - Unbilled revenue	323.71	287.62
	4,251.86	3,462.91
Total	6,745.33	6,245.20





DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

- 2) The financial statements for the quarter and year ended March 31, 2016 have been taken on record by the Board of Directors at its meeting held on May 30, 2016. The statutory auditors have expressed an unqualified audit opinion on the financial statement for year ended March 31, 2016.
- 3) The figures of last quarters are the balance in figures between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year.
- 4) *Exceptional items are notional foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items as per Accounting Standard -11
- 5) Investor can also view the financial results (standalone and consolidated) on the company's website "www.dqentertainment.com" as well as the website of BSE (www.bseindia.com) and NSE (www.nseindia.com)
- 6) Receivables include amounts which are due for more than a year of Rs. 2,566.17 Mn. The company is following up with the customers to make early collection. There are no disputes with the customers and the balances have been confirmed by them. The customers have also expressed their willingness to settle the balances. The management has also evaluated the dues and has made provision for debts considered doubtful. The payments are delayed in view of the prevailing market & industry conditions in Europe and other places where the customers are located. In the opinion of the management these balances are good and are fully recoverable.
- 7) During the year, there was change of control in DQ Entertainment Plc (DQE Plc or the Ultimate Holding Company) as well as at DQ Entertainment (Mauritius) Ltd (DQE Mauritius or the Holding Company), due to which a default event was triggered in the case of bond agreement between OL Masters (Bond holders) and DQE Mauritius. In consequence of this the bond holders have issued a notice to DQE Mauritius and reserved a right to take any remedial action as they may deem fit.
- 8) Corresponding quarter and year ended figures have been regrouped / reclassified wherever necessary.



Independent Auditor's Report

To the Board of Directors
DQ Entertainment (International) Limited

1. We have audited the accompanying Statement of Standalone Financial Results of DQ Entertainment (International) Limited ('The Company') for the year ended 31st March, 2016 (the 'Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for an audit opinion.

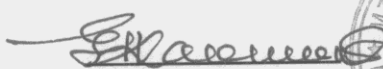
3. The Statement includes the results for the Quarter ended 31st March, 2016, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to third quarter of the current financial year which were subject to limited review by us.

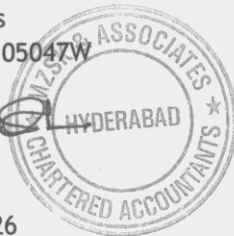


Unqualified Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India, of the net profit and other financial information of the Company for the year ended 31st March, 2016.
5. We draw attention to Note 6 to the audited financial results with regard to receivables which are due for more than 1 year. The balances have been confirmed by the parties and collections have also been made in many accounts. The management has also evaluated the dues and has made provision for debts considered doubtful. There is significant uncertainty and judgment involved in establishing both the timing and level of the future payment patterns of these trade receivables. In view of the significance of this uncertainty we consider that it should be drawn to your attention.
- Our report is not modified in respect of this matter.

For MZSK & Associates
Chartered Accountants
Firm Registration No.105047W


Ananthakrishnan G
Partner
Membership No. 205226



Place: Hyderabad
Date: 30th May 2016



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

644, Aurora colony, Road No.3, Banjara Hills, Hyderabad - 500 034. INDIA
Tel: +91-40-23553726 & 27 Fax: +91-40-23552594
CIN: L92113TG2007PLC053585

DECLARATION

I, Tapaas Chakravarti, CMD & CEO of M/s DQ Entertainment (International) Limited (BSE code: 533176, NSE code: DQE), do hereby declare that pursuant to the provisions of Reg. 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the audit report on the annual audited financial results of the Company for the year ended 31st March, 2016 does not contain any modified opinion by the Statutory Auditors of the Company.

For DQ Entertainment (International) Limited



Place: Hyderabad
Date: May 30, 2016

Tapaas Chakravarti
CMD & CEO



DQ Entertainment (International) Limited
Audited Financial Results for the year ended 31st March 2016

DQ Entertainment (International) Limited a leading animation, gaming, production and distribution company, today announces its audited results for the year ended March 31, 2016.

All amounts are in Rupees INR Mn unless otherwise stated.

Standalone financial highlights for the year ended 31 March 2016.

- Income from operations was INR 1,710 Mn compared to INR 1816 Mn over the same period last year.
- Profit/loss before tax was INR 323 Mn, compared to a Profit/loss of INR 356 Mn over the same period last year
- Profit/loss after tax was INR 241 Mn, compared to a Profit/loss after tax of INR 290 Mn over the same period last year
- Adjusted EBITDA was INR 639 Mn, compared to adjusted EBITDA of INR 924 Mn over the same period last year

* Profit before tax and Profit after tax includes the exceptional item by way of notional foreign exchange of approximately INR 169 Mn for the period ended 31st March 2016 (2015: INR (24) Mn)

Consolidated financial highlights for the year ended 31 March 2016

- Income from operations was INR 2,104 Mn, compared to INR 1,948 Mn over the same period last year
- Profit/loss before tax was INR 381 Mn, compared to a Profit/loss of INR (131) Mn over the same period last year
- Profit/loss after tax was INR 299 Mn, compared to a Profit/loss after tax of INR (197) Mn over the same period last year
- Adjusted EBITDA was INR 891 Mn, compared to adjusted EBITDA of INR 1,067 Mn over the same period last year

* Profit before tax and Profit after tax includes the exceptional item by way of notional foreign exchange of approximately INR 312 Mn for the period ended 31st March 2016 (2015: INR (351) Mn)





Our drive is to improve the collections from customers even if it leads to short-term reduction of the revenue. We see that with market improving worldwide we will be able to meet the dual objective of reducing debtors while securing good orders from the customers. We have a strong visibility of orders for production for next 18-24 months.

Business Update:

In order to map our specialized offerings better with the market opportunities, we have streamlined our business divisions into Animation including VFX and Licensing & Distribution including digital Media.

Animation:

Our team continues to deliver high quality CGI TV Series. In the FY 2015-16 we concluded the production of several high quality shows and also commenced several new productions.

We successfully completed and delivered our proprietary production 'The New Adventures of Peter Pan' season II with production partners Method Animation and other coproduction partners ZDF Germany, France Television, Telequebec and DeA Kids. The series is also being aired on Discovery Family Channel, USA.

We have also completed the production of Popples- TV series, a co-production with Zag Toons, Saban brands USA and Method Animation, France, which has debuted on Netflix world-wide.

Another notable spin off 'The Jungle Book the Christmas movie' was also delivered during the year. It has suitable length for TV features, DVD release and online SVOD. It has been picked up by some of the biggest public broadcasters such as Discovery Latin America, TF1 France and Sky Italia Stereoscopic 3D broadcaster in Italy. Due to the perennial nature of the Christmas theme, this property is expected to see renewed interest on a season by season basis.

Projects under production include our flagship property, The Jungle Book season III, Miles from tomorrow land season II and Sheriff Callie's Wild West season II, Zak Storm- TV series produced by Zag Toons in co-production with Method Animation & DQE. The Hive - Season 2 is also under production, to be broadcasted by Playhouse Disney (now Disney Junior).





DQE's intellectual property 5 & IT (52x11') TV series supported by Disney, Germany and Disney, France and co-produced by Method Animation France has also gone into production.

Seven Dwarfs and Me, produced by Method Animation and supported by DQE, ZDF, RAI and France TV a hybrid show combining high quality CGI with live action footage is nearing completion.

Several co-production and service agreement were finalized during the year to name a few Robinhood Season II Co pro with Method Animation, Super 4, based on Playmobil Toy with Method Animation, France. Sammy 2 being produced by Zag Toons, USA and Method Animation, France, Pio the Chick TV series, an adaptation from Pulcino Pio (the hugely successful online musical sensation with more than a billion views) with the main producer Rai Commercial, Italy in partnership with Italian producer Gruppo Alconi and Planeta Jr, Italy.

VFX:

DQE's VFX division was involved in elements of this year's highly acclaimed films, SS Rajamouli's 'Bahubali' and Gunasekhar's 'Rudrama Devi'. DQE VFX team is currently working on Telugu/Tamil bilingual starring Nagarjuna & Karthi directed by Paidipally Vamshi. Complex sequences for Dil Raju's Krishnastami and Sai Dharam Tej's new movie Thikka are under production.

The VFX pipeline is strengthened with addition of highly skilled talent. We are ready to take on international VFX works in the near future.

Distribution:

DQE has been distributing and licensing content owned and produced by the Company as well as co-produced content for which we hold rights for certain territories. The performance of the division is satisfactory with more than 25 deals concluded during the year worth USD 1.7 Mn and several others over USD 1 Mn are under negotiation to be concluded soon.

Our series 'The Jungle Book' and 'The New adventures of Peter Pan' continue to perform well across leading networks and are listed amongst the top rated shows on Euro Data TV and Ratings Watch in EU and Canada, on networks such as KIKa, TF1, Telequebec, Canal Plus, TV3 & TVE Spain, SIC Portugal, Televisa (VOD service in Latin America) Globosat Brazil etc.





Several other agreements for The Jungle Book season 2 and re-license of season I in various territories were also concluded.

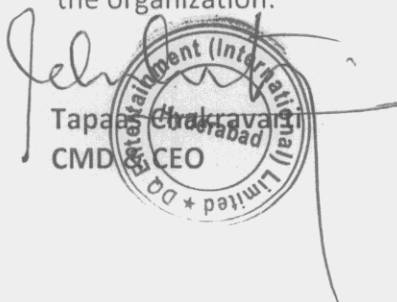
In this quarter we concluded deals for The Jungle Book Safari with Netflix (Worldwide - except Reserved Territories) Telequebec Canada and PiWi+ France. Apart from this other significant deals include a deal with a Korean broadcasters for Peter Pan season II & Robin Hood season I.

The Company's digital platforms continue to perform satisfactorily and are gaining traction with third party properties soon being hosted on 'Power Kids' and 'Tiny Toonz' channels.

Our focus on improving operational efficiencies and the consolidation of artistic and technical skill sets continues, with productivity improvements being recognized across all processes of production.

Our Commitment:

"We have made a significant start to 2016 with several new shows being finalized and going into production. Our clear goal is of transforming our animation pipeline to achieve higher efficiencies in production. Several key initiatives have been successfully implemented to this end including completion of our new state-of-the-art studio and the strengthening of our management and production team. The production as well as distribution teams have been working hard together to build on each other's strengths in producing and distributing high quality content. Two new series are in development and expected to launch in Cannes in October'16. We look forward to communicating with shareholders on the future success of the organization."


Tapas Chakravarti
CMD & CEO
