



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

644, Aurora colony, Road No.3, Banjara Hills, Hyderabad - 5000 034. INDIA
Tel: +91-40-23553726 & 27 Fax: +91-40-23552594
CIN: L92113TG2007PLC053585

June 01, 2020

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

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Disclosure relating to impact of CoVID–19 pandemic on the Company

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020, an update relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company is attached.

This is for your information and record.

Thanking you

For DQ Entertainment (International) Limited


Tapaas Chakravarti
Managing Director



Encl: As above



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COVID-19 PANDEMIC SITUATION- UPDATE ON OPERATIONS

A. Impact on Business

Based on the directive by the Government of Telangana, it was advised to all large scale establishments to take extreme preventive measures to protect the work force from the deadly CORONA VIRUS (also called COVID-19). In view of this, the management of the Company declared temporary shutdown of production unit at Hyderabad since 17th of March, 2020.

Later, the Government of India declared compulsory lockdown throughout the country on 24th of March, 2020 due to the uprising effect of pandemic which hit the Company's operations substantially. All our production activities stopped completely during the entire period of lockdown because of which the Company could not make any deliveries to its Clients.

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

As stated earlier, all our production activity was completely stopped during the entire period of lockdown as the Company was not part of Government denominated essential services. It was difficult for the production team to work from home. The administration and support department however adopted work from home during this period.

The biggest hurdles to the animation industry's workflow thus far are twofold: making sure that its artists have enough internet bandwidth and computing power — it can take far longer to send and download large files from home — and maintaining the quality of voiceover recording sessions.

C. Schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations

The Company plans to restart its operations from the 1st week of June, 2020 both at Hyderabad and Kolkata unit considering the lifting of the lockdown restrictions by the Government.



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The Company shall ensure all safety precautions for its employees for the smooth functioning of the operations which includes:

- Social Distancing – distance marking at entrance and specific norms inside yard premises.
- Temperature Measurements at entrance.
- Compulsory Masks. Free mask supply at entrance.
- Facility for hand washing and sanitizers provided at the workplace.
- Those in containment zones shall not be coming to work. They need to inform their project HRs accordingly.
- Movement within & outside the office will not be allowed unless absolutely required and with prior permission.

D. Estimation of the future impact of CoVID-19 on its operations and demand for its products/services

COVID-19 has definitely impacted the operations of the Company. Due to the lockdown, all our service projects have been substantially delayed which in turn has delayed our revenues from these projects. However, the Company is in regular discussion with the Clients and assures to deliver as soon as the Company starts its operations.

Our major Clients are from France, Italy and USA. These countries have been severely affected by the pandemic and have been under lockdown much before India. So business from these Clients has definitely slowed down.

However, one advantage of this pandemic is that there has been a considerable increase in demand for the digital content. Ours being an entertainment industry is surely going to benefit out of it. People stuck at home have been watching lots and lots of content including animated content. The viewership on our newly launched YouTube channel “Power Toonz” has shown a considerable increase during the period of lockdown. We look forward to create more and more new content for our viewers.



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E. Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt, assets and internal financial reporting and control capital and financial resources;

The Company has been facing cash flow issues since quite some time and due to Covid 19 the liquidity position has been further adversely impacted. With the complete shutdown of operations for the past two and half months there have been no billings and hence no inflows of funds. However we have to continue to incur the fixed costs which include salaries to our more than 800 plus employees, rentals, electricity etc. which will have a substantial impact on the profitability of the Company.

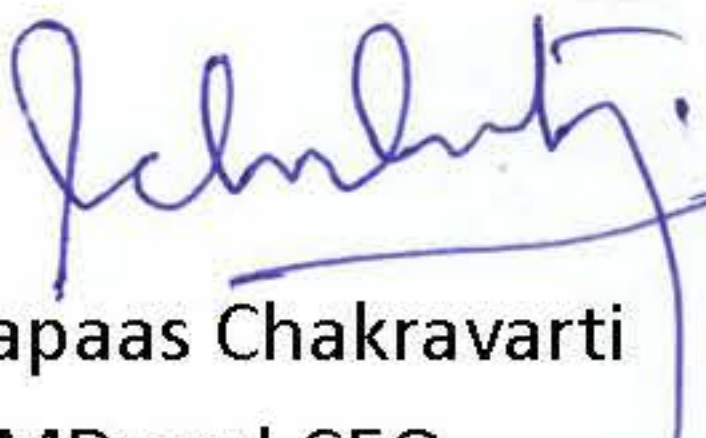
F. Impact of COVID-19 on supply chain

All our business clients are from France, Italy, Germany and US and all of these countries have been severely hit by COVID-19. There has been no inputs being received from them and has impacted the supply chain

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

As the Company had shut down its operations a week prior to the compulsory lockdown was enforced, most of our employees had gone to their respective hometowns. Due to certain lockdown restrictions still continuing, some of the employees may face issues to return back to work from their hometowns. In such an eventuality, there could be delays in our deliveries of the output to our clients, which may result in non-fulfillment of the obligations and may have a significant adverse impact on the Company's business. Also there is a threat of the client looking at alternative supplier as timely deliveries is the essence of animation business as it is aligned to the broadcast dates.

For DQ Entertainment (International) Limited


Tapaas Chakravarti
CMD and CEO

