



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

August 12, 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 August 12, 2016

Kindly note that the Board of Directors of the Company at their meeting held on August 12, 2016 have, *interalia*, approved the Un-audited financial results (Standalone & consolidated) for the quarter ended June 30, 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 Limited Review report issued by M/s MZSK & Associates, Chartered Accountants - Statutory Auditors of the Company. A copy of earnings release for the quarter ended June 30, 2016 is also enclosed herewith.

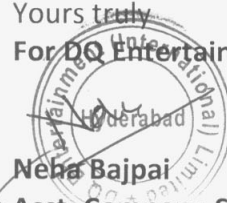
The Board at its meeting also appointed Mr. Sachin Guha (ACS 16499) as Company Secretary and Compliance Officer of the Company w.e.f. 23rd August, 2016.

The meeting commenced at 10.30 a.m. and concluded at 1.45 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 Un-Audited Results for the Quarter and Period Ended 30/06/2016

(Rs in million)					
Sl. No	Particulars	3 months ended 30/06/2016	Preceeding 3 months ended 31/03/2016	Corresponding 3 months ended 30/06/2015	Previous year ended 31/03/2016
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
1	Net Income from Operations	544.04	762.11	257.33	2,103.99
2	Expenditure				
a	Production Expenses	35.30	12.99	37.52	110.55
b	Employee Expenses	127.95	125.66	133.03	541.32
c	Other Expenses	83.30	463.86	82.03	707.75
d	Depreciation, Amortisation and Impairment	91.16	211.09	72.20	452.34
e	Expenses transferred to Capital Account	(11.90)	(53.62)	(28.62)	(146.98)
	Total Expenses [2a to 2e]	325.81	759.98	296.16	1,664.98
3	Profit/(Loss) from Operations before Other Income, Interest and Finance expense and Exceptional Items [1 -2]	218.23	2.13	(38.83)	439.01
4	Other Income	3.49	204.20	5.68	221.51
5	Profit/(Loss) before Interest and Finance expense and Exceptional Items [3+ 4]	221.72	206.33	(33.15)	660.52
6	Interest and Finance Expenses**	143.78	144.52	145.63	590.89
7	Profit/(Loss) after Interest and Finance expense but before Exceptional Items [5 - 6]	77.94	61.81	(178.78)	69.63
8	Exceptional items *	(34.22)	181.94	68.02	311.78
9	Profit/(Loss) from Ordinary Activities before tax [7 - 8]	43.72	243.75	(110.76)	381.41
10	Less: Tax expense	(16.31)	(16.51)	15.78	82.04
11	Profit / (Loss) from Ordinary Activities after tax [9 - 10]	60.03	260.26	(126.54)	299.37
12	Extraordinary Item		-	-	-
13	Profit / (Loss) for the period [11-12]	60.03	260.26	(126.54)	299.37
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	60.03	260.26	(126.54)	299.37
17	Paid-up equity share capital [Face value Rs.10 per share]	792.83	792.83	792.83	792.83
18	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	4,302.29
19(i)	Earnings Per Share (before extraordinary items) [Face value Rs.10 per share] (not annualised)				
	a) Basic	0.76	3.28	(1.60)	3.78
	b) Diluted	0.76	3.28	(1.60)	3.78
19(ii)	Earnings Per Share (after extraordinary items) [Face value Rs.10 per share] (not annualised)				
	a) Basic	0.76	3.28	(1.60)	3.78
	b) Diluted	0.76	3.28	(1.60)	3.78



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 30/06/2016 (Un-Audited)	Preceeding 3 months ended 31/03/2016 (Un-Audited)	Corresponding 3 months ended 30/06/2015 (Un-Audited)	Previous year ended 31/03/2016 (Audited)
Segment Revenue				
Animation	217.99	514.36	239.32	1,642.85
Distribution	326.05	247.75	18.01	461.14
Total	544.04	762.11	257.33	2,103.99
Less: Inter Segment Revenue				
Net Income from Operations	544.04	762.11	257.33	2,103.99
Segment Results -Profit/(loss)				
Animation	2.12	241.29	20.81	729.38
Distribution	131.35	(76.42)	(65.08)	(135.71)
Unallocated	54.03	223.40	79.14	378.63
Segment Results before Interest and Finance Expense and Tax Expenses	187.50	388.27	34.87	972.30
Interest and Finance Expense	(143.78)	(144.52)	(145.63)	(590.89)
(Loss)/Profit before tax	43.72	243.75	(110.76)	381.41
Capital Employed				
Animation	(2,238.48)	(1,717.44)	2,342.41	(1,717.44)
Distribution	7,823.95	7,213.16	6,372.38	7,213.16
Unallocated	(434.66)	(400.60)	(4,143.99)	(400.60)
Total	5,150.81	5,095.12	4,570.80	5,095.12



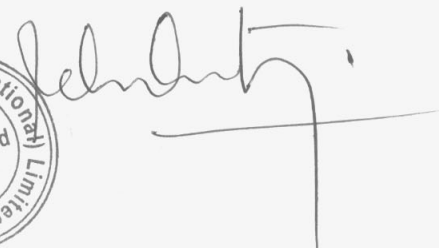



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
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- 1) The un-audited consolidated financial results for the quarter and period ended June 30, 2016 have been taken on record by the Board of Directors at its meeting held on 12 August 2016. The "Un-audited Consolidated Financial Results" have been subjected to the limited review by statutory auditors of the company.
- 2) 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.
- 3) 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)
- 4) Certain Standalone Information of the Company.

Particulars	3 months ended 30/06/2016	Preceeding 3 months ended 31/03/2016	Corresponding 3 months ended 30/06/2015	Previous year ended 31/03/2016
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
Net Income from Operations	279.57	522.69	291.82	1,710.44
Profit / (Loss) before tax	46.73	(89.64)	52.58	323.43
Profit / (Loss) after tax	63.04	(73.13)	36.80	241.39

- 5) *Exceptional items are notional foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items as per Accounting Standard -11
- 6) **Total interest and finance expense includes of Rs.92.28 Mn on account of debt bond issued at DQ Entertainment (Ireland) Limited.
- 7) Receivables include amounts which are due for more than a year of Rs. 2,262 Mn. (net off for provisions for doubtful debts). 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 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.
- 8) Corresponding quarter and year ending figures have been regrouped / reclassified wherever necessary.



Consolidated Limited Review Report**Review Report to
The Board of Directors
DQ Entertainment (International) Limited**

1. We have reviewed the accompanying statement of unaudited financial results of DQ Entertainment (International) Limited, its subsidiaries, jointly controlled entities and associates (together the "Group") for the period ended 30th June, 2016 (the "Statement"), being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Agreement). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. In respect of unaudited quarterly consolidated financial results, we did not review the statement of unaudited financial results of an operating subsidiary, whose unaudited quarterly financial results reflect total revenue of Rs 379.57 million for the quarter ended 30th June 2016 and total assets of Rs 4,718.69 million as at 30th June 2016. The financial information for these subsidiaries have been reviewed by the other auditors whose reports have been furnished to us, and our opinion on the quarterly consolidated financial results is based solely on the reports of the other auditors. The consolidation also includes 1 inoperative subsidiary which does not have any revenues for the quarter.
4. Based on our review conducted as above and on consideration of reports of other auditors on the unaudited separate quarterly financial results and on the other financial information of the components, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. We draw attention to Note 7 to the unaudited 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. 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 qualified/ modified in respect of this matter.

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



Ananthakrishnan. G
Partner
Membership No.: 205226



Place: Hyderabad
Date: 12th August, 2016.



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034
Statement of Standalone Un-Audited Results for the Quarter and Period Ended 30/06/2016

(Rs in million)					
Sl. No	Particulars	3 months ended 30/06/2016 (Un-audited)	Preceeding 3 months ended 31/03/2016 (Un-audited)	Corresponding 3 months ended 30/06/2015 (Un-Audited)	Previous year ended 31/03/2016 (Audited)
1	Net Income from Operations	279.57	522.69	291.82	1,710.44
2	Expenditure				
a	Production Expenses	16.30	22.01	17.95	90.67
b	Employee Expenses	127.00	124.72	132.15	537.69
c	Other Expenses	70.68	259.64	64.36	443.52
d	Depreciation, Amortisation and Impairment	52.94	185.76	56.10	366.11
e	Expenses transferred to Capital Account	-	-		-
	Total Expenses [2a to 2e)]	266.92	592.13	270.56	1,437.99
3	Profit / (Loss) from Operations before Other Income, Interest and Finance expense and Exceptional Items [1 - 2]	12.65	(69.44)	21.26	272.45
4	Other Income	4.33	5.38	6.94	26.71
5	Profit / (Loss) before Interest and Finance expense and Exceptional Items [3+ 4]	16.98	(64.06)	28.20	299.16
6	Interest and Finance Expenses	33.86	32.57	35.11	144.59
7	Profit/(Loss) after Interest and Finance expense but before Exceptional Items [5 - 6]	(16.88)	(96.63)	(6.91)	154.57
8	Exceptional items*	63.61	6.99	59.49	168.86
9	Profit / (Loss) from Ordinary Activities before tax [7 - 8]	46.73	(89.64)	52.58	323.43
10	Less: Tax expense	(16.31)	(16.51)	15.78	82.04
11	Profit / (Loss) from Ordinary Activities after tax [9 - 10]	63.04	(73.13)	36.80	241.39
12	Extraordinary Item	-	-	-	-
13	Profit / (Loss) for the period [11-12]	63.04	(73.13)	36.80	241.39
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	63.04	(73.13)	36.80	241.39
17	Paid-up equity share capital [Face value Rs.10 per share]	792.83	792.83	792.83	792.83
18	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	3,930.98
19(i)	Earnings Per Share (before extraordinary items) [Face value Rs.10 per share] (not annualised)				
	a) Basic	0.80	(0.92)	0.46	3.04
	b) Diluted	0.80	(0.92)	0.46	3.04
19(ii)	Earnings Per Share (after extraordinary items) [Face value Rs.10 per share] (not annualised)				
	a) Basic	0.80	(0.92)	0.46	3.04
	b) Diluted	0.80	(0.92)	0.46	3.04

AS~



J. Chintu.

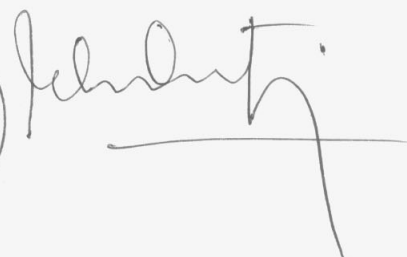


DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
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Standalone Segment Revenue and Results

<i>(Rs in million)</i>				
Particulars	3 months ended 30/06/2016 (Un-audited)	Preceeding 3 months ended 31/03/2016 (Un-audited)	Corresponding 3 months ended 30/06/2015 (Un-Audited)	Previous year ended 31/03/2016 (Audited)
Segment Revenue				
Animation	267.60	507.23	279.70	1,645.20
Distribution	11.97	15.46	12.12	65.24
Total	279.57	522.69	291.82	1,710.44
Less: Inter Segment Revenue	-	-	-	-
Net Income from Operations	279.57	522.69	291.82	1,710.44
Segment Results -Profit/(loss)				
Animation	70.73	225.14	80.73	751.60
Distribution	(33.12)	(161.47)	(36.30)	(260.77)
Unallocated	42.98	(120.74)	43.26	(22.81)
Segment Results before Interest and Finance Expense and Tax Expenses	80.59	(57.07)	87.69	468.02
Interest and Finance Expense	(33.86)	(32.57)	(35.11)	(144.59)
Profit / (Loss) before tax	46.73	(89.64)	52.58	323.43
Capital Employed				
Animation	3,241.84	3,170.25	3,046.32	3,170.25
Distribution	874.60	904.63	1,188.32	904.63
Unallocated	670.42	648.93	284.59	648.93
Total	4,786.86	4,723.81	4,519.23	4,723.81







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

- 1) The financial statements for the quarter and period ended June 30, 2016 have been taken on record by the Board of Directors at its meeting held on August 12, 2016. The "Un-audited Standalone Financial Results" have been subjected to the limited review by statutory auditors of the company.
- 2) *Exceptional items are notional foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items as per Accounting Standard -11
- 3) 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)
- 4) Receivables include amounts which are due for more than a year of Rs. 2,671 Mn. (net off for provisions for doubtful debts). 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.
- 5) Corresponding quarter and year ended figures have been regrouped / reclassified wherever necessary.




Limited Review Report

Review Report to
The Board of Directors
DQ Entertainment (International) Limited

1. We have reviewed the accompanying statement of unaudited financial results of DQ Entertainment (International) Limited ('the Company') for the period ended 30th June, 2016 (the "Statement"), being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Agreement). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to Note 4 to the unaudited 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. 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 qualified/ modified in respect of this matter.

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



Ananthakrishnan. G
Partner
Membership No.: 205226



Place: Hyderabad
Date: 12th August, 2016.



DQ Entertainment (International) Limited
Earnings Release - June 2016

DQ Entertainment (International) Limited a leading animation, gaming, production and distribution company, today announces its un-audited results for the quarter ended 30th June, 2016.

All amounts are in Rupees INR unless otherwise stated.

Standalone financial highlights for the quarter ended June 2016.

- Income from operations: INR 279.57 mn (Q1 2015: INR 291.82 mn)
- EBITDA: INR 65.59 mn (Q1 2015: INR 77.36 mn)
- Profit (Loss) before tax*: INR 46.73 mn (Q1 2015: INR 52.58 mn)
- Profit (Loss) after tax*: INR 63.04 mn (Q1 2015: INR 36.80 mn)

* Profit before tax and Profit after tax includes the exceptional item by way of notional foreign exchange of approximately INR 63.61 mn for the quarter ended 30 June 2016 (Q1 2015: #INR 59.49 mn)

Consolidated financial highlights for the quarter ended June 2016.

- Income from operations: INR 544.04 mn (Q1 2015: INR 257.33 mn)
- EBITDA: INR 309.39 mn (Q1 2015: INR 33.37 mn)
- Profit (Loss) before tax*: INR 43.72 mn (Q1 2015: INR (110.76 mn))
- Profit (Loss) after tax*: INR 60.03 mn (Q1 2015: INR (126.54 mn))

* Profit before tax and Profit after tax includes the exceptional item by way of notional foreign exchange of approximately INR (34.22 mn) for the quarter ended 30 June 2016 (Q1 2015: #INR 68.02 mn)



Business Update:

The performance of our business divisions of Animation, VFX, Licensing & Distribution and Digital Media is slowly and steadily improving as the demand for animated content globally is on the rise. While we have now a robust order book for service projects, our own IP's are also gaining traction and are being well received in the international markets.

Given the current IP development pipeline it is expected to see at least 2 new TV series being produced for the international markets every year. The company relies on quality partnerships with overseas studios, benefitting from their creative skills, financial incentives, coproduction treaties and subsidies in partner countries -thereby broadening its funding base.

Animation:

The third season of our flagship property, **The Jungle Book** is in production as a result of the demand from the broadcasters after a successful run of season 1 & 2. DQE's new IP, **5 & IT** (52x11') TV series supported by Disney, Germany and Disney, France and co-produced by Method Animation France has also gone into production and will soon be launched in Cannes at MIPCOM in October'16. **Miles from tomorrow land** season II – produced by Wild Canary for Disney Junior, **7 & 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, **Zak Storm**- TV series produced by Zag Toons in co-production with Method Animation & DQE are also in production at DQE. **The Hive** - Season 2 and **Sheriff Callie's Wild West** season II were recently delivered by DQE production teams.

Also in production are **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 Rai Commercial, Italy in partnership with DQE, Italian producer Gruppo Alconi and Planeta Jr, Italy.

VFX

During the quarter DQE VFX team was engaged in a Telugu movie called 'Thikka' directed by Sunil Reddy, starring Sai Dharam Tej and produced by Rohin Reddy under the banner Sri Venkateswara.



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:

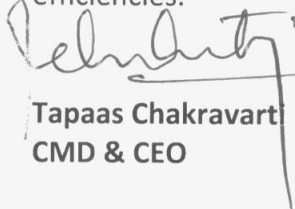
In this quarter we concluded deals for several of our IP's with ATV in Turkey, AJMN in Middle East, Sri Lanka, and S. Korea.

Rise and success of Content on-Demand (CoD) services, ease of access to high fidelity data networks and vertical integration by social media platforms to offer streaming video services are the prominent factors driving growth of the VoD service market currently. 'Power Kids' and 'Tiny Toonz' channels are gaining traction and delivering consistent revenue.

Our Commitment:

"Our focus continues to be on improving operational efficiencies and the consolidation of our technical pipeline, while productivity enhancement has become a norm across all processes of production.

While the Company continues to grow it's business and consistently deliver and produce high quality TV series, the focus has also been on balance sheet and cash flow efficiencies."


Tapaas Chakravart
CMD & CEO

