DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

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PROCEEDINGS OF THE FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. DQ ENTERTAINMENT (INTERNATIONAL) LIMITED HELD ON AUGUST 10, 2012 AT 2.30 PM AT THE SQUARE HYDERABAD, 6-3-870, BALAYOGI PARYATAK BHAVAN, BEGUMPET, HYDERABAD 500-016

Members Present:

1. Mr. Tapaas Chakravarti - Member and representative of DQ Entertainment (Mauritius) Limited
2. Ms. Sumedha Saraogi- Member
3. Mr. Laxminarayana Nagu – Member
4. Mr. A. Ramakrishna - Member
5. Mr. Srikanth Jhawar - Member
6. Mr. Suresh Jain – Member
7. Mr. Ajay Kumar Shah – Member
8. Mr. Rajesh Paryani – Member
9. Mr. Shantilal C Shah – Member
10. Mr. K. G. Gupta – Member
11. Mr. Ramesh Kumar Golla - Member

And other members present as per the attendance register.

Directors Present on the dias:

1. Mr. Tapaas Chakravarti- Chairman, Managing Director & Chief Executive Officer
2. Mr. K. Balasubramanian- Director & Chairman of Audit Committee
3. Ms. Rashida Adenwala – Director
4. Mr. Neelesh Wagle – Alternate Director

Invitees:

Mr. G. Ananthakrishnan-Partner, Haribhakti & Co., Chartered Accountants

Other officials of the Company on the dias:

1. Mr. Sanjay Choudhary.- Chief Financial Officer
2. Ms. Anita Sunil Shankar- Company Secretary

Ms. Anita Sunil Shankar, Company Secretary welcomed the members present to the fifth Annual General Meeting of the Company. She then requested the Chairman to preside over the meeting and requested all the Directors, Auditor and other Company officials to occupy their respective seats on the dais.

After ascertaining that the requisite quorum was present, the meeting was taken to order and proceedings were commenced.

With the permission of the members, the notice convening the fifth Annual General Meeting together with the Directors' and Auditors' Report was taken as read.

The Company Secretary informed the members that the statutory registers were kept open for inspection and the members could inspect the same at any time during the meeting.

The Chairman appraised the members about the global animation industry, financial performance, growth strategy and progress made by the Company during the financial year ended March 2012.

The Company Secretary requested the Members to express their views, comments and questions, if any, on the financial statements and other operations of the Company. All the queries raised by the members were replied to their satisfaction.

Thereafter the items on the agenda were taken up one by one. The first item on the agenda was the approval of Annual Accounts.

1. **TO CONSIDER AND ADOPT THE AUDITED BALANCE SHEET AS AT MARCH 31, 2012, THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON**

The Company Secretary invited queries from members on the financial statements and related reports thereto. After replying to all the queries to the satisfaction of the investors, the following resolution was proposed by Mr. Suresh Jain and seconded by Mr. Srikanth Jhawar, which was unanimously passed by show of hands as an Ordinary Resolution:

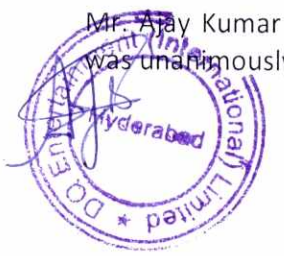
"**RESOLVED THAT** the draft Balance Sheet as at March 31, 2012, the Profit & Loss Account for the period ended on that date, along with the schedules and annexures thereto, be and are hereby approved and adopted together with the Directors' and Auditor's Report thereon.

RESOLVED FURTHER THAT Mr. Tapaas Chakravarti, CMD & CEO, Mr.K.Balasubramanian Director, Mr. Sanjay Choudhary, Chief Financial Officer and Ms. Anita Sunil Shankar, Company Secretary of the Company be and are hereby authorised to authenticate the Balance Sheet and Profit and Loss Account for the period ended on March 31, 2012 in accordance with Section 215 of the Companies Act, 1956."

2. **RE-APPOINTMENT OF MS. RASHMI CHAKRAVARTI**

The Company Secretary informed the members that Ms. Rashmi Chakravarti, Director, retires at this Annual General Meeting and being eligible has offered herself for re-appointment.

Mr. Ajay Kumar Shah proposed the following resolution, which was seconded by Mr. Rajesh Paryani and was unanimously passed as an Ordinary resolution by show of hands:



"**RESOLVED THAT** Ms. Rashmi Chakravarti be and is hereby re-appointed as a Director of the Company whose office is liable to retire by rotation.

"**RESOLVED FURTHER THAT** any one of the Directors or Ms. Anita Sunil Shankar, Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things as may be required to give effect to the above mentioned resolution."

3. RE-APPOINTMENT OF MR S. SUNDAR

The Company Secretary informed the members that Mr. S. Sundar, Director, retires at this Annual General Meeting and being eligible has offered himself for reappointment.

Mr. Shantilal C Shah proposed the following resolution, which was seconded by Mr. Srikanth Jhawar and was unanimously passed as an Ordinary resolution by show of hands:

"**RESOLVED THAT** Mr. S. Sundar be and is hereby re-appointed as a Director of the Company whose office is liable to retire by rotation.

"**RESOLVED FURTHER THAT** any one of the Directors or Mrs. Anita Sunil Shankar, Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things as may be required to give effect to the above mentioned resolution."

4. TO RE-APPOINT AUDITORS AND TO FIX THEIR REMUNERATION

The Company Secretary informed the members that M/s. Haribhakti & Co., Chartered Accountants, Hyderabad are the statutory auditors of the Company whose term shall expire on the conclusion of this fifth Annual General Meeting of the Company. The Chairman informed the members that the Board has recommended the re-appointment of M/s. Haribhakti & Co., Chartered Accountants as the statutory auditors of the Company for the financial year ended 2012-13 and the auditors have expressed their willingness to occupy the position, if appointed.

The following resolution was proposed by Mr. K. G. Gupta and seconded by Mr. Rajesh Paryani. The resolution was unanimously passed by show of hands as an ordinary resolution.

"**RESOLVED THAT** M/s Haribhakti & Co., Chartered Accountants (Registration No. 103523 W), be and is hereby re-appointed as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors."

5. RE-APPOINTMENT OF MR. TAPAAS CHAKRAVARTI

It was informed that it is proposed to re-appoint Mr. Tapaas Chakravarti as the Chairman, Managing Director and Chief Executive Officer (CMD & CEO) for a period of five years commencing from September 1, 2012.

Mr. Ajay Kumar Shah proposed the following resolution, which was seconded by Mr. Ramesh Shanker Golla and was unanimously passed as a Special resolution by show of hands:

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, consent of the Company be and is hereby accorded to the re-appointment of Mr. Tapaas Chakravarti as the Chairman, Managing Director and Chief Executive Officer (CMD & CEO) for a period of five years commencing from September 1, 2012, at the remuneration as set out below:

Salary: Rs 3.36 lacs per month aggregating to Rs. 40.32 lacs per annum

Perquisites: Rs. 10.08 lacs per annum

Performance Incentive: 3% of Profit After Tax (PAT)

PERQUISITES AND ALLOWANCES

For this purpose perquisites are classified into three categories A, B and C. Perquisites referred to in the category B and C shall not be considered and included for computation of the ceiling on perquisites.

CATEGORY A

a) Reimbursement of Medical Expenses incurred for self and his family as permissible under the Income Tax Act, 1961.

b) Leave travel concession- for self and his family once in a year incurred in accordance with the rules of the Company.

c) Club fees shall be reimbursable subject to a maximum of two clubs and this fee will not include admission and life membership fees.

d) Personal Accident Insurance- the premium amount on such insurance cover shall be reimbursable.

e) Ex-gratia, Bonus & Incentive: In accordance with the rules of the Company.

f) Education Allowance for his children, as may be applicable.

g) Any other perquisites or allowances as applicable.

CATEGORY - B

i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will be as per rules of the Company. The same will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

ii) The Managing Director shall be entitled to Gratuity as per the rules of the Company.

iii) Earned leave as per rules of the Company but not exceeding one (1) month leave for every eleven (11) months. Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

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CATEGORY - C

i) Free use of Company's car with driver for Company's business.

ii) Free telephone facility at residence.

iii) Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.

The above mentioned salary and perquisites shall be paid and allowed as a minimum remuneration during the currency of tenure of his office as the CMD & CEO, notwithstanding the absence or inadequacy of profits in any accounting year subject to the limits prescribed under Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT any one of the Directors or Ms. Anita Sunil Shankar, Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the above resolution including filing of forms/returns with the Registrar of Companies, Andhra Pradesh, Hyderabad."

6. VOTE OF THANKS

There being no other business to transact, the meeting concluded with vote of thanks to the chair.

for DQ Entertainment (International) Limited

DQ Entertainment (International) Limited Hyderabad

Anita Sunil Shankar
Company Secretary