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

June 6, 2017

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)

Dear Sir/Madam,

Sub: Outcome of the Adjourned Board Meeting held on June 6, 2017
Ref: Company's letters dated May 30, 2017 & May 31, 2017

Kindly note that the Board of Directors of the Company at their adjourned meeting held on June 6, 2017 have, *interalia*, approved the Annual Audited financial results (Standalone & consolidated) for the quarter and year ended March 31, 2017. The Directors have not recommended any dividend on the equity shares of the Company for the financial year ended March 31, 2017.

Kindly find attached herewith the above mentioned financials in the format prescribed under Schedule III of Companies Act, 2013. 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) Regulations, 2015. A copy of earnings release for the year ended March 31, 2017 is also enclosed herewith.

The Board at its meeting also appointed Ms. Annie Jodhani as Company Secretary and Compliance Officer w.e.f. June 6, 2017 on the recommendation of Nomination & Remuneration Committee.

The particulars of appointment of Ms. Annie Jodhani as Company Secretary and Compliance Officer are as follows:

S. No.	Particulars	Disclosures
1	Reasons for change viz., appointment, resignation, removal, death or otherwise	Appointment
2	Date of appointment/~~cessation~~ (as applicable) & term of appointment	06.06.2017

3	Brief profile (in case of appointment)	She is a member of ICSI having Membership No. A42431 and has post-qualification experience of around 2 years
4	Disclosure of relationships between directors (in case of appointment of a director)	N.A.

The meeting commenced at 5.30 p.m. and concluded at 6.25 p.m.

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

Thanking you

Yours truly
For DQ Entertainment (International) Limited

Authorised Signatory

Encl. as above

Rs in Million

DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

1) **Console Statement of Profit and Loss for the year ended 31 March 2017**

	3 months ended 31/03/2017	Preceeding 3 months ended 31/12/2016	Corresponding 3 months ended 31/03/2016	Current year ended 31/03/2017	Previous year ended 31/03/2016
	(Un-audited)	(Un-audited)	(Un-Audited)	(Audited)	(Audited)
Income:					
Revenue from operations	(15.15)	203.95	762.11	939.63	2,103.99
Other income	78.05	1.19	204.20	85.06	221.51
Total revenue	**62.90**	**205.14**	**966.31**	**1,024.69**	**2,325.50**
Expenses:					
Production expenses	5.20	11.90	12.99	57.57	110.55
Personnel cost	136.58	118.87	125.66	485.30	541.32
Administrative and other expenses	73.64	80.44	90.85	332.81	334.74
Finance cost **	184.50	157.20	144.52	635.27	590.89
Depreciation and amortisation expenses	560.56	82.82	211.09	821.75	452.34
Expenditure transferred to capital account	(45.58)	(16.44)	(53.62)	(78.84)	(146.98)
	914.90	**434.79**	**531.49**	**2,253.86**	**1,882.86**
Profit (Loss) before exceptional and extraor	**(852.00)**	**(229.65)**	**434.82**	**(1,229.17)**	**442.64**
Exceptional items *	**2,579.32**	**271.12**	**191.07**	**2,887.65**	**61.23**
Profit (Loss) before extraordinary item and t	**(3,431.32)**	**(500.77)**	**243.75**	**(4,116.82)**	**381.41**
Extraordinary items	-	-	-	-	-
Profit (Loss) before tax	**(3,431.32)**	**(500.77)**	**243.75**	**(4,116.82)**	**381.41**
Tax expense:					
Current tax					(133.44)
Earlier year taxes			(40.42)		
Less: MAT credit entitlement	(23.59)	-	0.82	2.50	5.48
Less: MAT credit entitlement earlier year					
Deferred tax	617.93	-	56.10	609.55	45.92
Profit (Loss) after Tax	**(2,836.98)**	**(500.77)**	**260.25**	**(3,504.77)**	**299.37**
Paid-up equity share capital [Face value Rs.10 per share]	792.83	792.83	792.83	792.83	792.83
Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	768.56	-	4302.29	768.56	4302.29
Earnings Per Equity Share					
Basic -	(35.78)	(6.32)	3.28	(44.21)	3.78
Diluted -	(35.78)	(6.32)	3.28	(44.21)	3.78

DQ Entertainment (International) Limited * Hyderabad

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 31/03/2017	Preceeding 3 months ended 31/12/2016	Corresponding 3 months ended 31/03/2016	Current Year ended 31/03/2017	Previous year ended 31/03/2016
	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
Segment Revenue					
Animation	180.38	178.00	514.36	722.75	1,642.85
Distribution	(195.53)	25.95	247.75	216.88	461.14
Total	**(15.15)**	**203.95**	**762.11**	**939.63**	**2,103.99**
Less: Inter Segment Revenue					
Net Income from Operations	**(15.15)**	**203.95**	**762.11**	**939.63**	**2,103.99**
Segment Results -Profit/(loss)					
Animation	(2,470.44)	(0.64)	241.29	(2,484.72)	729.38
Distribution	(1,291.74)	(352.89)	(76.42)	(1,518.13)	(135.71)
Unallocated	515.36	9.96	223.40	521.30	378.63
Segment Results before Interest and Finance Expense and Tax Expenses	**(3,246.82)**	**(343.57)**	**388.27**	**(3,481.55)**	**972.30**
Interest and Finance Expense	(184.50)	(157.20)	(144.52)	(635.27)	(590.89)
(Loss)/Profit before tax	**(3,431.32)**	**(500.77)**	**243.75**	**(4,116.82)**	**381.41**
Segment Assets					
Animation	1,108.63	3,102.18	3,208.23	1,108.63	3,208.23
Distribution	6,143.03	7,837.83	7,823.48	6,143.03	7,823.48
Unallocated	956.26	152.22	320.31	956.26	320.31
Total	**8,207.92**	**11,092.23**	**11,352.02**	**8,207.92**	**11,352.02**
Segment Liabilities					
Animation	5,746.00	5,739.97	4,925.66	5,746.00	4,925.66
Distribution	169.17	186.19	610.32	169.17	610.32
Unallocated	731.36	727.16	720.92	731.36	720.92
Total	**6,646.53**	**6,653.32**	**6,256.90**	**6,646.53**	**6,256.90**

DQ Entertainment (International) Limited * Hyderabad

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 2017

(Rs in million)

Particulars	as at 31 March 2017	as at 31 March 2016
	(Audited)	(Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share capital	792.83	792.83
(b) Reserves and surplus	768.56	4,302.29
	1,561.39	**5,095.12**
(2) Non-Current Liabilities		
(a) Long-term borrowings	3,449.84	2,634.70
(b) Deferred tax liabilities (Net)	-	-
(c) Other long term liabilities	-	12.48
(d) Long term provisions	153.71	127.90
	3,603.55	**2,775.08**
(3) Current Liabilities		
(a) Short term borrowings	1,169.95	1,034.61
(b) Trade payables	137.55	488.60
(c) Other current liabilities:		
(i) Current maturity of long term borrowings	615.61	881.47
(ii) Others	896.38	741.29
(d) Short term provisions	223.48	335.85
	3,042.97	**3,481.82**
Total	**8,207.91**	**11,352.02**
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed assets		
(i) Tangible assets	94.47	116.89
(ii) Intangible assets	2,330.58	2,161.05
(iii) Capital work-in-progress	1.89	1.17
(iv) Intangible asset under construction	3,713.86	4,783.94
(b) Deferred Tax Assets (Net)	677.11	67.56
(c) Long-term loans and advances	191.22	202.83
(d) Other non-current assets	-	-
	7,009.13	**7,333.44**
(2) Current Assets		
(a) Trade receivables	623.03	3,169.18
(b) Cash and bank balances	213.45	204.33
(c) Short-term loans and advances	108.09	285.26
(d) Other Current Assets - Unbilled revenue	254.21	359.81
	1,198.78	**4,018.58**
Total	**8,207.91**	**11,352.02**

DQ Entertainment (International) Limited * Hyderabad

Rs in Million

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

2) The consolidated financial statement for the quarter and year ended March 31, 2017 have been taken on record by the Board of Directors at its meeting held on June 6, 2017. The statutory auditors have expressed an unqualified audit opinion on the consolidated financial statement for the year ended March 31, 2017.

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 31/03/2017	Preceeding 3 months ended 31/12/2016	Corresponding 3 months ended 31/03/2016	Current Year ended 31/03/2017	Previous year ended 31/03/2016
	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
Net Income from Operations	860.04	196.50	522.69	860.04	1710.44
Profit / (Loss) before tax	(2,475.73)	(67.90)	(89.64)	(2,475.73)	323.43
Profit / (Loss) after tax	(1,863.68)	67.90	(73.13)	(1,863.68)	241.39

7) *Exceptional items are notional foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items as per Accounting Standard -11and also it includes the provision for doubtful debts and bad debts write off (also refer note 9 below).

8) **Total interest and finance expense for the F.year 16-17 includes of Rs.410.08 Mn (15-16 Rs 360.27 Mn) on account of debt bond issued at DQ Entertainment (Ireland) Limited.

9) During the year the company had made a provision of Rs. 1,992.93 Mn for doubtful debts in DQ Entertainment (International) Limited and had written off bad debts of Rs. 528.36 Mn in DQ Entertainment (Ireland) Limited (subsidiary). The company's revenues are primarily generated from Europe and US regions. The animation industry worldwide had experienced huge slowdown, thereby impacting the collections of the company. The provision relates to 23 projects, the outcome of which were clearly evident during the financial year 2016-17 (since inception, the company was able to successfully execute 200 plus projects and was able to collect the money from the customers). The management has during the year stopped working on these projects and are convinced that the monies from these projects are not recoverable.
The management is also in the process of filing the application with the Reserve Bank of India for permission to write-off the bad debts in DQ Entertainment (International) Limited.

10) To support the carrying value of the intangible assets of DQ Entertainment (Ireland) Limited as at 31 March 2017, the management has prepared projected revenue streams from exploitation, discounted to their present values. There is a significant degree of uncertainty and judgement involved in estimating projected revenue streams of these assets. If sufficient revenue streams are not generated then a provision for impairment is required to reduce the carrying value of these assets to their recoverable amount. The management is of the opinion that the carrying value of the intangible assets of Rs. 5,390.78 Mn in DQ Entertainment (Ireland) Limited (subsidiary) as at 31 March 2017, on an individual title by title basis, are worth at least the net amount stated based on a combination of supporting discounted projected revenue streams and the management's knowledge and expectation of future sales contracts.

11) Negative income from operations In Q4 is due to reversal of revenue which was recognised in Q1.

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

DQ Entertainment (International) Limited * Hyderabad

MZSK
& Associates
Chartered Accountants

Mumbai
Pune
New Delhi
Aurangabad
Hyderabad

www.mzsk.in

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, 2017 (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. a) We did not audit financial statements of the subsidiary company. Aggregate amount of revenue, assets and total loss of this subsidiary company for the year ended on 31st March, 2017 are Rs. 280,926,712, Rs. 5,704,478,599 and Rs. 1,644,209,161 respectively. The financial statements of this subsidiary has been audited by the other auditor whose report has been furnished to us, and our opinion on the Statement, in so far it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor.

   b) We did not audit financial statements of the joint venture company. Aggregate amount of revenue, assets and total profit of these joint venture companies for the year ended on 31st March, 2017 are Nil, Rs. 519,004 and Rs. 19,238 respectively. Our opinion on the Statement is solely based on the information provided by the management.



Hyderabad | MANBHUM JADE TOWERS, II Floor,
6-3-1090/A/12 &13/201 &202, Katriya Hotel Lane, Somajiguda,
Hyderabad - 500 082. India.
Tel : +91-040-3024 2999

4. The Statement includes the results for the Quarter ended 31st March, 2017, 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 loss and other financial information of the Group for the year ended 31st March, 2017.

6. We draw attention to the following matters in the Notes to the Statement of Consolidated Financial Results:

   a) Note 9 in relation to provision for doubtful debts against trade receivables outstanding for more than one year amounting to Rs. 1,992.93 million in DQ Entertainment (International) Limited and write off of bad debts of Rs. 528.36 Mn in DQ Entertainment (Ireland) Limited (subsidiary).

   b) Note 10 with regard to significant degree of uncertainty and judgement involved in estimating projected revenue streams of Intangible Assets of DQ Entertainment (Ireland) Limited which is a subsidiary of the Company.

   Our opinion 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: 06th June 2017

Rs in Million

DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

1) **Standalone Statement of Profit and Loss for the year ended 31 March 2017**

	3 months ended 31/03/2017	Preceeding 3 months ended 31/12/2016	Corresponding 3 months ended 31/03/2016	Current year ended 31/03/2017	Previous year ended 31/03/2016
	(Un-audited)	(Un-audited)	(Un-Audited)	(Audited)	(Audited)
Income:					
Revenue from operations	247.87	196.50	522.69	860.04	1,710.44
Other income	79.01	2.38	5.38	88.40	26.71
Total revenue	**326.88**	**198.88**	**528.07**	**948.44**	**1,737.15**
Expenses:					
Production expenses	15.72	10.71	22.01	53.28	90.67
Personnel cost	135.61	117.87	124.72	481.44	537.69
Administrative and other expenses	61.22	68.17	155.88	279.01	339.76
Finance cost	38.61	44.33	32.57	160.71	144.59
Depreciation and amortisation expenses	199.93	45.64	185.76	347.77	366.11
	451.09	**286.72**	**520.94**	**1,322.21**	**1,478.82**
Profit (Loss) before exceptional and extraordinary i	**(124.21)**	**(87.84)**	**7.13**	**(373.77)**	**258.33**
Exceptional items *	**2,140.30**	**(19.94)**	**96.77**	**2,101.96**	**(65.10)**
Profit (Loss) before extraordinary item and tax	**(2,264.51)**	**(67.90)**	**(89.64)**	**(2,475.73)**	**323.43**
Extraordinary items	-	-			
Profit (Loss) before tax	**(2,264.51)**	**(67.90)**	**(89.64)**	**(2,475.73)**	**323.43**
Tax expense:					
Current tax					(133.44)
Earlier year taxes			(40.42)		
Less: MAT credit entitlement	(23.59)	-	0.82	2.50	5.48
Less: MAT credit entitlement earlier year					
Deferred tax	617.93	-	56.10	609.55	45.92
Profit (Loss) after Tax	**(1,670.17)**	**(67.90)**	**(73.14)**	**(1,863.68)**	**241.39**
Paid-up equity share capital [Face value Rs.10 per share]	792.83	792.83	792.83	792.83	792.83
Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	2067.30	-	3930.98	2067.30	3930.98
Earnings Per Equity Share (Refer Note 33)					
Basic -	(21.07)	(0.86)	(0.92)	(23.51)	3.04
Diluted -	(21.07)	(0.86)	(0.92)	(23.51)	3.04

DQ Entertainment (International) Limited * Hyderabad

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 31/03/2017	Preceeding 3 months ended 31/12/2016	Corresponding 3 months ended 31/03/2016	Current Year ended 31/03/2017	Previous year ended 31/03/2016
	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
Segment Revenue					
Animation	232.62	186.77	507.23	812.45	1,645.20
Distribution	15.25	9.73	15.46	47.59	65.24
Total	**247.87**	**196.50**	**522.69**	**860.04**	**1,710.44**
Less: Inter Segment Revenue	-	-	-	-	-
Net Income from Operations	**247.87**	**196.50**	**522.69**	**860.04**	**1,710.44**
Segment Results -Profit/(loss)					
Animation	(1,900.35)	9.31	225.14	(1,862.37)	751.60
Distribution	(267.93)	(27.59)	(161.47)	(370.09)	(260.77)
Unallocated	(57.63)	(5.29)	(120.74)	(82.57)	(22.81)
Segment Results before Interest and Finance Expense and Tax Expenses	**(2,225.90)**	**(23.57)**	**(57.07)**	**(2,315.02)**	**468.02**
Interest and Finance Expense	(38.61)	(44.33)	(32.57)	(160.71)	(144.59)
Profit / (Loss) before tax	**(2,264.51)**	**(67.90)**	**(89.64)**	**(2,475.73)**	**323.43**
Segment Assets					
Animation	2,672.15	4,506.00	4,281.84	2,672.15	4,281.84
Distribution	679.91	990.99	1,093.68	679.91	1,093.68
Unallocated	1,941.20	1,291.42	1,369.81	1,941.20	1,369.81
Total	**5,293.26**	**6,788.41**	**6,745.33**	**5,293.26**	**6,745.33**
Segment Liabilities					
Animation	1,525.13	1,346.99	1,111.59	1,525.13	1,111.59
Distribution	169.17	176.66	189.06	169.17	189.06
Unallocated	738.83	734.46	720.87	738.83	720.87
Total	**2,433.13**	**2,258.11**	**2,021.52**	**2,433.13**	**2,021.52**

DQ Entertainment (International) Limited * Hyderabad

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 2017

(Rs in million)

Particulars	as at 31 March 2017 (Audited)	as at 31 March 2016 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share capital	792.83	792.83
(b) Reserves and surplus	2,067.30	3,930.98
	2,860.13	**4,723.81**
(2) Non-Current Liabilities		
(a) Long-term borrowings	17.15	112.72
(b) Long term provisions	153.71	127.90
	170.86	**240.62**
(3) Current Liabilities		
(a) Short term borrowings	822.07	504.16
(b) Trade payables	32.98	117.27
(c) Other current liabilities:		
(i) Current maturity of long term borrowings	378.73	119.82
(ii) Others	805.01	703.26
(d) Short term provisions	223.48	336.40
	2,262.27	**1,780.91**
Total	**5,293.26**	**6,745.34**
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed assets		
(i) Tangible assets	94.45	116.85
(ii) Intangible assets	615.54	836.82
(iii) Capital work-in-progress	1.89	1.17
(iv) Intangible asset under construction	41.75	100.74
(b) Non-current investments	1,167.50	1,167.50
(c) Deferred tax asset (Net)	677.11	67.56
(d) Long-term loans and advances	191.22	202.83
(e) Other non-current assets	-	-
	2,789.46	**2,493.47**
(2) Current Assets		
(a) Trade receivables	1,648.12	3,830.16
(b) Cash and bank balances	30.86	89.50
(c) Short-term loans and advances	611.42	8.49
(d) Other Current Assets - Unbilled revenue	213.40	323.72
	2,503.80	**4,251.87**
Total	**5,293.26**	**6,745.34**

DQ Entertainment (International) Limited Hyderabad

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, 2017 have been taken on record by the Board of Directors at its meeting held on May 30, 2017. The statutory auditors have expressed an unqualified audit opinion on the financial statement for year ended March 31, 2017.

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.

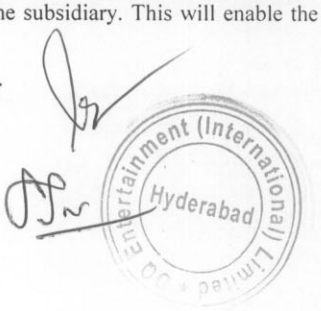
4) *Exceptional items are notional foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items as per Accounting Standard -11 and also it includes the provision for doubtful debts and bad debts write off (also refer note 6 below).

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) During the year, the company had made a provision of Rs. 1,992.93 Mn for doubtful debts. The company's revenues are primarily generated from Europe and US regions. The animation industry worldwide had experienced huge slowdown, thereby impacting the collections of the company. The provision relates to 23 projects, the outcome of which were clearly evident during the financial year 2016-17 (since inception, the company was able to successfully execute 200 plus projects and was able to collect the money from the customers). The management has during the year stopped working on these projects and are convinced that the monies from these projects are not recoverable. The management is also in the process of filing the application with the Reserve Bank of India for permission to write-off the bad debts.

7) The balances due from the subsidiary as at the balance sheet date amounts to Rs. 1,659.53 Mn. These represent dues from services rendered and monies provided to the subsidiary for development of IPs. Considering the present situation, the company is approaching the Reserve Bank of India for permission to convert an amount of Rs 1,415.54 Mn into investments in the subsidiary. This will enable the subsidiary to tide over the recession and completed the development activity.

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



MZSK
& Associates
Chartered Accountants

Mumbai
Pune
New Delhi
Aurangabad
Hyderabad

www.mzsk.in

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, 2017 (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, 2017, 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.



Hyderabad | MANBHUM JADE TOWERS, II Floor,
6-3-1090/A/12 &13/201 &202, Katriya Hotel Lane, Somajiguda,
Hyderabad - 500 082. India.
Tel : +91-040-3024 2999

Unqualified Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

   ii. gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India, of the net loss and other financial information of the Company for the year ended 31st March, 2017.

5. We draw attention to note 6 of the Statement of Standalone Financial Results in relation to provision for doubtful debts against trade receivables outstanding for more than one year amounting to Rs. 1,992.93 Million.

   Our opinion 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: 06th June 2017

DQ Entertainment (International) Limited
Audited Financial Results for the year ended 31st March 2017

DQ Entertainment (International) Limited, a leading animation, gaming, production and distribution company, today announces its audited results for the year ended March 31, 2017.

All amounts are in Rupees INR Mn unless otherwise stated.

Standalone financial highlights for the year ended 31 March 2017.

- Income from operations was INR 860.04 Mn compared to INR 1,710 Mn over the same period last year.
- Profit/(loss) before tax was INR (2,475.73) Mn, compared to a Profit/(loss) of INR 323 Mn over the same period last year
- Profit/(loss) after tax was INR (1,863.68) Mn, compared to a Profit/(loss) after tax of INR 241 Mn over the same period last year
- Adjusted EBITDA was INR 46.31 Mn, compared to adjusted EBITDA of INR 742.32 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 (105.75) Mn for the period ended 31st March 2017 (2016: INR 169Mn). Also includes Provision for Bad & Doubtful debts and write off of Bad debts worth of Rs 1996.21 Mn (2016: Rs 103.76 Mn)

Consolidated financial highlights for the year ended 31 March 2017.

- Income from operations was INR 939.63 Mn, compared to INR 2,104 Mn over the same period last year
- Profit/(loss) before tax was INR (4,116.82) Mn, compared to a Profit/(loss) of INR 381 Mn over the same period last year
- Profit/(loss) after tax was INR (3,504.77) Mn, compared to a Profit/(loss) after tax of INR 299 Mn over the same period last year
- Adjusted EBITDA was INR 142.79 Mn, compared to adjusted EBITDA of INR 1,264.36 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 (363.07) Mn for the period ended 31st March 2017 (2016: INR 312 Mn) Also includes Provision for Bad & Doubtful debts and write off of Bad debts worth of Rs 2524.58 Mn (2016: Rs 373.01 Mn)

The Company commenced commercial operation in 2003. In the 14 years of operation the collections have largely been good with 140+ customers out of the total of 160+ customers, paying on time.

In the last 10 years the company had witnessed around three recession cycles. In the earlier two recession cycles, the company was able to sustain growth combined with good collection. In the last worldwide recession, the cycle extended over 4 years and seriously impacted the global economy and hence the company operations, particularly the collections against receivables.

The outstanding debtors of around Rs. 1992.93 Mn was mainly due to the orders taken from the small to mid-size clients who could not sustain themselves during the world-wide recession and defaulted in payments to the Company. Some of these clients expressly stated that they could not pay to the company as they were unable to collect from their end customers. The Company had even sent legal notices to these parties and terminated their agreements. All the future deliveries with these parties had also been held back and the properties and rights remain with the Company. There seems to be high level of uncertainty in collection of funds from these parties.

As per Ind AS 18 and IFRS, if any uncertainty arises over the collectability of an amount already recorded as revenue, it needs to be recognized as an expense. The proposal was also considered because of the ***healthy net worth*** of the Company, even after providing for provision.

Accordingly, Rs. 1992.93 Mn was provided as provision for doubtful debts for the year ended 31 March 2017 which impacted the profitability for the year though the net worth remained positive.

The Company's Board and management has taken a conscious decision to only do work for hire for large reputed production houses such as Disney, Nickelodeon and the likes, after the very bitter experience of dealing with smaller production houses as stated above. The Company is also now focused in production of its own IP's and currently Jungle Book Season 3, 5 and It, Robin Hood Season 2, Peter Pan Feature Film and other spin offs of Peter Pan and Jungle Book are in production. All these productions take nearly 18 to 24 months to complete. While the Company has already substantially pre-sold all of its own productions, but the revenues will flow in only after the series is complete and delivered to the broadcasters. Thus for reasons stated above there has been a substantial drop in the revenues in the year under review as compared to the previous year. The Company expects to see a substantial increase in the revenue in the current year and going forward from its own IPs which are now in production and development as well from the production orders from large production houses. The

Company has currently a contracted order book to the tune of USD 48 mn for the next 24 months,

Business Update:

The performance of our business divisions of Animation, 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, is in production. After a successful launch in Cannes at MIPCOM, it is expected to be delivered by end-2017.

Miles from tomorrow land - season II & III, **Puppy Dog Tales** and **Mickey Mouse and the Roadster Racers** – produced for Disney Junior are currently in production. Couple of new projects from Disney is in the development stage and are expected to go into production soon.

The Company has recently executed the contracts for the co-production with Method Animation and Zagtoons for **Miraculous Lady Bug** –III which has already commence production and **Power Players** which will soon go into production. **7D & Me** Season 1 – produced by Method Animation and supported by DQE, ZDF, RAI and France TV a hybrid show combining high quality CGI with live action footage has just got completed and the Second season of 7D & Me is going into production soon.

The Hive - Season 2 and **Sheriff Callie's Wild West** season II were delivered by DQE production teams.

Also in production are **Super 4** - based on Playmobil Toy with Method Animation, France, **Zak Storm**- TV series produced by Zag Toons in co-production with Method Animation & DQE, **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 Alcuni and Planeta Jr, Italy, **Denver** – season II produced by Zag Toons USA.

DQE's own IP, Peter Pan Digital movie of 90 mins is nearing completion and the team is hopeful to launch the same at MIFA, Annecy, France in June, 2017.

Distribution:

DQE's Distribution and Licensing division has been quite actively working towards the distribution of our new and existing IP's. 5&It and Jungle book have been widely distributed worldwide.

- 5&IT is already co-produced with Disney Germany and Disney France. A major Negotiation is on-going with Disney EMEA, Disney ASIA and LAT AM for around 118 countries. Also there are huge merchandising opportunities once the world wide broadcasting deals are executed.
- Similarly Jungle book season 3 is widely being distributed around the world and is already committed by broadcasters who acquired the season 1 and 2 from us for more than 150 countries.
- Robin Hood has entered the 2nd season which is in production now. Robin Hood season 1, saw great success in the market in more than 130 countries and has great ratings everywhere. The second season is being distributed at the moment and our team is very confident of closing many distribution deals soon.

On the licensing and merchandising front, efforts are on to penetrate the European and American markets including Latin America with wide range of product categories this year for Jungle book, Peterpan and Robin hood. To begin with we already have new licensed categories of plush toys for Theme parks in place for Jungle Book which was signed last year. Similar efforts for bringing in a master toy deal for 5&It and Wind In the Willows are likely to happen soon.

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 Chakravarti
CMD & CEO

DQ Entertainment (International) Limited Hyderabad

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 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 audited financial results for the year ended 31st March 2017 does not contain any modified opinion by the Statutory Auditors of the Company.

For DQ Entertainment (International) Limited

Tapaas Chakravarti
CMD & CEO

DQ Entertainment (International) Limited Hyderabad

Place: Hyderabad
Date: 06.06.2017