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 11, 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 Board Meeting held on August 11, 2017

Kindly note that the Board of Directors of the Company at their meeting held on August 11, 2017 have, *interalia*, approved the Un-audited financial results (Standalone & consolidated) for the quarter ended June 30, 2017.

Kindly find attached herewith the above mentioned financials in the format prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of earnings release for the quarter ended June 30, 2017 is also enclosed herewith.

The meeting commenced at 2.00 p.m. and concluded at 4.15 p.m.

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

Thanking you

Yours truly
For DQ Entertainment (International) Limited

Annie Jodhani
Company Secretary

Encl. as above

DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

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Console Statement of Profit and Loss for the Quarter ended 30 June 2017

(Rs in million)

		3 months ended 30/06/2017	Corresponding 3 months ended 30/06/2016
		(Un-audited)	(Un-Audited)
	Income:		
	Revenue from operations	180.10	317.56
	Other income	1.06	3.49
	Total revenue	**181.16**	**321.05**
	Expenses:		
	Production expenses	8.57	35.30
	Personnel cost	132.19	127.95
	Administrative and other expenses	94.58	83.22
	Finance cost **	184.87	143.91
	Depreciation and amortisation expenses	99.33	91.16
	Expenditure transferred to capital account	(35.43)	(11.90)
		484.11	**469.64**
	(Loss) Profit before exceptional and extraordinary items and tax	**(302.95)**	**(148.59)**
	Exceptional items *	**338.48**	**(34.22)**
	Profit (Loss) before extraordinary item and tax	**35.53**	**(182.81)**
	Extraordinary items	-	-
	Profit (Loss) before tax	**35.53**	**(182.81)**
	Tax expense:		
	Current tax	-	(11.35)
	Earlier year taxes	-	24.69
	Less: MAT credit entitlement	-	1.39
	Less: MAT credit entitlement earlier year	-	
	Deferred tax	12.01	1.58
	Profit (Loss) after Tax	**47.54**	**(166.50)**
	Paid-up equity share capital [Face value Rs.10 per share]	792.83	792.83
	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-
	Earnings Per Equity Share (Refer Note 33)		
	Basic -	0.60	(2.10)
	Diluted -	0.60	(2.10)

DQ Entertainment (International) Limited Hyderabad

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Consolidated Segment Revenue and Results

(Rs in million)

Particulars	3 months ended 30/06/2017	Corresponding 3 months ended 30/06/2016
	(Un-audited)	(Un-audited)
Segment Revenue		
Animation	166.16	217.99
Distribution	13.94	99.57
Total	**180.10**	**317.56**
Less: Inter Segment Revenue		
Net Income from Operations	**180.10**	**317.56**
Segment Results -Profit/(loss)		
Animation	(34.99)	2.12
Distribution	(92.42)	(95.13)
Unallocated	347.81	54.11
Segment Results before Interest and Finance Expense and Tax Expenses	**220.40**	**(38.90)**
Interest and Finance Expense	(184.87)	(143.91)
Profit\(Loss) before tax	**35.53**	**(182.81)**

DQ Entertainment (International) Limited * Hyderabad

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1) The un audited consolidated financial results for the quarter ended June 30, 2017 have been taken on record by the Board of Directors at its meeting held on August 11, 2017.

2) The Group adopted the Indian Accounting Standard (Ind-AS) effective 01 April 2017 (Transition date: 01 April 2016) and accordingly the financial results for quarter ended 30th June 2017 have been prepared in accordance with the Indian Accounting Standard (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Ind-AS compliant figures for the quarter ended 30th June 2017 are not subjected to limited review or audit in line with SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view. Also as per 2.6 and 2.7 of SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016, the Company is not required to submit year ended 31st March 2017 comparatives.

3) **Particulars**	**Jun-17**	**Jun-16**
Net (loss)/profit as per Indian GAAP	46.31	(166.45)
GAAP Adjustments		
Add:		
Rent equilisation expense	0.51	0.08
Loan processing charges transferred to prepaid	2.19	-
Less:		
Amortisation loan processing charges	(1.47)	(0.13)
Net (loss)/profit as per Ind-AS	47.54	(166.50)

4) 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)

5) Certain Standalone Information of the Company. (Rs in million)

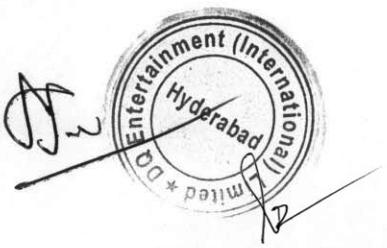
Particulars	3 months ended 30/06/2017	Corresponding 3 months ended 30/06/2016
	(Un-audited)	(Un-audited)
Net Income from Operations	214.40	279.57
Profit / (Loss) before tax	(68.18)	46.68
Profit / (Loss) after tax	(56.17)	62.99

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

7) **Total interest and finance expense includes of Rs.122.01 Mn on account of debt bond issued at DQ Entertainment (Ireland) Limited.

8) Quarter ended June 2016, distribution revenues have been restated so as to include the impact of reversal of distribution revenue of Rs. 248.10 Mn in subsequent quarter.

9) Corresponding quarter figures have been regrouped / reclassified wherever necessary.



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

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Standalone Statement of Profit and Loss for the quarter ended 30 June 2017

(Rs in million)

	3 months ended 30/06/2017	Corresponding 3 months ended 30/06/2016
	(Un-audited)	(Un-Audited)
Income:		
Revenue from operations	214.40	279.57
Other income	2.38	4.33
Total revenue	**216.78**	**283.90**
Expenses:		
Production expenses	6.84	16.30
Personnel cost	131.22	127.00
Administrative and other expenses	80.74	70.60
Finance cost	50.29	33.99
Depreciation and amortisation expenses	38.07	52.94
	307.16	**300.83**
Profit (Loss) before exceptional and extraordinary items and tax	**(90.38)**	**(16.93)**
Exceptional items *	**22.20**	**63.61**
Profit (Loss) before extraordinary item and tax	**(68.18)**	**46.68**
Extraordinary items	-	
Profit (Loss) before tax	**(68.18)**	**46.68**
Tax expense:		
Current tax	-	(11.35)
Earlier year taxes	-	24.69
Less: MAT credit entitlement	-	1.39
Less: MAT credit entitlement earlier year	-	-
Deferred tax	12.01	1.58
Profit (Loss) after Tax	**(56.17)**	**62.99**
Paid-up equity share capital [Face value Rs.10 per share]	793	793
Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-
Earnings Per Equity Share (Refer Note 33)		
Basic -	(0.71)	0.79
Diluted -	(0.71)	0.79

DQ Entertainment International Limited Hyderabad

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Standalone Segment Revenue and Results

(Rs in million)

Particulars	3 months ended 30/06/2017	Corresponding 3 months ended 30/06/2016
	(Un-audited)	(Un-Audited)
Segment Revenue		
Animation	204.83	267.60
Distribution	9.57	11.97
Total	**214.40**	**279.57**
Less: Inter Segment Revenue	-	-
Net Income from Operations	**214.40**	**279.57**
Segment Results -Profit/(loss)		
Animation	5.42	70.73
Distribution	(20.72)	(33.12)
Unallocated	(2.59)	43.06
Segment Results before Interest and Finance Expense and Tax Expenses	**(17.89)**	**80.67**
Interest and Finance Expense	(50.29)	(33.99)
Profit / (Loss) before tax	**(68.18)**	**46.68**

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2) The Company adopted the Indian Accounting Standard (Ind-AS) effective 01 April 2017 (Transition date: 01 April 2016) and accordingly the financial results for quarter ended 30th June 2017 have been prepared in accordance with the Indian Accounting Standard (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Ind-AS compliant figures for the quarter ended 30th June 2017 are not subjected to limited review or audit in line with SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view. Also as per 2.6 and 2.7 of SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016, the Company is not required to submit year ended 31st March 2017 comparatives.

3) **Profit reconciliation**		
Particulars	**Jun-17**	**Jun-16**
Net (loss)/profit as per Indian GAAP	(58.06)	63.04
GAAP Adjustments		
Add:		
Rent equilisation expense	0.51	0.08
Loan processing charges transferred to prepaid	2.19	-
Less:		
Amortisation loan processing charges	(0.81)	(0.13)
Net (loss)/profit as per Ind-AS	(56.17)	62.99

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) Corresponding quarter figures have been regrouped / reclassified wherever necessary.



DQ Entertainment (International) Limited
Un-Audited Financial Results for the quarter ended 30th June, 2017

DQ Entertainment (International) Limited, a leading animation, gaming, production and distribution company, today announces its un-audited results for the quarter ended June 30, 2017.

All amounts are in Rupees INR Mn unless otherwise stated.

Consolidated financial highlights for the quarter ended 30 June 2017.

- Income from operations was INR 180.10 Mn, compared to INR 317.56 Mn over the same period last year
- Profit/(loss) before tax was INR 35.53 Mn, compared to a Profit/(loss) of INR (182.81) Mn over the same period last year
- Profit/(loss) after tax was INR 47.54 Mn, compared to a Profit/(loss) after tax of INR (166.50) 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 338.48 Mn for the period ended 30th June 2017 (2016: INR (34.22) Mn).

Standalone financial highlights for the quarter ended 30 June 2017.

- Income from operations was INR 214.40 Mn compared to INR 279.57 Mn over the same period last year.
- Profit/(loss) before tax was INR (68.18) Mn, compared to a Profit/(loss) of INR 46.68 Mn over the same period last year
- Profit/(loss) after tax was INR (56.17) Mn, compared to a Profit/(loss) after tax of INR 62.99 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 22.20 Mn for the period ended 30th June 2017 (2016: INR 63.61Mn).

Business Update:

Slowly and steadily the business divisions of Animation, Licensing & Distribution and Digital Media is improving and the impact is clearly visible in performance of the Company. The Company has good order book and on-going projects and also projects in pipeline.

However, the revenue is low for this quarter and this is because all production has commenced but the milestones are yet to be reached. As seen in the past few years, first quarter is always a low quarter but the third and fourth quarter generates maximum revenue.

DQE also expects based on current order position to do substantially well in the current financial year as compared to previous year.

Currently, the following projects are in production:

Own IP :

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 June-2018. **Peter Pan** Digital movie of 90 mins is nearing completion and is expected to be launched in first quarter of 2018.

Service projects:

Miles from tomorrow land - season II & III, **Puppy Dog Tales** and **Mickey Mouse and the Roadster Racers (MRR)** produced for Disney Junior.

Co-Production:

Miraculous Lady Bug –III with Method Animation and Zagtoons. **7D & Me** Season 1 – produced by Method Animation has just got completed. **Super 4** - based on Playmobil Toy with Method Animation, France, **Zak Storm**- TV series produced by Zag Toons, **Pio the Chick** TV series, an adaptation from Pulcino Pio (the hugely successful online musical sensation) with Rai Commercial, Italy, Italian producer Gruppo Alcuni and Planeta Jr, Italy.

The following projects are in pipeline and will go into production soon:

a) **Power Players**
b) **7D & Me** – Season 2
c) **Puppy Dog Tales** – Season 2
d) **Mickey Mouse and the Roadster Racers (MRR)** – Season -2

Licensing and Distribution:

DQE's Distribution and licensing division for own IPs is picking up very well with Disney giving no objection to DQE to register the Jungle Book and Peter Pan trademark. Distribution and Licensing division is reactivated as 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."

DQ Entertainment (International) Limited Hyderabad

Tapaas Chakravarti
CMD & CEO