



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

August 09, 2018

The Manager (Listing),
National Stock Exchange of India Limited,
"Exchange Plaza"
Bandra - Kurla Complex
Mumbai- 400 051.

Dear Sir/Madam,

Sub: Deficiency in Financial results for the quarter ended June 30, 2018
Ref: Your letter dated August 08, 2018 vide Ref no. NSE/LIST/FR/7933

With reference to the subject captioned above, the rectified financial results of the Company submitted on 3rd August, 2018 are herewith attached again after rectification in the deficiencies as mentioned in your said letter above.

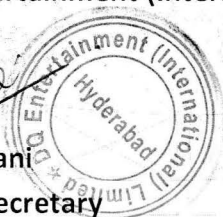
You are requested to kindly take note of the same.

Thanking you,

Yours truly,

For DQ Entertainment (International) Limited


Annie Jodhani
Company Secretary





644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034
Unaudited Standalone Statement of Profit and Loss for the Quarter ended 30 June, 2018

Rs in million					
	Particulars	Figures for the current Quarter ended 30-Jun-18 (Unaudited)	Figures for the previous Quarter ended 31-Mar-18 (Unaudited)	Figures for the Corresponding Quarter ended 30-Jun-17 (Unaudited)	Figures for the Previous Year ended 31-Mar-18 (Audited)
I	Revenue From operations	229.04	359.69	214.40	958.60
II	Other Income	2.46	42.20	2.38	72.28
III	Total Income (I+II)	231.50	401.89	216.78	1,030.88
IV	EXPENSES				
	Production expenses	6.22	5.80	6.84	32.76
	Purchases of Stock-in-Trade	-	-	-	-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	-	-	-	-
	Employee benefits expense	125.57	134.78	131.22	507.66
	Finance costs	67.35	120.91	48.47	271.37
	Depreciation and amortization expenses	35.57	123.35	38.07	238.26
	Other expenses	90.00	81.17	83.94	320.51
	Total expenses (IV)	324.71	466.01	308.54	1,370.56
V	Profit/(loss) before exceptional items and tax (I-IV)	(93.21)	(64.12)	(91.76)	(339.68)
VI	Exceptional Items	57.16	39.75	22.20	53.18
VII	Profit/ (loss) after exceptions items and before tax(V-VI)	(36.05)	(24.37)	(69.56)	(286.50)
	Tax expense:				
VIII	(1) Current tax	-	(188.17)	-	(188.17)
	(2) MAT Credit Entitlement	-	(17.84)	-	(17.84)
	(3) Deferred tax	(22.04)	(18.49)	(12.01)	(14.13)
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(14.01)	200.13	(57.55)	(66.36)
X	Profit/(loss) from discontinued operations	-	-	-	-
XI	Tax expenses of discontinued operations	-	-	-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)	-	-	-	-
XIII	Profit/(loss) for the period (IX+XII)	(14.01)	200.13	(57.55)	(66.36)
	Other Comprehensive Income				
XIV	A. (i) Items that will not be reclassified to profit or loss	3.11	15.13	(1.25)	12.44
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1.33	8.02	-	5.33
	B. (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) income tax relating to items that will be reclassified to profit or loss	-	-	-	-
XV	Total Comprehensive Income for the period (XIII+XIV)Comprising Profit (Loss) and Other comprehensive Income for the period)	(9.57)	223.28	(58.80)	(48.59)
XVI	Earnings per equity share (for continuing operation):				
	(1) Basic	(0.18)	2.52	(0.73)	(0.84)
	(2) Diluted	(0.18)	2.52	(0.73)	(0.84)
XVII	Earnings per equity share (for discontinued operation):				
	(1) Basic	-	-	-	-
	(2) Diluted	-	-	-	-
XVIII	Earning per equity share (for discontinued & continuing operation)				
	(1)Basic	(0.18)	2.52	(0.73)	(0.84)
	(2) Diluted	(0.18)	2.52	(0.73)	(0.84)

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

- 1) The unaudited standalone financial results for the quarter ended 30, June 2018 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on August 3, 2018.
- 2) The unaudited standalone financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (IND AS) 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by Securities and Exchange Board of India ("SEBI").
- 3) Adoption of Ind AS 115 - Revenue from contracts with customers
Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements.
- 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) *Exceptional items are foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items.
- 6) Corresponding quarter figures have been regrouped / reclassified wherever necessary to conform to the classification on the current period classification.
- 7) The company has filed an application with the bankers for restructuring of its term loans (classified as NPA by the bankers) for further moratorium and rescheduling of repayments.
- 8) The company has intangibles to the value of Rs. 410 Mn. To support the carrying value of these intangible assets as at June 30, 2018, the projected revenue streams as of 31.03.2018 from exploitation, discounted to their present values using a discount factor of 17%, have been utilized. There are no significant changes in the projections made as at 31.03.2018. There is uncertainty and judgement involved in the estimated 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 company is of the opinion that the carrying value of the intangible assets Rs. 410 Mn as at June 30, 2018, on franchise basis, are worth at least the net amount stated based on a combination of supporting discounted projected revenue streams and the company's knowledge and expectation of future sales contracts.
- 9) The company has total investment in DQ Ireland of Rs 2,282 Mn (comprising of Equity investments – Rs. 1,168 Mn and Loans – Rs. 1,114 Mn). The subsidiary has been making losses and consequently the networth of the subsidiary has been eroded as at June 30, 2018. The subsidiary's assets comprise primarily of intangible properties, in order to support the carrying values of these intangible assets at June 30, 2018, the projected revenue streams as of 31.03.2018 from exploitation, discounted to their present values using a discount factor of 17%, have been utilised . There are no significant changes in the projections made as at 31.03.2018.





DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

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

Standalone Segment Revenue and Results

<i>(Rs in million)</i>				
Particulars	Figures for the current Quarter ended 30-Jun-18	Figures for the previous Quarter ended 31-Mar-18	Figures for the Corresponding Quarter ended 30-Jun-17	Figures for the Previous Year ended 31-Mar-18
Segment Revenue				
Animation	225.22	374.4	204.83	938.73
Distribution	3.82	(14.70)	9.57	19.88
Total	229.04	359.70	214.40	958.61
Less: Inter Segment Revenue	-	-	-	
Net Income from Operations	229.04	359.70	214.40	958.61
Segment Results -Profit/(loss)				
Animation	47.30	78.62	43.01	195.09
Distribution	(25.75)	(116.71)	(20.72)	(184.88)
Unallocated	9.75	134.63	(43.38)	(25.34)
Segment Results before Interest and Finance Expense and Tax Expenses	31.30	96.54	(21.09)	(15.13)
Interest and Finance Expense	67.35	120.91	48.47	271.37
Profit / (Loss) before tax	(36.05)	(24.37)	(69.56)	(286.50)
Segment Assets				
Animation	4,591.04	4,542.50	2,617.60	4,542.50
Distribution	450.90	531.10	654.93	531.10
Unallocated	566.41	524.58	2,003.48	524.58
Total	5,608.35	5,598.18	5,276.01	5,598.18
Segment Liabilities				
Animation	2,837.61	2,989.73	1,644.20	2,989.73
Distribution	5.51	8.40	167.17	8.40
Unallocated	205.09	25.89	661.19	25.89
Total	3,048.21	3,024.02	2,472.56	3,024.02


Tapaas Chakravarti
CMD & CEO
DIN:00559533


S. Sundar
Director
DIN:03170456



Limited Review Report

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of DQ Entertainment (International) Limited ('the Company') for the quarter ended 30th June 2018, and the year to-date results for the period April to June 2018 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and Regulation 52 read with Regulation 63(2) as modified by Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).
2. This Statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. 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 Statement is 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results which are prepared in accordance with Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. We draw attention to the following matters in the Notes to the accompanying Statement

- (a) We draw attention to Note 8 with regard to the carrying value of intangibles assets. The carrying values have been supported by projection of revenue streams. We draw attention to the uncertainty and judgment involved in the estimated projected revenue streams of Intangible Assets.
- (b) We draw attention to Note 9 with regard to the carrying value of investment in the wholly owned subsidiary. The carrying values have been supported by projection of revenue streams. We draw attention to the uncertainty and judgment involved in the estimated projected revenue streams of Intangible Assets.

Our report is not modified in respect of this matter.

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

ICAI Firm Registration No.105047W



Ananthakrishnan G
Partner
Membership No.:205226



Place: Hyderabad

Date: 03rd August, 2018



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034
Unaudited Consolidated Statement of Profit and Loss for the Quarter ended 30 June 2018

					Rs. in million
	Particulars	Figures for the current Quarter ended 30-Jun-18 (Unaudited)	Figures for the previous Quarter ended 31-Mar-18 (Unaudited)	Figures for the Corresponding Quarter ended 30-Jun-17 (Unaudited)	Figures for the Previous Year ended 31-Mar-18 (Audited)
I	Revenue From operations	225.24	256.78	180.10	801.51
II	Other Income	337.48	57.13	1.06	88.33
III	Total Income (I+II)	562.72	313.91	181.16	889.84
IV	EXPENSES				
	Production expenses	6.22	5.50	8.58	33.00
	Purchases of Stock-in-Trade	-	-	-	-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	-	-	-	-
	Employee benefits expense	126.83	135.89	132.19	511.82
	Finance costs	112.38	127.51	176.77	866.52
	Depreciation and amortization expenses	113.94	338.79	99.33	646.92
	Other expenses	99.23	95.21	104.06	381.83
	Expenses transferred to Capital account	(74.06)	(215.51)	(35.43)	(377.82)
	Total expenses (IV)	384.54	487.39	485.50	2,062.27
V	Profit/(loss) before exceptional items and tax (I-IV)	178.18	(173.48)	(304.34)	(1,172.43)
VI	Exceptional Items	(283.12)	176.75	338.48	803.90
VII	Profit/ (loss) after exceptions items and before tax(V-VI)	(104.94)	3.27	34.14	(368.53)
VIII	Tax expense:				
	(1) Current tax	-	(188.17)	-	(188.17)
	(2) MAT Credit Entitlement	-	(17.84)	-	(17.84)
	(3) Deferred tax	(22.04)	(18.49)	(12.01)	(14.13)
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(82.90)	227.77	46.15	(148.39)
X	Profit/(loss) from discontinued operations	-	-	-	-
XI	Tax expenses of discontinued operations	-	-	-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)	-	-	-	-
XIII	Profit/(loss) for the period (IX+XII)	(82.90)	227.77	46.15	(148.39)
XIV	Other Comprehensive Income				
	A. (i) Items that will not be reclassified to profit or loss	3.11	15.13	(1.25)	12.44
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1.33	5.33	-	5.33
	B. (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) income tax relating to items that will be reclassified to profit or loss	-	-	-	-
XV	Total Comprehensive Income for the period (XIII+XIV)Comprising Profit (Loss) and Other comprehensive Income for the period)	(78.46)	248.23	44.90	(130.62)
XVI	Earnings per equity share (for continuing operation):				
	(1) Basic	(1.05)	2.87	0.58	(1.87)
	(2) Diluted	(1.05)	2.87	0.58	(1.87)
XVII	Earnings per equity share (for discontinued operation):				
	(1) Basic	-	-	-	-
	(2) Diluted	-	-	-	-
XVIII	Earning per equity share (for discontinued & continuing operation)				
	(1)Basic	(1.05)	2.87	0.58	(1.87)
	(2) Diluted	(1.05)	2.87	0.58	(1.87)







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

- 1) The unaudited consolidated financial results for the quarter ended June 30, 2018 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on August 3, 2018.
- 2) The unaudited consolidated financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (IND AS) 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by Securities and Exchange Board of India ("SEBI").
- 3) Adoption of Ind AS 115 - Revenue from contracts with customers
Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements.
- 4) The terms and conditions of the bond instruments issued by DQ Ireland have been modified to reflect change in interest rate to 0%. This has resulted in substantial modification to the cash flows as defined in Ind AS 109 (Financial Instruments). Consequently, a onetime gain on modification of Rs 336 Mn has been recognised in the Profit & Loss Account under the head "Other Income".
- 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) *Exceptional items are foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items.
- 7) Corresponding quarter figures have been regrouped / reclassified wherever necessary to conform to the classification on the current period classification.
- 8) The company has filed an application with the bankers for restructuring of its term loans for further moratorium and rescheduling of repayments.
- 9) The company has intangibles to the value of Rs. 2,246 Mn. To support the carrying value of these intangible assets as at June 30, 2018, the projected revenue streams as of 31.03.2018 from exploitation, discounted to their present values using a discount factor of 17%, have been utilised. There are no significant changes in the projections made as at 31.03.2018. There is uncertainty and judgement involved in the estimated 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 company is of the opinion that the carrying value of the intangible assets Rs. 2,246 Mn as at June 30, 2018, on franchise basis, are worth at least the net amount stated based on a combination of supporting discounted projected revenue streams and the company's knowledge and expectation of future sales contracts.



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

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

Consolidated Segment Revenue and Results

(Rs in million)

Particulars	Figures for the current Quarter ended 30-Jun-18	Figures for the previous Quarter ended 31-Mar-18	Figures for the Corresponding Quarter ended 30-Jun-17	Figures for the Previous Year ended 31-Mar-18
Segment Revenue				
Animation	145.04	176.04	166.16	615.81
Distribution	80.20	80.74	13.94	185.69
Total	225.24	256.78	180.10	801.50
Less: Inter Segment Revenue	-	-	-	-
Net Income from Operations	225.24	256.78	180.10	801.50
Segment Results -Profit/(loss)				
Animation	18.86	22.89	(36.38)	80.44
Distribution	(38.21)	(284.64)	(92.42)	(475.66)
Unallocated	26.79	392.53	339.71	893.21
Segment Results before Interest and Finance Expense and Tax Expenses	7.44	130.78	210.91	497.99
Interest and Finance Expense	112.38	127.51	176.77	866.52
Profit / (Loss) before tax	(104.94)	3.27	34.14	(368.53)
Segment Assets				
Animation	6,736.18	2,842.37	1,100.61	2,842.37
Distribution	500.23	4,988.78	6,348.22	4,988.78
Unallocated	1,133.57	693.25	890.73	693.25
Total	8,369.98	8,524.40	8,339.56	8,524.40
Segment Liabilities				
Animation	2,575.11	3,262.88	5,924.03	3,262.88
Distribution	3,799.84	383.00	167.17	383.00
Unallocated	206.16	3,809.17	649.41	3,809.17
Total	6,581.11	7,455.05	6,740.61	7,455.05

Tapas Chakravarti
CMD & CEO
DIN:00559533

S.Sundar
Director
DIN:03170456

Consolidated Limited Review Report

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

1. We have reviewed the accompanying statement of unaudited consolidated financial results of (DQ Entertainment (International) Limited) ('the Company'), its subsidiaries, jointly controlled entities and associates (together the "Group") for the quarter ended 30th June, 2018 and the year to-date results for the period April to June 2018 attached herewith ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and Regulation 52 read with Regulation 63(2) as modified by Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).
2. This Statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. 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 Statement is 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results which are prepared in accordance with Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. We draw attention to the following matters in the Notes to the accompanying Statement

- a) We draw attention to Note 9 with regard to the carrying value of intangibles assets. The carrying values have been supported by projection of revenue streams. We draw attention to the uncertainty and judgment involved in the estimated projected revenue streams of Intangible Assets.

Our report is not modified in respect of this matter.

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

ICAI Firm Registration No.105047W



Ananthakrishnan G

Partner

Membership No.: 205226



Place: Hyderabad

Date: 03rd August, 2018