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, 2019

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)

Sub: Outcome of the Board Meeting held on August 9, 2019

Dear Sir/Madam,

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors in their meeting held on August 09, 2019 have:

i. considered, approved and adopted the unaudited Financial Results (Standalone & consolidated) for the first quarter and three months ended June 30, 2019.
A copy of duly signed unaudited financial results for the quarter ended 30th June, 2019 is enclosed. A copy of earnings release for the year ended June 30, 2019 is also enclosed herewith.

ii. considered and approved the proposal for voluntary delisting of shares from the platform of National Stock Exchange of India Limited (NSE) without giving the exit opportunity to the Shareholders as the Equity shares of the Company will continue to remain listed on BSE Limited, the Recognised Stock Exchange having nationwide trading terminals and the investors have access to trade and deal in Company's equity shares across the country.

The meeting commenced at 12.15 P.M. and concluded at 4:45 P.M.

Kindly take the same on record and oblige.

Thanking you

Yours truly
For DQ Entertainment (International) Limited

DQ Entertainment (International) Limited HYDERABAD

Sukhmani Walia
Company Secretary

Encl. as above

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

Unaudited Standalone Statement of Profit and Loss for the Quarter ended 30 June ,2019

Rs in million

	Particulars	Figures for the current quarter ended 30-June-19	Figures for the Previous quarter ended 31-Mar-19	Figures for the Corresponding Quarter ended 30-June-18	Figures for the Previous Year ended 31-Mar-19
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	INCOME				
I	Revenue From operations	149.13	56.78	229.04	822.39
II	Other Income	4.19	43.13	2.46	57.05
III	Total Income (I+II)	153.32	99.91	231.50	879.44
IV	**EXPENSES**				
	Production expenses	7.93	7.20	6.22	25.17
	Purchases of Stock-in-Trade	-	-		
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	-	-		
	Employee benefits expense	138.56	126.93	125.57	517.75
	Finance costs	71.84	77.46	67.35	275.76
	Depreciation and amortization expenses	35.66	88.24	35.57	190.04
	Other expenses	92.81	98.09	90.00	382.34
	Total expenses (IV)	346.80	397.92	324.71	1,391.06
V	Profit/(loss) before exceptional items and tax (I-IV)	(193.48)	(298.01)	(93.21)	(511.62)
VI	Exceptional Items	9.54	4.42	(57.16)	(57.68)
VII	Profit/ (loss) after exceptions items and before tax(V-VI)	(203.02)	(302.43)	(36.05)	(453.94)
VIII	Tax expense:				
	(1) Current tax	-	-	-	-
	(2) MAT Credit Entitlement	(2.64)	-		-
	(3) Deferred tax	0.15	(8.79)	(22.04)	(44.98)
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(200.53)	(293.64)	(14.01)	(408.96)
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)	(200.53)	(293.64)	(14.01)	(408.96)
XIV	Other Comprehensive Income				
	A. (i) Items that will not be reclassified to profit or loss	1.42	0.77	3.11	5.69
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.50	0.27	1.33	2.00
	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)	(198.61)	(292.60)	(9.57)	(401.27)
XVI	Earnings per equity share (for continuing operation):				
	(1) Basic	(2.53)	(3.70)	(0.18)	(5.16)
	(2) Diluted	(2.53)	(3.70)	(0.18)	(5.16)
XVII	Earnings per equity share (for discontinued operation):				
	(1) Basic	-	-		
	(2) Diluted	-	-		
XVIII	Earning per equity share (for discontinued & continuing operation)				
	(1)Basic	(2.53)	(3.70)	(0.18)	(5.16)
	(2) Diluted	(2.53)	(3.70)	(0.18)	(5.16)

Tapaas Chakravarti
CMD & CEO
DIN:00559533

Place: Hyderabad
Date: 9th August,2019

DQ Entertainment (International) Limited HYDERABAD

S.Sundar
Director
DIN:00396677

Place: Hyderabad
Date: 9th August,2019

DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

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

Standalone Segment Revenue and Results

(Rs in million)

Particulars	Figures for the current quarter ended 30-June-19	Figures for the Previous quarter ended 31-Mar-19	Figures for the Corresponding Quarter ended 30-June-18	Figures for the Previous Year ended 31-Mar-19
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment Revenue				
Animation	147.13	50.77	225.22	799.80
Distribution	2.00	6.01	3.82	22.59
Total	**149.13**	**56.78**	**229.04**	**822.39**
Less: Inter Segment Revenue	-		-	-
Net Income from Operations	**149.13**	**56.78**	**229.04**	**822.39**
Segment Results -Profit/(loss)				
Animation	(69.72)	(92.65)	47.30	(20.34)
Distribution	(29.92)	(43.55)	(25.75)	(112.92)
Unallocated	(31.54)	(88.77)	9.75	(44.92)
Segment Results before Interest and Finance Expense and Tax Expenses	**(131.18)**	**(224.97)**	**31.30**	**(178.18)**
Interest and Finance Expense	71.84	77.46	67.35	275.76
Profit / (Loss) before tax	**(203.02)**	**(302.43)**	**(36.05)**	**(453.94)**
Segment Assets				
Animation	4,383.55	4,236.85	4,591.04	4,236.85
Distribution	316.03	350.23	450.90	350.23
Unallocated	247.26	502.07	566.42	502.07
Total	**4,946.84**	**5,089.15**	**5,608.36**	**5,089.15**
Segment Liabilities				
Animation	2,897.31	2,697.03	2,837.61	2,697.03
Distribution	3.53	9.35	5.51	9.35
Unallocated	75.64	211.88	205.11	211.88
Total	**2,976.48**	**2,918.26**	**3,048.23**	**2,918.26**

Tapaas Chakravarti
CMD & CEO
DIN:00559533

Place: Hyderabad
Date: 9th August 2019

DQ Entertainment (International) Limited HYDERABAD

S.Sundar
Director
DIN:00396677

Place: Hyderabad
Date: 9th August 2019

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

1) The unaudited standalone financial results for the quarter and year ended June 30, 2019 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on August 9, 2019.

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) 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) 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) Exceptional items are foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items.

5) Corresponding quarter / year figures have been regrouped / reclassified wherever necessary to conform to the classification on the current period/ year classification.

6) 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. The application is under active consideration by the bankers.

7) Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", applied to all the lease contracts existing on April 01, 2019 using the modified retrospective method. The adoption of the standard did not have any material impact on the financial results of the company for the quarter ended June 30, 2019.

8) The company has intangibles to the value of Rs.316 Mn. To support the carrying value of these intangible assets as at June 30,2019, the projected revenue streams as of March 31, 2019 from exploitation, discounted to their present values using a discount factor of 18.2%, have been utilized. There are no significant changes in the projection made as at 31.03.2019. 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. 316 Mn as at June 30, 2019, 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) and receivables of Rs 938 Mn. The subsidiary's assets comprise primarily of intangible properties, in order to support the carrying values of these intangible assets at June 30, 2019, the projected revenue streams as of March 31, 2019 from exploitation, discounted to their present values using a discount factor of 18.2%, have been utilised.There are no significant changes in the projection made as at 31.03.2019.

10) The company has favourable cash inflows from its operations and a positive networth. However, the cash flows are not sufficient to repay its bank borrowings and the related finance costs. The lenders, had, in last year agreed to consider restructuring of the terms of the borrowings. The company is in discussions with the lenders for taking up the restructuring of its loans for sanction of further moratorium. Further the company is also making all efforts to raise funds to settle the dues of the Banks and is in discussion with few agencies. The company is also taking efforts to encash the existing IPs by licensing and distribution.

Based on the above, the management believes that the company will continue as a going concern and there by, realise its assets and discharge its liabilities in the normal course of its business. Accordingly, these financial statements have been prepared on the going concern assumption. Consequently no adjustments have been made to the carrying value of assets and liabilities or classification of balance sheet accounts.

Tapaas Chakravarti
CMD & CEO
DIN:00559533

Place: Hyderabad
Date: 9th August 2019

DQ Entertainment (International) Limited HYDERABAD

S.Sundar
Director
DIN:00396677

Place: Hyderabad
Date: 9th August 2019

MSKA
& Associates
Chartered Accountants

1101/B, Manjeera Trinity Corporate,
JNTU-Hitech City Road, Kukatpally,
Hyderabad-500072, Telangana, INDIA
Tel: +91 40 6814 2999

Independent Auditor's Review Report on unaudited quarterly and year to date financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 **June 30, 2019** and the year to-date results for the period **April 1, 2019** to **June 30, 2019** ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in 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 principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement 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 financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation 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
   i. Note 8 which states that the carrying value of intangible assets have been derived on the basis of projections of revenue streams which involves significant degree of subjectivity and judgement in such estimated projections.



ii. Note 9 which states that the carrying value of investment and the recoverability of receivables in/from the wholly owned subsidiary have been derived on the basis projections of revenue streams which involves significant degree of subjectivity and judgement in such estimated projections.

Our opinion is not qualified in respect of these matters.

Material Uncertainty Related to Going Concern

6. We draw attention to Note 10 to the financial statements, which indicates that the Company has incurred loss during the period ended June 30, 2019. However, the Company has favourable cash inflows from its operations and a positive networth. These cash flows are not sufficient to repay its bank borrowings and the related finance costs. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. As stated in aforesaid note, in view of the Company's plan to restructure the loan subject to Bank's approval and the Company's efforts to raise additional funds, the standalone Ind AS financial statements of the Company have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Ananthakrishnan G
Partner
Membership No.: 205226
UDIN: 19205226AAAABJ2793

Place: Hyderabad
Date: 9th August 2019

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 2019

Rs. in million

	Particulars	Figures for the current quarter ended 30-June-19	Figures for the Previous quarter ended 31-Mar-19	Figures for the Corresponding Quarter ended 30-June-18	Figures for the Previous Year ended 31-Mar-19
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue From operations	178.38	280.28	225.24	977.50
II	Other Income	8.18	190.42	337.48	548.54
III	Total Income (I+II)	186.56	470.70	562.72	1,526.04
IV	EXPENSES				-
	Production expenses	8.93	7.70	6.22	26.24
	Purchases of Stock-in-Trade	-	-		-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	-	-		-
	Employee benefits expense	139.75	128.18	126.83	522.83
	Finance costs	120.17	126.26	112.38	467.56
	Depreciation and amortization expenses	131.65	392.44	113.94	745.93
	Other expenses	103.12	108.32	99.23	433.02
	Expenses transferred to Capital account	(12.09)	(80.72)	(74.06)	(304.25)
	Total expenses (IV)	491.53	682.18	384.54	1,891.33
V	Profit/(loss) before exceptional items and tax (I-IV)	(304.97)	(211.48)	178.18	(365.29)
VI	Exceptional Items	(52.15)	129.81	283.12	302.15
VII	Profit/ (loss) after exceptions items and before tax(V-VI)	(252.82)	(341.29)	(104.94)	(667.44)
VIII	Tax expense:				
	(1) Current tax	-	(11.76)	-	(11.76)
	(2) MAT Credit Entitlement	2.64	-	-	-
	(3) Deferred tax	(0.16)	8.79	22.04	44.98
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(250.34)	(344.26)	(82.90)	(634.22)
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)	(250.34)	(344.26)	(82.90)	(634.22)
XIV	Other Comprehensive Income				
	A. (i) Items that will not be reclassified to profit or loss	1.42	0.77	3.11	5.69
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.50	0.27	1.33	2.00
	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)	(248.42)	(343.22)	(78.46)	(626.53)
XVI	Earnings per equity share (for continuing operation):				
	(1) Basic	(3.16)	(4.34)	(1.05)	(8.00)
	(2) Diluted	(3.16)	(4.34)	(1.05)	(8.00)
XVII	Earnings per equity share (for discontinued operation):				
	(1) Basic	-	-	-	-
	(2) Diluted	-	-	-	-
XVIII	Earning per equity share (for discontinued & continuing operation)				
	(1)Basic	(3.16)	(4.34)	(1.05)	(8.00)
	(2) Diluted	(3.16)	(4.34)	(1.05)	(8.00)

Tapaas Chakravarti
CMD & CEO
DIN:00559533

Place: Hyderabad
Date: 9th August 2019

DQ Entertainment (International) Ltd. HYDERABAD

S.Sundar
Director
DIN:00396677

Place: Hyderabad
Date: 9th August 2019

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-June-19	Figures for the Previous quarter ended 31-Mar-19	Figures for the Corresponding Quarter ended 30-June-18	Figures for the Previous Year ended 31-Mar-19
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment Revenue				
Animation	145.95	120.99	145.04	553.18
Distribution	32.43	159.29	80.20	424.32
Total	**178.38**	**280.28**	**225.24**	**977.50**
Less: Inter Segment Revenue	-	-	-	-
Net Income from Operations	**178.38**	**280.28**	**225.24**	**977.50**
Segment Results -Profit/(Loss)				
Animation	(70.96)	(57.05)	18.86	(13.83)
Distribution	(106.94)	354.00	(38.21)	242.07
Unallocated	45.25	(511.98)	26.79	(428.12)
Segment Results before Interest	**(132.65)**	**(215.03)**	**7.44**	**(199.88)**
Interest and Finance Expense	120.17	126.26	112.38	467.56
Profit / (Loss) before tax	**(252.82)**	**(341.29)**	**(104.94)**	**(667.44)**
Segment Assets				
Animation	1,311.43	1,294.77	6,736.18	1,294.77
Distribution	6,201.04	6,334.67	500.23	6,334.67
Unallocated	123.91	182.32	1,133.57	182.32
Total	**7,636.38**	**7,811.76**	**8,369.98**	**7,811.76**
Segment Liabilities				
Animation	2,864.50	2,772.92	2,575.11	2,772.92
Distribution	160.09	78.42	3,799.84	78.42
Unallocated	3,773.64	3,868.86	206.16	3,868.86
Total	**6,798.23**	**6,720.20**	**6,581.11**	**6,720.20**

Tapaas Chakravarti
CMD & CEO
DIN:00559533

Place: Hyderabad
Date: 9th August 2019

DQ Entertainment (International) Limited HYDERABAD

S.Sundar
Director
DIN:00396677

Place: Hyderabad
Date: 9th August 2019

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

1) The Unaudited Consolidated financial results for the quarter June 30, 2019 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on Auguest 9, 2019.

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) 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) *Exceptional items are foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items.

5) Corresponding quarter / period figures have been regrouped / reclassified wherever necessary to conform to the classification on the current period classification.

6) Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", applied to all the lease contracts existing on April 01, 2019 using the modified retrospective method. The adoption of the standard did not have any material impact on the financial results of the company for the quarter ended June 30, 2019.

7) The company has filed an application with the bankers for restructuring of its term loans and working capital which has been classified as NPA by the bankers. The application is under active consideration by the bankers.

8) The company has intangibles to the value of Rs. 3,244 Mn. To support the carrying value of these intangible assets as at 30 June, 2019, the projected revenue streams as of 31.03.2019 from exploitation, discounted to their present values using a discount factor of 18.2%, have been utilised. There are no significant changes in the projections made as at 31.03.2019. 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. 3,244 Mn as at June 30, 2019, 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 favourable cash inflows from its operations and a positive networth. However, the cash flows are not sufficient to repay its bank borrowings and the related finance costs. The lenders, had, in last year agreed to consider restructuring of the terms of the borrowings. The company is in discussions with the lenders for taking up the restructuring of its loans for sanction of further moratorium. Further the company is also making all efforts to raise funds to settle the dues of the Banks and is in discussion with few agencies. The company is also taking efforts to encash the existing IPs by licensing and distribution.

Based on the above, the management believes that the company will continue as a going concern and there by, realise its assets and discharge its liabilities in the normal course of its business. Accordingly, these financial statements have been prepared on the going concern assumption. Consequently no adjustments have been made to the carrying value of assets and liabilities or classification of balance sheet accounts.

Tapaas Chakravarti
CMD & CEO
DIN:00559533

DQ Entertainment (International) Limited HYDERABAD

S.Sundar
Director
DIN:00396677

Place: Hyderabad
Date: 9th August 2019

MSKA
& Associates
Chartered Accountants

1101/B, Manjeera Trinity Corporate,
JNTU-Hitech City Road, Kukatpally,
Hyderabad-500072, Telangana, INDIA
Tel: +91 40 6814 2999

Independent Auditor's Review Report on Consolidated Unaudited Quarterly and year to date financial results of the Group, its Joint Venture pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
DQ Entertainment (International) Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results of **DQ Entertainment (International) Limited** ('the Holding Company'), its subsidiary, (the Holding Company and its subsidiary together referred to as the 'Group') and its share of the net loss after tax and total comprehensive loss of its joint venture for the quarter ended **June 30, 2019** and the year to-date results for the period from **April 1, 2019** to **June 30, 2019** ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement 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 results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

MSKA & ASSOCIATES * Hyderabad * Chartered Accountants *

4. The Statement includes the results of the following entities:

Sr. No	Name of the Company	Relationship with the Holding Company
1	DQ Entertainment (Ireland) Limited	Subsidiary Company
2	DQ Entertainment (International) Films Limited	Joint Venture

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the subsidiary auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial results of one subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 5,758,096,998 as at 30th June 2019 and total revenues of Rs. 97,843,835, total net loss after tax of Rs.73,527,358, for the quarter ended 30th June 2019, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion on the Statement is not modified in respect of the above matters.

7. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 12,532 for the quarter ended 30th June, 2019, as considered in the consolidated unaudited financial results, in respect of one joint venture, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

   Our conclusion on the Statement is not modified in respect of the above matter.

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

   i. Note 8 which states that the carrying value of intangible assets have been derived on the basis of projections of revenue streams which involves significant degree of subjectivity and judgement in such estimated projections.

   Our opinion is not qualified in respect of these matters.

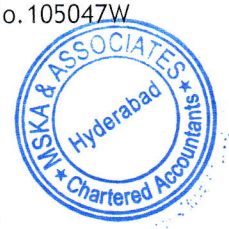
MSKA & ASSOCIATES Hyderabad Chartered Accountants

Material Uncertainty Related to Going Concern

9. We draw attention to Note 9 to the financial statements, which indicates that the Company has incurred loss during the period ended June 30, 2019. However, the Company has favourable cash inflows from its operations and a positive networth. These cash flows are not sufficient to repay its bank borrowings and the related finance costs. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. As stated in aforesaid note, in view of the Company's plan to restructure the loan subject to Bank's approval and the Company's efforts to raise additional funds, the consolidated Ind AS financial statements of the Company have been prepared on a going concern basis.

   Our opinion is not modified in respect of this matter.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Ananthakrishnan G
Partner
Membership No: 205226
UDIN: 19205226AAAABK3777

Place: Hyderabad
Date: 9th August 2019

DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
644, Aurora colony, Road No.3, Banjara Hills, Hyderabad - 500 034. INDIA
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CIN: L92113TG2007PLC053585

DQ Entertainment (International) Limited
Earnings Release – June, 2019

DQ Entertainment (International) Limited, a leading animation, gaming, production and distribution company, today announces its Unaudited financial results for the period ended June 30, 2019.

Consolidated financial highlights for the year ended 30th June, 2019.

- Total Income was INR 186.56 Mn, compared to INR 562.72 Mn over the same period last year
- EBIDTA was INR (53.15) Mn as compared to INR (404.50) Mn over the same period last year.

BUSINESS UPDATE:

Animation:

Our Company is an independent children's entertainment production studio owing iconic brands namely Jungle Book, Peter Pan, Robin Hood, The Psammy Show and more. Currently, the followings IPs are in production:

- Third season of our flagship property, **The Jungle Book** has completed its production as a result of the demand from the broadcasters after a successful run of season 1 & 2. The entire season has been delivered.
- Second Season of Robin Hood has been co-produced with Method Animation, France, and is a success in the market. The third season is at distribution stage to different broadcasters.
- The Psammy Show has penetrated China Market in a big way with distribution deals as well as Licensing and merchandising deals. We have closed almost around 12 merchandising deals in China.
- Another own New IP **Toadlly Awesome** and **Cuddle Cubbies** (pre-schooler series) television series which is under negotiation for co-production with global partners.

DQ Entertainment (International) Limited HYDERABAD

SERVICE PROJECTS

Currently, the following projects are being produced for various production studios on service basis as under:

- Two major Television series for Disney, USA namely, **Puppy Dog Pals** and **Doc Mc Stuffins** is nearing completion. Several other projects are in final negotiations and developmental stage expected to go into production soon. **Mickey Mouse Roadster Racers** season 2 has been completed and delivered to broadcasters.

- In collaboration with Method Animation, France and ZagToons, USA namely, **Miraculous Lady Bug**, **7 Dwarfs & Me** season 2 and **Power Players** season 1 are in production.

Licensing and Distribution:

DQE's licensing and Distribution has concluded several broadcasting and licensing deals during the period and some of the major highlights are as under:

- **ETB-EUSKAL TELEBISTA** has acquired Psammy Show for Basque country and Spain.

- **Emirates Cable TV (UAE)** has acquired Jungle Book Season 2 & 3 and Psammy Show for UAE and have also acquired SVOD rights of Jungle Book Season 3 from Middle East and North Africa region.

- **Disney Broadcasting India Ltd.** has acquired Iron Man for Indian subcontinent.

- **Barind Media** (Bangladesh) has acquired all seasons of Jungle Book, Lassie and Charlie Chaplin.

- **Multithematics** (France) has re-licensed Jungle Book Season 1 & 2 for France and French speaking territories.

- **Eendau TV (ETV)** has acquired the broadcasting rights of multiple properties for India which include **Peter Pan**, **Robin Hood**, **Charlie Chaplin** and **Jungle Safari** .

- **Netflix** has acquired the SVOD rights of Jungle Book season 1 for multiple countries in the region of North America, Europe and Asia. Negotiations with Netflix for other seasons and countries have been closed.

- **The Psammy Show** has penetrated China Market in a big way with distribution deals as well as Licensing and merchandising deals. We have closed almost around 12 merchandising deals in China.

- **Make Marc** IP licensing was renewed until 2020 for stationary manufacturing for Indian territory.



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
CEO & CMD

DQ Entertainment (International) Limited HYDERABAD