



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

February 12, 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)
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Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on February 12, 2019

Kindly note that the Board of Directors of the Company at their meeting held on February 12, 2019 have, *interalia*, approved the un-audited financial results (Standalone & consolidated) for the quarter and nine months ended December 31, 2018.

Kindly find attached herewith the above mentioned financials in the format prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Limited Review report (Standalone & consolidated) issued by M/s MSKA & Associates, Chartered Accountants - Statutory Auditors of the Company along with a copy of earnings release for the period ended December 31, 2018 is also enclosed herewith.

The meeting commenced at 2.00 pm and concluded at 3.30 p.m.

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

Thanking you

Yours truly

For DQ Entertainment (International) Limited

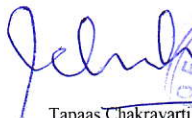

Sukhmani Walia
Company Secretary & Compliance Officer
Membership No. A41191

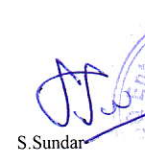


644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

Unaudited Standalone Statement of Profit and Loss for the Quarter and Period ended 31 December, 2018

		Nine months ended		Quarter ended		Annual Figures	
Particulars		Figures for the 9 months ended 31-Dec-18	Figures for the corresponding 9 months ended 31-Dec-17	Figures for the current Quarter ended 31-Dec-18	Figures for the previous Quarter ended 30-Sep-18	Figures for the Corresponding Quarter ended 31-Dec-17	Figures for the Previous Year ended 31-Mar-18
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue From operations	765.61	598.91	262.24	274.33	145.66	958.60
II	Other Income	13.92	30.08	2.50	8.96	25.97	72.28
III	Total Income (I+II)	779.53	628.99	264.74	283.29	171.63	1,030.88
IV	EXPENSES*						
	Production expenses	17.97	26.96	6.02	5.73	13.01	32.76
	Purchases of Stock-in-Trade	-	-	-	-	-	-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	-	-	-	-	-	-
	Employee benefits expense	390.82	372.88	136.18	129.07	126.40	507.66
	Finance costs	198.30	150.46	63.19	67.76	49.89	271.37
	Depreciation and amortization expenses	101.80	114.91	33.58	32.65	38.43	238.26
	Other expenses	284.25	239.34	107.63	86.62	78.60	320.51
	Total expenses (IV)	993.14	904.55	346.60	321.83	306.33	1,370.56
V	Profit/(loss) before exceptional items and tax (I-IV)	(213.61)	(275.56)	(81.86)	(38.54)	(134.70)	(339.68)
VI	Exceptional Items	62.10	13.43	(67.43)	72.37	(36.95)	53.18
VII	Profit/ (loss) after exceptions items and before tax(V-VI)	(151.51)	(262.13)	(149.29)	33.83	(171.65)	(286.50)
VIII	Tax expense:						
	(1) Current tax	-	-	-	-	-	(188.17)
	(2) MAT Credit Entitlement	-	-	-	-	-	(17.84)
	(3) Deferred tax	36.19	(4.36)	(22.88)	37.03	(20.77)	(14.13)
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(115.32)	(266.49)	(172.17)	70.86	(192.42)	(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)	(115.32)	(266.49)	(172.17)	70.86	(192.42)	(66.36)
XIV	Other Comprehensive Income						
	A. (i) Items that will not be reclassified to profit or loss	4.92	(2.69)	-	1.81	-	12.44
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1.73	-	-	0.40	-	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)	(108.67)	(269.18)	(172.17)	73.07	(192.42)	(48.59)
XVI	Earnings per equity share (for continuing operation):						
	(1) Basic	(1.45)	(3.36)	(2.17)	0.89	(2.43)	(0.84)
	(2) Diluted	(1.45)	(3.36)	(2.17)	0.89	(2.43)	(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	(1.45)	(3.36)	(2.17)	0.89	(2.43)	(0.84)
	(2) Diluted	(1.45)	(3.36)	(2.17)	0.89	(2.43)	(0.84)
	Exceptional Items						
	Foreign Exchange Gain/(Loss)	62.10	13.43	(67.43)	72.37	(36.95)	53.18


 Tapaas Chakravarti
 CMD & CEO
 DIN:00559533
 Place: Hyderabad
 Date: 12.02.2019


 S. Sundar
 Director
 DIN:00396677
 Place: Hyderabad
 Date: 12.02.2019




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

- 1) The unaudited standalone financial results for the quarter and period ended 31, December 2018 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on February 12, 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) 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 / period 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. The application is under active consideration by the bankers.
- 8) The company has intangibles to the value of Rs.374 Mn. To support the carrying value of these intangible assets as at December 31, 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. 374 Mn as at December 31, 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 2,285 Mn (comprising of Equity investments – Rs. 1,168 Mn and Loans – Rs. 1,117 Mn). The subsidiary's assets comprise primarily of intangible properties, in order to support the carrying values of these intangible assets at December 31, 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.


Tapaas Chakravarti
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DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
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Standalone Segment Revenue and Results

	<i>Nine months ended</i>		<i>Quarter ended</i>			<i>(Rs in million)</i> <i>Annual Figures</i>
Particulars	Figures for the 9 months ended 31-Dec-18	Figures for the corresponding 9 months ended 31-Dec-17	Figures for the current Quarter ended 31-Dec-18	Figures for the previous Quarter ended 30-Sep-18	Figures for the Corresponding Quarter ended 31-Dec-17	Figures for the Previous Year ended 31-Mar-18
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment Revenue						
Animation	749.03	564.33	252.63	271.18	141.59	938.72
Distribution	16.58	34.58	9.61	3.15	4.07	19.88
Total	765.61	598.91	262.24	274.33	145.66	958.60
Less: Inter Segment Revenue	-	-	-	-	-	-
Net Income from Operations	765.61	598.91	262.24	274.33	145.66	958.60
Segment Results -Profit/(loss)						
Animation	72.31	11.08	(77.25)	102.26	(13.34)	195.09
Distribution	(69.37)	(68.17)	(19.67)	(23.95)	(25.63)	(184.88)
Unallocated	43.85	(54.58)	10.82	23.28	(82.79)	(25.34)
Segment Results before Interest and Finance Expense and Tax Expenses	46.79	(111.67)	(86.10)	101.59	(121.76)	(15.13)
Interest and Finance Expense	198.30	150.46	63.19	67.76	49.89	271.37
Profit / (Loss) before tax	(151.51)	(262.13)	(149.29)	33.83	(171.65)	(286.50)
Segment Assets						
Animation	4,530.86	2,474.04	4,530.86	4,787.11	2,474.04	4,542.50
Distribution	423.61	624.53	423.61	421.20	624.53	531.10
Unallocated	508.02	2,057.15	508.02	496.40	2,057.15	524.58
Total	5,462.49	5,155.72	5,462.49	5,704.71	5,155.72	5,598.18
Segment Liabilities						
Animation	2,810.43	2,397.76	2,810.43	2,878.85	2,397.76	2,989.73
Distribution	7.60	7.99	7.60	5.61	7.99	8.40
Unallocated	180.71	311.60	180.71	184.32	311.60	25.89
Total	2,998.74	2,717.35	2,998.74	3,068.78	2,717.35	3,024.02


Tapaas Chakravarti
CMD & CEO
DIN:00559533

Place: Hyderabad
Date: 12.02.2019

S.Sundar
Director
DIN:00396677

Place: Hyderabad
Date: 12.02.2019



& Associates

Chartered Accountants

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

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 31st December 2018 and the year to-date results for the period April to December 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).

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.

2. 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.
3. 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.

4. 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: 12th February 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 and Period ended 31 December 2018

Rs. in million

Particulars	Nine months ended		Quarter ended			Annual Figures
	Figures for the 9 months ended 31-Dec-18	Figures for the corresponding 9 months ended 31-Dec-17	Figures for the current Quarter ended 31-Dec-18	Figures for the previous Quarter ended 30-Sept-18	Figures for the Corresponding Quarter ended 31-Dec-17	Figures for the Previous Year ended 31-Mar-18
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I Revenue From operations	697.22	544.73	239.50	232.48	176.18	801.51
II Other Income	358.12	31.20	6.30	14.34	29.70	88.33
III Total Income (I+II)	1,055.34	575.93	245.80	246.82	205.88	889.84
IV EXPENSES	-	-	-	-	-	-
Production expenses	18.54	27.50	6.59	5.73	13.56	33.00
Purchases of Stock-in-Trade	-	-	-	-	-	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	-	-	-	-	-	-
Employee benefits expense	394.65	375.93	137.47	130.35	127.45	511.82
Finance costs	341.30	739.01	112.66	116.26	274.20	866.52
Depreciation and amortization expenses	353.49	308.13	126.84	112.71	104.51	646.92
Other expenses	324.70	286.62	122.50	102.97	90.88	381.83
Expenses transferred to Capital account	(223.53)	(162.31)	(73.67)	(75.80)	(75.75)	(377.82)
Total expenses (IV)	1,209.15	1,574.88	432.39	392.22	534.85	2,062.27
V Profit/(loss) before exceptional items and tax (I-IV)	(153.81)	(998.95)	(186.59)	(145.40)	(328.97)	(1,172.43)
VI Exceptional Items	(172.34)	627.15	32.08	78.70	71.25	803.90
VII Profit/ (loss) after exceptions items and before tax(V-VI)	(326.15)	(371.80)	(154.51)	(66.70)	(257.72)	(368.53)
VIII Tax expense:	-	-	-	-	-	-
(1) Current tax	-	-	-	-	-	188.17
(2) MAT Credit Entitlement	-	-	-	-	-	17.84
(3) Deferred tax	36.19	(4.36)	(22.88)	37.03	(20.77)	14.13
IX Profit (Loss) for the period from continuing operations (VII-VIII)	(289.96)	(376.16)	(177.39)	(29.67)	(278.49)	(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)	(289.96)	(376.16)	(177.39)	(29.67)	(278.49)	(148.39)
XIV Other Comprehensive Income	-	-	-	-	-	-
A. (i) Items that will not be reclassified to profit or loss	4.92	(2.69)	-	1.81	-	12.44
(ii) Income tax relating to items that will not be reclassified to profit or loss	1.73	-	-	0.40	-	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)	(283.31)	(378.85)	(177.39)	(27.46)	(278.49)	(130.62)
XVI Earnings per equity share (for continuing operation):	-	-	-	-	-	-
(1) Basic	(3.66)	(4.74)	(2.24)	(0.37)	(3.51)	(1.87)
(2) Diluted	(3.66)	(4.74)	(2.24)	(0.37)	(3.51)	(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	(3.66)	(4.74)	(2.24)	(0.37)	(3.51)	(1.87)
(2) Diluted	(3.66)	(4.74)	(2.24)	(0.37)	(3.51)	(1.87)


Tapaas Chakravarti
CMD & CEO
DIN:00559533
Place: Hyderabad

Date: 12.02.2019


S. Sundar
Director
DIN:00396677

Place:
Hyderabad

Date: 12.02.2019



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

1) The unaudited consolidated financial results for the quarter and period ended December 31, 2018 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on February 12, 2019.

2) The 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 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 342 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 / period 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 and working capital which has been classified as NPA by the bankers. The application is under active consideration by the bankers.

9) The company has intangibles to the value of Rs. 3,047 Mn. To support the carrying value of these intangible assets as at December 31, 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. 3,047 Mn as at December 31, 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.


Tapaas Chakravarti
CMD & CEO
DIN:00559533

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


Consolidated Segment Revenue and Results

(Rs in million)

Particulars	Nine months ended		Quarter ended			Annual Figures
	Figures for the 9 months ended 31-Dec-18	Figures for the corresponding 9 months ended 31-Dec-17	Figures for the current Quarter ended 31-Dec-18	Figures for the previous Quarter ended 30-Sept-18	Figures for the Corresponding Quarter ended 31-Dec-17	Figures for the Previous Year ended 31-Mar-18
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment Revenue						
Animation	432.19	439.77	134.79	152.36	119.46	615.51
Distribution	265.03	104.96	104.71	80.12	56.72	185.69
Total	697.22	544.73	239.50	232.48	176.18	801.20
Less: Inter Segment Revenue	-	-	-	-	-	-
Net Income from Operations	697.22	544.73	239.50	232.48	176.18	801.20
Segment Results -Profit/(Loss)						
Animation	43.22	(113.49)	4.56	19.81	(23.03)	80.44
Distribution	(111.93)	(191.02)	(44.42)	(45.88)	(81.30)	(475.66)
Unallocated	83.86	671.72	(1.99)	75.63	120.81	893.21
Segment Results before Interest and Finance Expense and Tax Expenses	15.15	367.21	(41.85)	49.56	16.48	497.99
Interest and Finance Expense	341.30	739.01	112.66	116.26	274.20	866.52
Profit / (Loss) before tax	(326.15)	(371.80)	(154.51)	(66.70)	(257.72)	(368.53)
Segment Assets						
Animation	1,325.77	561.33	1,325.77	1,252.49	561.33	2,842.37
Distribution	6,706.45	6,560.29	6,706.45	7,240.90	6,560.29	4,988.78
Unallocated	157.37	999.70	157.37	176.06	999.70	693.25
Total	8,189.59	8,121.32	8,189.59	8,669.45	8,121.32	8,524.40
Segment Liabilities						
Animation	1,941.05	6,589.80	1,941.05	2,808.77	6,589.80	3,262.88
Distribution	4,765.45	158.74	4,765.45	3,969.78	158.74	383.00
Unallocated	58.85	465.05	58.85	81.95	465.05	3,809.17
Total	6,765.35	7,213.59	6,765.35	6,860.50	7,213.59	7,455.05


Tapaas Chakravarti
CMD & CEO
DIN:00559533
Place: Hyderabad

Date: 20.2.2019


S. Sundar
Director
DIN:00396677
Place: Hyderabad

Date: 12.02.2019



& Associates

Chartered Accountants

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

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 and associates (together the "Group") for the quarter ended 31st December, 2018 and the year to-date results for the period April to December 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).

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.

2. 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.
3. 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.

4. 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: 12th February 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 – December, 2018

DQ Entertainment (International) Limited, a leading animation, gaming, production and distribution company, today announces its unaudited financial results for the period ended December 31, 2018.

Standalone financial highlights for the quarter ended 31st December, 2018.

- Total income was INR 264.74 Mn compared to INR 171.64 Mn over the same period last year.
- EBIDTA was INR 14.91 MN as compared to INR (46.39) Mn over the same period last year.

Consolidated financial highlights for the quarter ended 31st December, 2018.

- Total income was INR 243.80 Mn* compared to INR 205.88 Mn over the same period last year
- EBIDTA was INR 50.91 Mn* as compared to INR 49.74 Mn over the same period last year.

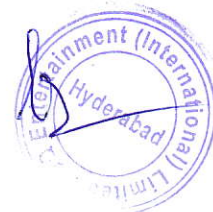
**It is net off the one-time gain of Rs. 342 mn as explained in Note no.4 of the notes given in the results published under Regulation 33 of the LODR, 2015.*

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:

- The third season of our flagship property, **The Jungle Book** TV series comprising of 52 episodes of 11 minutes each out of which 39 episodes have already been delivered to the broadcasters. The entire season is planned to be delivered by end of March, 2019.
- **Robin Hood – Season 2 TV series** comprising of 52 episodes of 11 minutes each, out of which 39 episodes have been delivered and the balance will be delivered by March, 2019. We are very hopeful that third season will commence soon.
- Recently, we have developed **Toadlly Awesome** and **Cuddle Cubbies** (pre-schooler series) television series which is under negotiation for co-production with global partners.



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**. 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.

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:

- Eendau TV (ETV) has acquired the broadcasting rights of multiple properties for India which include **Peter Pan**, **Robin Hood**, **Charlie Chaplin** and **Jungle Safari**.
- **Jungle Book** and **Peter Pan** range of toy line were launched by DQE's worldwide master toy partners European & Global Licensing (EGL), Netherlands for both the brands during the Hong Kong licensing show.
- **Amazon Prime India** has acquired the SVOD rights of multiple shows from DQE's library which includes **Jungle Book**, **Peter pan** & **Robin Hood** among others.
- **Netflix** has acquired the SVOD rights of **Jungle Book** season 1 for multiple countries in the region of North America, Europe and Asia. Negotiations are on with Netflix for other seasons and countries and expect to close it soon.
- **The Psammy Show** TV series comprising of 52 episodes of 11 minutes each has premiered in Disney channel Germany & France and SH Channel Israel during the quarter and has been rated among the top shows in all the channels.
- **The Psammy Show** is under active negotiation for distribution in 118 countries while there has been a good licensing and merchandising opportunity developing for this TV series having already concluded licensing & merchandising deal with Team Licensing for Germany and Cawro for China region.



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

