



## **DQ ENTERTAINMENT (INTERNATIONAL) LIMITED**

644, Aurora colony, Road No.3, Banjara Hills, Hyderabad - 500 034. INDIA  
Tel: +91-40-23553726 & 27 Fax:+91-40-23552594  
CIN: L92113TG2007PLC053585

June 7, 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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### **Sub: Outcome of the Board Meeting held on June 7, 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 June 7, 2019 have, *interalia*, considered, approved and adopted the Audited Financial Results (Standalone & consolidated) for the last quarter and Financial Year ended March 31, 2019.

A copy of duly signed Audited Financial Results with Statement of Assets & Liabilities, Audit Report and Declaration regarding Audit Report with unmodified opinion for the Financial Year ended 31<sup>st</sup> March, 2019 is enclosed. A copy of earnings release for the year ended March 31, 2018 is also enclosed herewith.

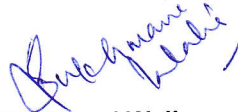
The meeting commenced at 12.00 Noon and concluded at 5:10 P.M.

Kindly take the same on record and oblige.

Thanking you

Yours truly

**For DQ Entertainment (International) Limited**

  
**Sukhmani Walia**  
**Company Secretary**



Encl. as above



644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034  
Standalone Statement of Profit and Loss for the Quarter and Year ended 31 March, 2019

		Rs in million				
Particulars	Year ended		Quarter ended			
	Figures for the current reporting period - 31-Mar-19	Figures for the previous reporting period - 31-Mar-18	Figures for the Current Quarter - 31-Mar-19	Figures for the Corresponding Quarter - 31-Mar-18	Figures for the Corresponding Quarter ended 31-Dec-18	
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	
<b>INCOME</b>						
I	Revenue From operations	822.39	958.60	56.78	359.69	262.24
II	Other Income	57.05	72.28	43.13	42.20	2.50
III	Total Income (I+II)	879.44	1,030.88	99.91	401.89	264.74
<b>EXPENSES</b>						
IV	Production expenses	25.17	32.76	7.20	5.80	6.02
	Purchases of Stock-in-Trade	-	-	-	-	-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	-	-	-	-	-
	Employee benefits expense	517.75	507.66	126.93	134.78	136.18
	Finance costs	275.76	271.37	77.46	120.91	63.19
	Depreciation and amortization expenses	190.04	238.26	88.24	123.35	33.58
	Other expenses	382.34	320.51	98.09	81.17	107.63
	Total expenses (IV)	1,391.06	1,370.56	397.92	466.01	346.60
V	Profit/(loss) before exceptional items and tax (I-IV)	(511.62)	(339.68)	(298.01)	(64.12)	(81.86)
VI	Exceptional Items	57.69	53.18	(4.41)	39.75	(67.43)
VII	Profit/ (loss) after exceptions items and before tax(V-VI)	(453.93)	(286.50)	(302.42)	(24.37)	(149.29)
VIII	Tax expense:					
	(1) Current tax	-	(188.17)	-	(188.17)	-
	(2) MAT Credit Entitlement	-	(17.84)	-	(17.84)	-
	(3) Deferred tax	(44.98)	(14.13)	(8.79)	(18.49)	22.88
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(408.95)	(66.36)	(293.63)	200.13	(172.17)
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)	(408.95)	(66.36)	(293.63)	200.13	(172.17)
XIV	Other Comprehensive Income					
	A. (i) Items that will not be reclassified to profit or loss	5.69	12.44	0.77	15.13	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	2.00	5.33	0.27	8.02	-
	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 )	(401.26)	(48.59)	(292.59)	223.28	(172.17)
XVI	Paid up Equity Share Capital (Face Value Rs 10)	792.83	792.83	-	-	-
XVII	Reserves excluding Revaluation Reserves	1,378.06	1,781.32	-	-	-
XVI	Earnings per equity share (for continuing operation):					
	(1) Basic	(5.16)	(0.84)	(3.70)	2.52	(2.17)
	(2) Diluted	(5.16)	(0.84)	(3.70)	2.52	(2.17)
XVII	Earnings per equity share (for discontinued operation):					
	(1) Basic	-	-	-	-	-
	(2) Diluted	-	-	-	-	-
XVIII	Earning per equity share (for discontinued & continuing operation)					
	(1)Basic	(5.16)	(0.84)	(3.70)	2.52	(2.17)
	(2) Diluted	(5.16)	(0.84)	(3.70)	2.52	(2.17)

Place: Hyderabad  
Date: 07.06.2019

  
  
**S. Sundar**  
 Director  
 DIN: 00396677



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

**Standalone Statement of Assets and Liabilities as at 31 March, 2019**

*(Rs in million)*

Particulars	As at	As at
	31 March 2019	31 March 2018
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, Plant and Equipment	47.80	106.80
(b) Capital work-in-progress	2.28	1.17
(c) Investment Property	-	-
(d) Goodwill	-	-
(e) Other Intangible assets	347.14	436.96
(f) Intangible assets under development	-	24.64
(g) Biological Assets other than bearer plants		
(h) Financial Assets		
(i) Investments	2,283.91	2,269.35
(ii) Trade receivables		
(iii) Loans		
(iv) Other Asset	44.23	42.95
(i) Deferred tax assets (net)	900.87	857.90
(j) Other non-current assets	14.66	19.89
<b>Current assets</b>		
(a) Inventories		
(b) Financial Assets		
(i) Investments		
(ii) Trade receivables	1,102.25	1,364.58
(iii) Cash and cash equivalents	0.08	0.24
(iv) Bank balances other than (iii) above	25.65	38.75
(v) Loans		
(vi) Other Asset		
(c) Current Tax Assets (Net)		
(d) Other current assets	320.27	434.95
<b>Total Assets</b>	<b>5,089.14</b>	<b>5,598.18</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	792.83	792.83
(b) Other Equity	1,378.06	1,781.32
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	-	1,032.05
(ii) Trade payables		
(iii) Other financial liabilities (other than those specified in item (b), to be specified)	-	-
(b) Provisions	93.62	91.64
(c) Deferred tax liabilities (Net)	-	-
(d) Other non-current liabilities	5.52	6.21
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	785.60	864.02
(ii) Trade payables	36.54	50.14
(iii) Other financial liabilities (other than those specified in item (c))	-	-
(b) Other current liabilities	1,890.93	858.09
(c) Provisions	106.04	109.82
(d) Current Tax Liabilities (Net)	-	12.06
<b>Total Equity and Liabilities</b>	<b>5,089.14</b>	<b>5,598.18</b>

Place: Hyderabad  
Date: 07.06.2019

  
**S. Sundar**  
 Director  
 DIN: 00396677



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

- 1) The audited standalone financial results for the quarter and year ended March 31, 2019 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on June 7, 2019.
- 2) The audited 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) 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 / year figures have been regrouped / reclassified wherever necessary to conform to the classification on the current period/ year 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.347 Mn. To support the carrying value of these intangible assets as at March 31,2019, 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 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. 347 Mn as at March 31, 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 2,284 Mn (comprising of Equity investments – Rs. 1,168 Mn and Loans – Rs. 1,116 Mn) and receivables of Rs 1,006 Mn. The subsidiary's assets comprise primarily of intangible properties, in order to support the carrying values of these intangible assets at March 31, 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.
- 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.





**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 reporting period - 31-Mar-19	Figures for the Previous reporting period 31-Mar-18	Figures for the Current Quarter - 31-Mar-19	Figures for the Corresponding quarter ended - 31-Mar-18	Figures for the previous Quarter - 31-Dec-18
	(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Segment Revenue</b>					
Animation	799.80	938.72	50.77	374.40	252.63
Distribution	22.59	19.88	6.01	(14.70)	9.61
<b>Total</b>	<b>822.39</b>	<b>958.60</b>	<b>56.78</b>	<b>359.70</b>	<b>262.24</b>
Less: Inter Segment Revenue	-	-	-	-	-
<b>Net Income from Operations</b>	<b>822.39</b>	<b>958.60</b>	<b>56.78</b>	<b>359.70</b>	<b>262.24</b>
<b>Segment Results -Profit/(loss)</b>					
Animation	(20.34)	195.09	(92.65)	184.01	(77.25)
Distribution	(112.92)	(184.88)	(43.55)	(116.71)	(19.67)
Unallocated	(44.91)	(25.34)	(88.76)	29.24	10.82
<b>Segment Results before Interest and Finance Expense and Tax Expenses</b>	<b>(178.17)</b>	<b>(15.13)</b>	<b>(224.96)</b>	<b>96.54</b>	<b>(86.10)</b>
Interest and Finance Expense	275.76	271.37	77.46	120.91	63.19
<b>Profit / (Loss) before tax</b>	<b>(453.93)</b>	<b>(286.50)</b>	<b>(302.42)</b>	<b>(24.37)</b>	<b>(149.29)</b>
<b>Segment Assets</b>					
Animation	4,236.85	4,542.50	4,236.85	4,542.50	4,530.86
Distribution	350.23	531.10	350.23	531.10	423.61
Unallocated	502.07	524.58	502.07	524.58	508.02
<b>Total</b>	<b>5,089.15</b>	<b>5,598.18</b>	<b>5,089.15</b>	<b>5,598.18</b>	<b>5,462.49</b>
<b>Segment Liabilities</b>					
Animation	2,697.03	2,989.73	2,697.03	2,989.73	2,810.43
Distribution	9.35	8.40	9.35	8.40	7.60
Unallocated	211.88	25.89	211.88	25.89	180.71
<b>Total</b>	<b>2,918.26</b>	<b>3,024.02</b>	<b>2,918.26</b>	<b>3,024.02</b>	<b>2,998.74</b>



**Auditor's Report On Quarterly Financial Results and Year to Date Financial Results of the Company  
Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

**To the Board of Directors of DQ Entertainment (International) Limited**

1. We have audited the accompanying Statement of Standalone Financial Results of DQ Entertainment (International) Limited ('the Company') for the quarter and year ended 31<sup>st</sup> March, 2019 (the 'Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. The statement, as it relates to the quarter ended March 31, 2019, are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'). The Statements also relates to the year ended March 31, 2019, has been prepared on the basis of the related standalone financial statements for the year ended March 31, 2019, prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This Statement is the responsibility of the Company's Management and is approved by the Board of Directors. Our responsibility is to express an opinion on the Statement based on our audit of standalone financial statements for the year ended March 31, 2019 and our review of standalone financial results for the nine months period ended December 31, 2018.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Statement that give a fair presentation view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Statement.



## Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
  - ii. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss, total comprehensive income and other financial information of the Company for the year ended March 31, 2019.
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.

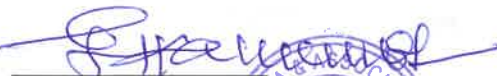
Our opinion is not qualified in respect of these matters.

## 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 year ended March 31, 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



Ananthakrishnan G  
Partner  
Membership No: 205226



Place: Hyderabad  
Date: 07<sup>th</sup> June 2019



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

**Consolidated Statement of Profit and Loss for the Quarter and Year ended 31 March 2019**

*Rs. in million*

	Particulars	Figures for the	Figures for the	Figures for the	Figures for the	Figures for the
		current reporting period - 31-Mar-19 (Audited)	previous reporting period - 31-Mar-18 (Audited)	Current Quarter - 31-Mar-19 (Audited)	Corresponding Quarter - 31-Mar-18 (Audited)	previous Quarter - 31-Dec-18 (Audited)
I	Revenue From operations	977.50	801.51	280.28	256.78	239.50
II	Other Income	548.54	88.33	190.42	57.13	6.30
III	Total Income (I+II)	1,526.04	889.84	470.70	313.91	245.80
IV	EXPENSES					
	Production expenses	26.24	33.00	7.70	5.50	6.59
	Purchases of Stock-in-Trade	-	-	-	-	-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	-	-	-	-	-
	Employee benefits expense	522.83	511.82	128.18	135.89	137.47
	Finance costs	467.56	866.52	126.26	127.51	112.66
	Depreciation and amortization expenses	745.93	646.92	392.44	338.79	126.84
	Other expenses	433.02	381.83	108.32	95.21	122.50
	Expenses transferred to Capital account	(304.25)	(377.82)	(80.72)	(215.51)	(73.67)
	Total expenses (IV)	1,891.33	2,062.27	682.18	487.39	432.39
V	Profit/(loss) before exceptional items and tax (I-IV)	(365.29)	(1,172.43)	(211.48)	(173.48)	(186.59)
VI	Exceptional Items	(302.15)	803.90	(129.81)	176.75	32.08
VII	Profit/ (loss) after exceptions items and before tax(V-VI)	(667.44)	(368.53)	(341.29)	3.27	(154.51)
VIII	Tax expense:					
	(1) Current tax	(11.76)	(188.17)	(11.76)	(188.17)	-
	(2) MAT Credit Entitlement	-	(17.84)	-	(17.84)	-
	(3) Deferred tax	44.98	(14.13)	8.79	(18.49)	(22.88)
	Profit (Loss) for the period from continuing operations (VII-VIII)	(634.22)	(148.39)	(344.26)	227.77	(177.39)
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)	(634.22)	(148.39)	(344.26)	227.77	(177.39)
XIV	Other Comprehensive Income					
	A. (i) Items that will not be reclassified to profit or loss	5.69	12.44	0.77	15.13	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	2.00	5.33	0.27	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 )	(626.53)	(130.62)	(343.22)	248.23	(177.39)
XVI	Earnings per equity share (for continuing operation):					
	(1) Basic	(8.00)	(1.87)	(4.34)	2.87	(2.24)
	(2) Diluted	(8.00)	(1.87)	(4.34)	2.87	(2.24)
XVII	Earnings per equity share (for discontinued operation):					
	(1) Basic	-	-	-	-	-
	(2) Diluted	-	-	-	-	-
XVIII	Earning per equity share (for discontinued & continuing operation)					
	(1)Basic	(8.00)	(1.87)	(4.34)	2.87	(2.24)
	(2) Diluted	(8.00)	(1.87)	(4.34)	2.87	(2.24)

Place: Hyderabad  
Date: 07.06.2019

S. Sundar  
Director  
DIN: 00396677





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

**Consolidated Statement of Assets and Liabilities as at 31st March 2019**

(Rs in million)

	Particulars	As at 31st Mar 2019	As at 31 March 2018
		(Audited)	(Audited)
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	47.80	106.81
	(b) Capital work-in-progress	2.28	1.17
	(c) Investment Property		
	(d) Goodwill		
	(e) Other Intangible assets	3,362.04	2,353.01
1	(f) Intangible assets under development	2,857.27	4,279.28
	(g) Biological Assets other than bearer plants		
	(h) Financial Assets	44.27	42.99
	(i) Investments	-	-
	(ii) Trade receivables		
	(iii) Loans		
	(i) Deferred tax assets (net)	900.87	857.90
	(j) Other non-current assets	16.71	18.62
	<b>Current assets</b>		
	(a) Inventories		
	(b) Financial Assets		
	(i) Investments		
	(ii) Trade receivables	198.04	307.94
2	(iii) Cash and cash equivalents	0.08	0.24
	(iv) Bank balances other than (iii) above	38.85	117.95
	(v) Loans		
	(vi) Others		
	(c) Current Tax Assets (Net)		
	(d) Other current assets	343.56	438.49
	<b>Total Assets</b>	<b>7,811.77</b>	<b>8,524.40</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity Share capital	792.83	792.83
	(b) Other Equity	298.74	276.52
	<b>LIABILITIES</b>		
	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	3,720.92	5,172.22
1	(ii) Trade payables	-	-
	(iii) Other financial liabilities (other than those specified in item (b), to be specified)	-	-
	(b) Provisions	99.15	97.85
	(c) Deferred tax liabilities (Net)	-	-
	(d) Other non-current liabilities		
	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	876.81	958.01
	(ii) Trade payables	89.07	106.41
2	(iii) Other financial liabilities (other than those specified in item (c))	-	-
	(b) Other current liabilities	1,828.21	1,008.94
	(c) Provisions	106.04	109.82
	(d) Current Tax Liabilities (Net)	-	1.80
	<b>Total Equity and Liabilities</b>	<b>7,811.77</b>	<b>8,524.40</b>

Place: Hyderabad  
Date: 07.06.2019

S. Sundar  
Director  
DIN: 00396677



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

- 1) The Consolidated financial results for the quarter and year ended March 31, 2019 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on June 7, 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) 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 341 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 / year 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. 3,362 Mn. To support the carrying value of these intangible assets as at March 31, 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 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. 3,362 Mn as at March 31, 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.
- 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.





**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 reporting period 31-Mar-19	Figures for the previous reporting period 31-Mar-18	Figures for the current Quarter ended 31-Mar-19	Figures for the Corresponding quarter ended 31-Mar-18	Figures for the Previous Quarter ended 31-Dec-18
	(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Segment Revenue</b>					
Animation	553.19	615.81	121.00	176.04	134.79
Distribution	424.32	185.69	159.28	80.74	104.71
<b>Total</b>	<b>977.51</b>	<b>801.50</b>	<b>280.28</b>	<b>256.78</b>	<b>239.50</b>
Less: Inter Segment Revenue	-	-	-	-	-
<b>Net Income from Operations</b>	<b>977.51</b>	<b>801.50</b>	<b>280.28</b>	<b>256.78</b>	<b>239.50</b>
<b>Segment Results -Profit/(Loss)</b>					
Animation	(13.83)	80.44	(57.05)	193.93	4.56
Distribution	242.07	(475.66)	354.00	(818.00)	(44.42)
Unallocated	(428.12)	893.21	(511.98)	754.85	(1.99)
<b>Segment Results before Interest and Finance Expense and Tax Expenses</b>	<b>(199.88)</b>	<b>497.99</b>	<b>(215.03)</b>	<b>130.78</b>	<b>(41.85)</b>
Interest and Finance Expense	467.56	866.52	126.26	127.51	112.66
<b>Profit / (Loss) before tax</b>	<b>(667.44)</b>	<b>(368.53)</b>	<b>(341.29)</b>	<b>3.27</b>	<b>(154.51)</b>
<b>Segment Assets</b>					
Animation	1,294.77	2,842.37	1,294.77	2,842.37	1,325.77
Distribution	6,334.67	4,988.78	6,334.67	4,988.78	6,706.45
Unallocated	182.33	693.25	182.33	693.25	157.37
<b>Total</b>	<b>7,811.77</b>	<b>8,524.40</b>	<b>7,811.77</b>	<b>8,524.40</b>	<b>8,189.59</b>
<b>Segment Liabilities</b>					
Animation	2,772.92	3,262.88	2,772.92	3,262.88	1,941.05
Distribution	78.42	118.55	78.42	118.55	4,765.45
Unallocated	3,868.86	4,073.62	3,868.86	4,073.62	58.85
<b>Total</b>	<b>6,720.20</b>	<b>7,455.05</b>	<b>6,720.20</b>	<b>7,455.05</b>	<b>6,765.35</b>



### **Auditor's Report On Quarterly Consolidated Financial Results and Consolidated Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

#### **To the Board of Directors of DQ Entertainment (International) Limited**

1. We have audited the accompanying Statement of Consolidated Financial Results of DQ Entertainment (International) Limited (the 'Company') and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its joint venture for the year ended March 31, 2019 (the 'Statement') , being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. The statement, as it relates to the quarter ended March 31, 2019, are the balancing figures between audited consolidated figures in respect of the full financial year and the published consolidated year to date figures up to the end of the third quarter of the financial year, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'). The Statements also relates to the year ended March 31, 2019, has been prepared on the basis of the related consolidated financial statements for the year ended March 31, 2019, prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This Statement is the responsibility of the Company's Management and is approved by the Board of Directors. Our responsibility is to express an opinion on the Statement based on our audit of consolidated financial statements for the year ended March 31, 2019 and our review of consolidated financial results for the nine months period ended December 31, 2018.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act . Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Statement that give a fair presentation view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Statement.

4. We did not audit the financial statements of one joint venture, whose financial statements reflect total assets of Rs.185,100 as at March 31, 2019 (year to date), total revenues of Nil as at March 31,2019 (year to date), as considered in the Statement. The Statement also include the Group's share of net profit of Rs. 55,525 for the year ended 31st March, 2019, as considered in the Statement, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and we have relied on unaudited financial statements approved by such management.



## Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - i. includes the financial results of the entities:
    - ii. DQ Entertainment (Ireland) Limited (Subsidiary)
    - iii. DQ Entertainment (International) Films Limited (Joint Venture)
  - ii. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
  - iii. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net loss, total comprehensive income and other financial information of the Group for the year ended March 31, 2019.
6. We draw attention to the following matters in the Notes to the accompanying Statement
  - i. Note 9 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.

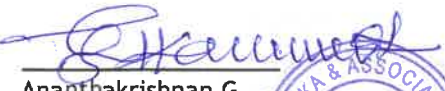
Our opinion is not qualified in respect of these matters.

## Material Uncertainty Related to Going Concern

7. We draw attention to Note 10 to the financial statements, which indicates that the Company has incurred loss during the year ended March 31, 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



Place: Hyderabad  
Date: 07<sup>th</sup> June 2019



## **DQ ENTERTAINMENT (INTERNATIONAL) LIMITED**

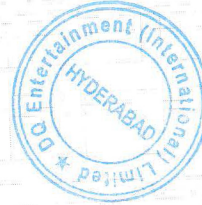
644, Aurora colony, Road No.3, Banjara Hills, Hyderabad - 500 034. INDIA  
Tel: +91-40-23553726 & 27 Fax:+91-40-23552594  
CIN: L92113TG2007PLC053585

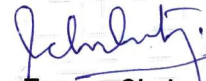
### **DECLARATION**

I, Tapaas Chakravarti, CMD & CEO of DQ Entertainment (International) Limited (BSE code: 533176, NSE code: DQE) do hereby declare that pursuant to the provisions of Reg. 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the audit report on the Audited Financial Results for the Financial Year ended 31<sup>st</sup> March 2019 does not contain any modified opinion by the Statutory Auditors of the Company.

For DQ Entertainment (International) Limited

Place: Hyderabad  
Date: 07<sup>th</sup> June, 2019



  
Tapaas Chakravarti  
CMD & CEO



## **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

### **DQ Entertainment (International) Limited Earnings Release – March, 2019**

DQ Entertainment (International) Limited, a leading animation, gaming, production and distribution company, today announces its Audited financial results for the period ended March 31, 2019.

#### **Consolidated financial highlights for the year ended 31<sup>st</sup> March 2019.**

- Total Income was INR 1526.04 Mn, compared to INR 889.84 Mn over the same period last year
- EBIDTA was INR 848.20 Mn as compared to INR 341.01 Mn over the same period last year.

#### **BUSINESS UPDATE:**

##### **Animation:**

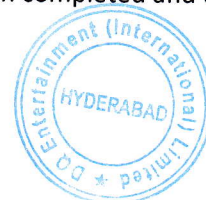
Our Company is an independent children's entertainment production studio owing iconic brands namely Jungle Book, Peter Pan, Robin Hood, The Psammy Show and more. Currently, the followings IPs are in production:

- The third season of our flagship property, **The Jungle Book** TV series comprising of 52 episodes of 11 minutes have been delivered to the broadcasters.
- **Robin Hood – Season 2 TV series** comprising of 52 episodes of 11 minutes each, have been delivered. The production for the third season is expected to commence from the 3<sup>rd</sup> quarter of 2019-20
- 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:

- **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** .
- **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 with Netflix for other seasons and countries have been closed.
- **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.

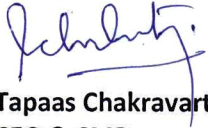




**Our Commitment:**

"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**

