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 14, 2018

The Manager (Listing) Department of Corporate Services BSE Limited P J Towers, Dalal Street, Mumbai — 400 001. Company Code: 533176 (BSE)	The Manager (Listing), National Stock Exchange of India Limited, "Exchange Plaza" Bandra - Kurla Complex Mumbai- 400 051. Company Code: DQE (NSE)

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on February 14, 2018

Kindly note that the Board of Directors of the Company at their meeting held on February 14, 2018 have, *interalia*, approved the Un-audited financial results (Standalone & consolidated) for the quarter and nine-months ended December 31, 2017.

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 quarter ended December 31, 2017 is also enclosed herewith.

The meeting commenced at 2.00 pm and concluded at 4.00 p.m.

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

Thanking you

Yours truly
For DQ Entertainment (International) Limited

DQ Entertainment (International) Limited Hyderabad

Annie Jodhani
Company Secretary

DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

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Unaudited Standalone Statement of Profit and Loss for the Quarter and Nine months ended 31 December 2017

Rs in million

	Particulars	Nine months ended		Quarter ended		
		31.12.2017	31.12.2016	31.12.2017	31.12.2016	30.09.2017
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
I	Revenue From operations	598.91	612.17	145.66	196.50	238.85
II	Other Income	30.08	9.39	25.97	2.38	1.73
III	Total Income (I+II)	628.99	621.56	171.63	198.88	240.58
IV	EXPENSES					
	Production expenses	26.96	37.56	13.01	10.71	7.11
	Purchases of Stock-in-Trade	-		-	-	-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	-		-	-	-
	Employee benefits expense	372.88	345.83	126.40	117.87	115.26
	Finance costs	150.46	120.90	49.89	43.73	52.10
	Depreciation and amortization expenses	114.91	147.84	38.43	45.64	38.41
	Other expenses	239.34	218.99	78.60	68.77	76.80
	Total expenses (IV)	904.55	871.12	306.33	286.72	289.68
V	Profit/(loss) before exceptional items and tax (I-IV)	(275.56)	(249.56)	(134.70)	(87.84)	(49.10)
VI	Exceptional Items	13.43	38.34	(36.95)	19.94	28.18
VII	Profit/ (loss) after exceptions items and before tax(V-VI)	(262.13)	(211.22)	(171.65)	(67.90)	(20.92)
VIII	Tax expense:					
	(1) Current tax	-	24.69			

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1) The un audited standalone financial results for the period ended December 31, 2017 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on February 14, 2018.

2) The Company has adopted the Indian Accounting Standards (Ind AS) from April 1 , 2017 and these financials have 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. The date of transition to Ind AS is April 1, 2016. The impact of transition has been accounted for in opening reserves and the comparative period results have been restated accordingly. The Ind-AS compliant figures for the quarter ended 31st December 2016 are not subjected to limited review or audit in line with SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view. Also as per 2.6 and 2.7 of SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016, the Company is not required to submit year ended 31st March 2017 comparatives.

3) The company has opted to avail the relaxation provided by SEBI in respect of disclosure requirements for corresponding figures of earlier periods and accordingly the figures for the year ended March 31, 2017 have not been presented.

4) The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Reconciliation of Net Profit/(Loss)	Period ended 31-Dec-16	Quarter ended 31-Dec-16
Net (loss)/profit as per Indian GAAP	(196.18)	(68.75)
GAAP Adjustments		
Add:		
Rent Equalization Reserve	0.43	0.02
Re-measurement gains/ (losses) on defined benefit plans	2.49	0.83
Less:		
Amortisation loan processing charges	(0.26)	-
Employee Retirement Benefit expens[illegible]e-classified i[illegible]		

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Standalone Segment Revenue and Results

(Rs in million)

Particulars	Nine months ended		Quarter ended	
	31.12.2017	31.12.2016		

MSKA
& Associates
Chartered Accountants

Manbhum Jade Towers,
II Floor, 6-3-1090/A/12 & 13,
Somajiguda, Hyderabad 500 082, INDIA
Tel: +91 40 3024 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 2017 and the year to-date results for the period April to December 2017 ('the Statement'), 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 (Listing Regulations). Attention is drawn to the fact that the figures for the corresponding quarter ended 31st December 2016 and the corresponding year-to-date from April to December 2016, including the reconciliation of profit/ loss under Indian Accounting

DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

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Unaudited Consolidated Statement of Profit and Loss for the Quarter and Nine months ended 31 December 2017

Rs. in million

	Particulars	Nine months ended		Quarter ended		
		31.12.2017 (Unaudited)	31.12.2016 (Unaudited)	31.12.2017 (Unaudited)	31.12.2016 (Unaudited)	30.09.2017 (Unaudited)
I	Revenue From operations	544.73	728.30	176.18	203.95	188.45
II	Other Income	31.20	7.01	29.70	1.19	0.44
III	Total Income (I+II)	575.93	735.31	205.88	205.14	188.89
IV	EXPENSES			-		
	Production expenses	27.50	52.37	13.56	11.90	5.36
	Purchases of Stock-in-Trade	-	-	-	-	-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	-	-	-	-	-
	Employee benefits expense	375.93	348.72	127.45	118.87	116.29
	Finance costs	739.01	424.24	274.20	148.64	288.04
	Depreciation and amortization expenses	308.13	261.19	104.51	82.82	104.29
	Other expenses	286.62	285.46	90.88	89.00	91.68
	Expenses transferred to Capital account	(162.31)	(33.26)	(75.75)	(16.44)	(51.13)
	Total expenses (IV)	1,574.88	1,338.72	534.85	434.79	554.53
V	Profit/(loss) before exceptional items and tax (I-IV)	(998.95)	(603.41)	(328.97)	(229.65)	(365.64)
VI	Exceptional Items	627.15	(308.33)			
VII	Profit/ (loss) after exceptions items and before tax (V-VI)					

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1) The un audited consolidated financial results for the nine months ended December 31, 2017 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on February 14, 2018.

2) The Group has adopted the Indian Accounting Standards (Ind AS) from April 1 , 2017 and these financials have 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. The date of transition to Ind AS is April 1, 2016. The impact of transition has been accounted for in opening reserves and the comparative period results have been restated accordingly. The Ind-AS compliant figures for the quarter ended 31st December 2016 are not subjected to limited review or audit in line with SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view. Also as per 2.6 and 2.7 of SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016, the Company is not required to submit year ended 31st March 2017 comparatives. The company has opted to avail the relaxation granted in respect of disclosure requirements for

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Consolidated Segment Revenue and Results

(Rs in million)

Particulars	Nine months ended		Quarter ended		
	31.12.2017	31.12.2016	31.12.2017	31.12.2016	30.09.2017
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Segment Revenue					

MSKA
& Associates
Chartered Accountants

Manbhum Jade Towers,
II Floor, 6-3-1090/A/12 & 13,
Somajiguda, Hyderabad 500 082, INDIA
Tel: +91 40 3024 2999

Consolidated Limited Review Report

Review Report to
The Board of Directors
DQ Entertainment (Interna[redacted]nal) Limited

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DQ Entertainment (International) Limited
Un-Audited Financial Results for the quarter ended 31st December, 2017

DQ Entertainment (International) Limited, a leading animation, gaming, production and distribution company, today announces its un-audited results for the quarter ended December 31, 2017.

Consolidated financial highlights for the quarter ended 31st December 2017.

- Income from operations was INR 176.18 Mn, compared to INR 203.95 Mn over the same period last year
- EBIDTA was INR 49.74 Mn as compared to INR 1.81 Mn over the same period last year.

Business Update:

Slowly and steadily the business divisions of Animation, Licensing & Distribution and Digital Media is improving and the impact of the same will be visible from the 4th quarter of this financial year.

The Company has a good order book of production projects. Apart from our 3 own IP projects currently, the following TV series are in production

Miles from tomorrow land - Season II & III,
Puppy Dog Tales - Season 2
Mickey Mouse and the Roadster Racers (MRR),- Season II.
Miraculous Lady Bug – Season III
Super 4 – Season 2
ZakStorm – Season 1

The following projects will commence productions in the next couple of months:

7D & Me Season 2
Power Players – Season 1
Pio the Chick TV series – Season 1
Doc McStuffins- Season 5

Licensing and Distribution:

Our IP's , **Jungle Book – Season III, Robinhood- Season II and The Psammy show** (earlier known as 5 & It) are in production and the first milestone deliveries will begin from March onwards. The Company will get the inflows based on milestone deliveries from the contracts already executed for all these three projects.

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Our first Digital 90 Min movie, "**Peterpan – The quest for Never Book**" has been completed and is very well received by global distributors. The Company has signed and sealed with seven distributors for the Middle East & North African Countries, China, Turkey, North America, Latin American Countries, Vietnam and Japan region.

Negotiation with another distributors for Germany, Austria and Switzerland (GAS Territories), and Sri Lanka are in advanced stages of negotiations. Many more deals for the other European territories are expected to get closed at the European Film Market which is currently on going.

All the distributors with whom the deal is being finalized will be paying a Minimum Guarantee (MG) amount which we will be received prior to movie release; the movie is expected to be released worldwide by June/July, 2018. We are confident that Peter Pan Feature Film will surely capture hearts around the world.

Another own new IP "**Toadlly Awesome**" is in development stage and will go into production soon.

DQE's Distribution and licensing division is continuing to negotiate new licensing deals across its library of IPs. Numerous deals were entered into during the period resulting in increased revenue from licensing and distribution.

Broadcast deals concluded during the quarter:

- Spectrum Films for Peter Pan TV Series Season I, Lassie, Iron Man Season II and Casper Season I in Sri Lanka.
- Escalade for Jungle Book Safari in Malaysian region.
- Inter Speed Digital Solutions for Robin Hood Season I & II and Peter Pan Season I & II in the month of December for Bangladesh region.
- TV 5 Monde for Jungle Book I & II for France territory.
- Viacom for Jungle Book Season I, II & III and JB 60 min TV Feature Film for India, Sri Lanka, Nepal, Pakistan, Bangladesh and Maldives.

Tapaas Chakravarti
CMD & CEO